
THIS COMPOSITE DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of the Offers, this Composite Document and/or the accompanying Forms of Acceptance or as to the action to be taken, you should consult a licensed securities dealer or registered institution in securities, a bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Jia Group Holdings Limited you should at once hand this Composite Document together with the accompanying Forms of Acceptance to the purchaser(s) or the transferee(s) or to the bank, licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s). This Composite Document should be read in conjunction with the accompanying Forms of Acceptance, the provisions of which form part of the terms of the Offers contained herein.

The Stock Exchange of Hong Kong Limited and Hong Kong Exchanges and Clearing Limited take no responsibility for the contents of this Composite Document and the accompanying Forms of Acceptance, make no representation as to their 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 Composite Document and the accompanying Forms of Acceptance.

JIA

Central Power Group Limited

中軍集團股份有限公司

(Incorporated in Hong Kong with limited liability)

Jia Group Holdings Limited

佳民集團有限公司

*(Incorporated in the Cayman Islands
with limited liability)*

(Stock Code: 8519)

**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)**

Financial adviser to the Offeror



**Independent Financial Adviser to the Independent Board Committee
Pulun International Capital Limited**

Shareholders and Optionholders should inform themselves of and observe any applicable legal or regulatory requirements. See "Important Notice" on page iv of this Composite Document.

Capitalised terms used in this cover page have the same meaning as those defined in the section headed "Definitions" in this Composite Document. A letter from BOCOM Securities containing, among other things, the details of the terms and conditions of the Offers are set out on pages 9 to 23 of this Composite Document. A letter from the Board is set out on pages 24 to 32 of this Composite Document. A letter from the Independent Board Committee containing its recommendation to the Independent Shareholders and Optionholders in respect of the Offers is set out on pages 33 to 34 of this Composite Document. A letter from the Independent Financial Adviser containing its advice to the Independent Board Committee in respect of the Offers is set out on pages 35 to 65 of this Composite Document.

The procedures for acceptance and settlement of the Offers and other related information of the Offers are set out in Appendix I to this Composite Document and in the accompanying Form(s) of Acceptance. Acceptances of the Offers contained herein should be received by the Registrar (in respect of the Share Offer) or the Company (in respect of the Option Offer), by no later than 4:00 p.m. on Friday, 9 February 2024 or such later time or date as the Offeror may determine and announce, with the consent of the Executive and in accordance with the Takeovers Code.

Any persons including, without limitation, custodians, nominees and trustees, who would, or otherwise intend to, forward this Composite Document and/or the Form(s) of Acceptance to the jurisdiction outside of Hong Kong should read the details in this regard which are contained in "Important Notice" of this Composite Document and the paragraph headed "Overseas Shareholders and Optionholders" in the "Letter from BOCOM Securities" in this Composite Document before taking any action. It is the responsibility of each overseas Shareholder and Optionholder wishing to accept the Offers to satisfy himself, herself or itself as to full observance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents which may be required and the compliance with other necessary formalities or legal requirements.

Overseas Shareholders and Optionholders are advised to seek professional advice on deciding whether to accept the Offers.

This Composite Document will remain on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (<http://www.jiagroup.co>) as long as the Offers remains open.

19 January 2024

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EXPECTED TIMETABLE

The expected timetable set out below is indicative only and may be subject to changes. Any changes to the timetable will be announced by the Offeror and the Company as and when appropriate.

Despatch Date of this Composite Document and the accompanying Forms of Acceptance and commencement date of the Offers (<i>Note 1</i>)	Friday, 19 January 2024
Offers open for acceptance	Friday, 19 January 2024
Latest time for acceptance of the Offers on the Closing Date (<i>Notes 2, 3 and 5</i>)	4:00 p.m. on Friday, 9 February 2024
Closing Date (<i>Notes 2, 3, 5</i>)	Friday, 9 February 2024
Announcement of the results of the Offers (or their extension or revision, if any) as at the Closing Date to be posted on the website of the Stock Exchange (<i>Notes 3 and 5</i>)	By 7:00 p.m. on Friday, 9 February 2024
Latest date for posting of remittances for the amount due in respect of valid acceptances received under the Offers on or before 4:00 p.m. on the Closing Date (<i>Notes 4 and 5</i>)	Thursday, 22 February 2024

Notes:

- (1) The Offers, which are unconditional in all respects, are made on Friday, 19 January 2024, being the date of posting of this Composite Document and are capable of acceptance on and from that date until 4:00 p.m. on the Closing Date. Acceptances of the Offers shall be irrevocable and not capable of being withdrawn, except in the circumstances as set out in the section headed “7. Right of Withdrawal” in Appendix I to this Composite Document.
- (2) Beneficial owners of the Shares who hold their Shares in CCASS directly as an Investor Participant or indirectly via a broker or custodian participant should note the timing requirements (as set out in Appendix I to this Composite Document) for causing instructions to be made to CCASS in accordance with the General Rules of CCASS and CCASS Operational Procedures.
- (3) In accordance with the Takeovers Code, the Offers must initially be opened for acceptance for at least 21 days following the date on which this Composite Document is posted. The latest time and date for acceptance of the Offers is 4:00 p.m. on Friday, 9 February 2024 unless the Offeror revises or extends the Offers in accordance with the Takeovers Code. An announcement will be jointly issued by the Company and the Offeror through the website of the Stock Exchange by 7:00 p.m. on Friday, 9 February 2024 stating whether the Offers have been extended, revised or have expired. In the event that the Offeror decides to revise or extend the Offers and the announcement does not specify the next closing date, at least 14 days’ notice by way of an announcement will be given before the Offers are closed to those Independent Shareholders and Optionholders who have not yet accepted the Offers.
- (4) Remittance in respect of the cash consideration (after deducting the seller’s ad valorem stamp duty in respect of acceptances) payable for the Offer Shares under the Share Offer will be despatched to the accepting Independent Shareholder(s) (to the address specified on the relevant Form(s) of Acceptance) by ordinary post

EXPECTED TIMETABLE

at his/her/its own risk as soon as possible, and remittance in respect of the cash consideration payable for the Share Options will be despatched to the Optionholders by ordinary post at his/her/its own risks as soon as possible, but in any event no later than seven (7) Business Days following date of receipt by the Registrar (in case of the Share Offer) or the Company (in case of the Option Offer) of all the relevant documents to render the acceptance under the Offers complete and valid.

- (5) The latest time and date for acceptance of the Offers and the latest date for posting of remittances for the amounts due under the Offers in respect of valid acceptances will not take effect if there is a tropical cyclone warning signal number 8 or above, or “extreme conditions” caused by super typhoon or a “black” rainstorm warning signal in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on the latest date for acceptance of the Offers and the latest date for posting of remittances for the amounts due under the Offers in respect of valid acceptances. In such cases, the latest time for acceptance of the Offers and the posting of remittances will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force in Hong Kong at any time between 9:00 a.m. and 4:00 p.m.

IMPORTANT NOTICE

NOTICE TO SHAREHOLDERS AND OPTIONHOLDERS OUTSIDE OF HONG KONG

The making of the Offers to persons with a registered address in jurisdictions outside Hong Kong may be prohibited or affected by the laws of the relevant jurisdictions. Overseas Shareholders and Optionholders who are citizens or residents or nationals of jurisdictions outside Hong Kong should inform themselves about and observe any applicable legal and regulatory requirements.

The Offeror intends to make the Offers available to all Independent Shareholders and Optionholders, including those with a registered address in a jurisdiction outside Hong Kong. The availability of the Offers to persons not resident in Hong Kong may be affected by the laws of the relevant overseas jurisdictions. The making of the Offers to persons not resident in Hong Kong may be prohibited or limited by the laws or regulations of the relevant jurisdictions. The overseas Shareholders and overseas Optionholders who are citizens, residents or nationals of a jurisdiction outside Hong Kong should observe any applicable legal or regulatory requirements and, where necessary, seek legal or other professional advice. It is the responsibilities of the overseas Shareholders and overseas Optionholders who are not resident in Hong Kong and wish to accept the Offers to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdictions in connection with the acceptance of the Offers (including the obtaining of any governmental, exchange control or other consent which may be required or the compliance with other necessary formalities and the payment of any transfer or other taxes due by such overseas Shareholders and overseas Optionholders in respect of such jurisdictions).

Any acceptance by the Shareholders and/or the Optionholders and beneficial owners of the Shares and Share Options who are citizens, residents or nationals of a jurisdiction outside Hong Kong will be deemed to constitute a representation and warranty from such persons to the Offeror that the local laws and requirements have been complied with. Shareholders and/or Optionholders who are in doubt as to the action they should take should consult a licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional advisers.

The Offeror Concert Group, the Company, BOCOM Securities, BOCOM (Asia), Pulun International, the Registrar or any of their respective ultimate beneficial owners, directors, officers, agents, advisers and associates and any other person involved in the Offers shall be entitled to be fully indemnified and held harmless by such person for any taxes as such person may be required to pay. Please see the paragraph headed “1.8 Overseas Shareholders and Optionholders” in the “Letter from BOCOM Securities” in this Composite Document.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Composite Document contains forward-looking statements, which may be identified by words such as “believe”, “expect”, “anticipate”, “intend”, “plan”, “seek”, “estimate”, “will”, “would” or words of similar meaning, that involve risks and uncertainties, as well as assumptions. All statements other than statements of historical fact are statements that could be deemed forward-looking statements.

DEFINITIONS

In this Composite Document, unless the context otherwise requires, the following expressions have the following meanings:

DEFINITIONS

“Board”	the board of directors of the Company
“BOCOM (Asia)”	BOCOM International (Asia) Limited, a corporation licensed by the SFC to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, being the financial adviser of the Offeror in connection with the Offers
“BOCOM Securities”	BOCOM International Securities Limited, a corporation licensed by the SFC to carry on Type 1 (dealing in securities), Type 2 (dealing in future contracts), Type 4 (advising on securities) and Type 5 (advising on futures contracts) regulated activities under the SFO, being the agent making the Offers on behalf of the Offeror and BOCOM (Asia)
“Business Day(s)”	a day on which the Stock Exchange is open for the transaction of business and has the meaning ascribed thereto under the Takeovers Code
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Closing Date”	9 February 2024, being the closing date of the Offers or any subsequent closing date of the Offers as may be extended in accordance with the Takeovers Code
“Company”	Jia Group Holdings Limited (佳民集團有限公司) (Stock Code: 8519), an exempted company incorporated in the Cayman Islands with limited liability. The Shares of which are listed on the GEM of the Stock Exchange
“Completion”	completion of the sale and purchase of the Sale Shares under the Share Purchase Agreement
“Completion Announcement”	the joint announcement dated 13 December 2023 issued by the Company in relation to the Completion of the Transaction

DEFINITIONS

“Completion Date”	the date of Completion
“Composite Document”	this composite offer and response document jointly issued by the Offeror and the Company to the Shareholders and the Optionholders in relation to the Offers in accordance with the Takeovers Code containing, among other things, details of the Offers (accompanied by the Form(s) of Acceptance), the letter of recommendation from the Independent Board Committee and the letter of advice from the Independent Financial Adviser
“Consideration”	the consideration for the Sale Shares pursuant to the Share Purchase Agreement, being HK\$54,476,752 in aggregate
“Controlling Shareholder(s)”	has the meaning ascribed thereto under the GEM Listing Rules
“Controlling Stake Disposal Group”	the Ex-Controlling Shareholders and the Ex-Second Largest Shareholder, collectively held approximately 51.07% of the total issued share capital of the Company immediately before Completion
“Despatch Date”	19 January 2024
“Director(s)”	director(s) of the Company
“EGM”	the extraordinary general meeting to be held by the Company for the purpose of considering and approving the Proposed Change of Company Name
“Ex-Controlling Shareholder(s)”	refers to Giant Mind International Limited (being Selling Shareholder 1), which is in turn wholly-owned by Selling Shareholder 3, Mr. Lo Yeung Kit, Alan (being Selling Shareholder 2), and Miss Wong Pui Yain (being Selling Shareholder 3), collectively held approximately 46.65% of the total issued share capital of the Company immediately before Completion
“Ex-Second Largest Shareholder”	means Selling Shareholder 4, which held 51,280,000 Shares immediately before Completion, representing approximately 4.42% of the total issued share capital of the Company as at the Latest Practicable Date

DEFINITIONS

“Executive”	the executive director of the Corporate Finance Division of the SFC from time to time and any delegate of such executive director
“Form(s) of Acceptance”	the WHITE form(s) of acceptance and the PINK form(s) of acceptance in respect of the Share Offer and the Option Offer respectively, “Form of Acceptance” means either of them
“Founding Shareholder(s)”	Selling Shareholder 5, Selling Shareholder 6, Selling Shareholder 7, Selling Shareholder 8, Selling Shareholder 9 and Selling Shareholder 10, each being the founding shareholder of the Company before the trading of the Shares in 2018 and they in aggregate held 109,694,000 Shares immediately before Completion, representing approximately 9.46% of the total issued share capital of the Company as at the Latest Practicable Date
“GEM”	GEM operated by the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“HKSCC”	Hong Kong Securities Clearing Company Limited
“HKSCC Nominees Limited”	a wholly-owned subsidiary of HKSCC
“Independent Board Committee”	the independent board committee of the Board established pursuant to the Takeovers Code comprising those Directors as identified in the paragraph headed “ <i>Independent Board Committee and Independent Financial Adviser</i> ” in the “Letter from the Board” in this Composite Document and formed for the purpose of advising the Independent Shareholders and the Optionholders in respect of the Offers
“Independent Financial Adviser” or “Pulun International”	Pulun International Capital Limited (formerly known as Titan Financial Services Limited), a corporation licensed to carry out Type 6 (advising on corporate finance) regulated activities under the SFO, being the independent financial adviser to the Independent Board Committee in respect of the Offers

DEFINITIONS

“Independent Shareholders”	Shareholders other than the Offeror Concert Group
“Investor Participant(s)”	person(s) admitted to participate in CCASS as investor participants
“Joint Announcement”	the joint announcement dated 7 December 2023 jointly issued by the Offeror and the Company in relation to, among other things, the Share Purchase Agreement and the Offers
“Last Trading Day”	4 December 2023, being the last trading day immediately before the publication of the Joint Announcement
“Latest Practicable Date”	16 January 2024, being the latest practicable date prior to the printing of this Composite Document for ascertaining certain information contained herein
“Offers”	the Share Offer and the Option Offer
“Offer Period”	the period commencing from 7 December 2023 being the date of the Joint Announcement and up to and including the Closing Date
“Offer Shares”	all Shares that are not owned or agreed to be acquired by the Offeror, “Offer Share” means any of them
“Offeror”	Central Power Group Limited (中軍集團股份有限公司), a company incorporated in Hong Kong with limited liability, and it is 51% owned by Mr. Peng Ben, and 49% owned by Mr. Zhao Hong
“Offeror Concert Group”	the Offeror, Mr. Peng Ben, Mr. Zhao Hong and parties acting in concert with any of them
“Option Offer”	the unconditional mandatory cash offer to be made by BOCOM Securities on behalf of the Offeror and BOCOM (Asia) to cancel all the outstanding Share Options on the terms and conditions set out in this Composite Document and in compliance with the Takeovers Code
“Option Offer Price”	being HK\$0.0001
“Optionholder(s)”	holder(s) of the Share Option(s)

DEFINITIONS

“PRC”	the People’s Republic of China but excluding Hong Kong, Taiwan and the Macau Special Administrative Region of the People’s Republic of China
“Proposed Change of Company Name”	the proposal by the Board to change the English name of the Company from “Jia Group Holdings Limited” to “XinXiang Era Group Company Limited” and the Chinese name of the Company from “佳民集團有限公司” to “新享時代集團有限公司”
“Proposed Directors”	the proposed directors to be nominated by the Offeror, details of which are set out in “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
“Registrar”	Tricor Investor Services Limited, the Hong Kong branch share registrar and transfer office of the Company, with its address at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong
“Relevant Period”	the period from 7 June 2023, being the date falling six months preceding the date of the Joint Announcement, being the commencement of the Offer Period, and up to and including the Latest Practicable Date
“Sale Share(s)”	being 702,020,000 Shares
“Selling Shareholder 1”	Giant Mind International Limited, a company incorporated in the BVI with limited liability, solely-owned by Miss Wong Pui Yain (黃佩茵女士), an Ex-Controlling Shareholder of the Company
“Selling Shareholder 2”	Mr. Lo Yeung Kit, Alan (羅揚傑先生), the spouse of Selling Shareholder 3 and an Ex-Controlling Shareholder of the Company
“Selling Shareholder 3”	Miss Wong Pui Yain (黃佩茵女士), being the chairlady, chief executive officer, executive Director and an Ex-Controlling Shareholder of the Company
“Selling Shareholder 4”	Mr. Ko Kin Hang (高健行先生), the largest shareholder other than the Ex-Controlling Shareholders of the Company immediately before Completion

DEFINITIONS

“Selling Shareholder 5”	Yellow Remnant Limited, being a company incorporated in Hong Kong with limited liability, is owned as to approximately 50% and 50% by Mr. Neri Lyndon Uykim and Ms. Hu Ju-Shan, respectively, as at the Latest Practicable Date
“Selling Shareholder 6”	J C Tapas Bar Pte. Ltd., a company incorporated in Singapore with limited liability and is owned as to approximately 80% and 20% by Unlisted Collection Pte. Ltd. and Mr. Wilson Michael Joseph, respectively. As at the Latest Practicable Date, Unlisted Collection Pte. Ltd. is owned as to approximately 57.12%, 19.62%, 15.26% and 8.00% by K.M.C. Holdings Pte Ltd, Ms. Khoo Bee Geok Mavis, Mr. Eu Yee Kwong Geoffrey and Mr. Goh Thiam Huat, respectively; and K.M.C. Holdings Pte Ltd, is in turn owned as to approximately 50% and 50% by Mr. Loh Hung Soo and Ms. Chan Pek Har, respectively
“Selling Shareholder 7”	Mr. Sun Tao Hung Stanley (孫道弘先生)
“Selling Shareholder 8”	Ms. Loi Yan Yi
“Selling Shareholder 9”	KaKa International Holdings Limited (嘉嘉國際集團有限公司), a company incorporated in Hong Kong with limited liability, is owned as to approximately 99% and 1% by Ms. Wong Ka Ka and Ms. Wong Ka Po, respectively as at the Latest Practicable Date
“Selling Shareholder 10”	Mr. Hong Ching Seng
“Selling Shareholders”	the Ex-Controlling Shareholders, the Ex-Second Largest Shareholder and the Founding Shareholders
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.01 each in the issued capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)

DEFINITIONS

“Share Offer”	the unconditional mandatory cash offer to be made by BOCOM Securities on behalf of the Offeror and BOCOM (Asia) to acquire the Offer Shares on the terms and conditions set out in this Composite Document and in compliance with the Takeovers Code
“Share Offer Price”	being HK\$0.0776
“Share Option(s)”	the share option(s) granted under the Share Option Scheme
“Share Option Scheme”	the share option scheme adopted by the Company on 7 February 2018, for further details in relation to the scheme, please refer to the announcements of the Company dated 19 January 2022 and 11 January 2021, the interim report of the Company dated 14 August 2023, the annual report of the Company dated 30 March 2023, and the paragraph headed “D. Share Option Scheme” in Appendix V of the prospectus of the Company dated 29 January 2018
“Share Purchase Agreement”	the Share Purchase Agreement entered into between the Offeror and the Selling Shareholders on 4 December 2023 in relation to the Transaction
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Surrendered Options”	2,400,000 outstanding Share Options which were surrendered and cancelled upon Completion and before the making of the Option Offer (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 Miss Wong Pui Yain immediately before Completion), which will not be subject to the Option Offer
“Takeovers Code”	the Code on Takeovers and Mergers in Hong Kong
“Transaction”	the transactions contemplated under the Share Purchase Agreement
“%”	per cent

DEFINITIONS

Notes:

1. Certain English translations of Chinese names or words (including those marked with asterisk throughout this Composite Document) or Chinese translations of English names or words in this Composite Document are included for information and identification purposes only and should not be regarded as the official English translation of such Chinese names or words or official Chinese translation of such English names or words, respectively.
2. Certain amounts and percentage figures in this Composite Document have been subject to rounding adjustments.
3. The singular includes the plural and vice versa, unless the context otherwise requires.
4. References to any Appendix, paragraph and any sub-paragraphs of them are references to the Appendices to, and paragraphs of, this Composite Document and any sub-paragraphs of them respectively.
5. References to any statute or statutory provision include a statute or statutory provision which amends, consolidates or replaces the same whether before or after the date of this Composite Document.
6. Reference to one gender is a reference to all or any genders.
7. * is for identification purpose only

LETTER FROM BOCOM SECURITIES



BOCOM International Securities Limited
15/F Man Yee Building
68 Des Voeux Road Central
Hong Kong

19 January 2024

To the Independent Shareholders and the Optionholders,

Dear Sir or Madam,

**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, Miss 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 (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 Miss Wong Pui Yain) at nil consideration for cancellation by the Company upon Completion and before the making of the Option Offer.

LETTER FROM BOCOM SECURITIES

As set out in the Completion Announcement, on 13 December 2023, the Company was notified by the chairlady of the Board, Miss Wong Pui Yain that the Completion had taken place on even date, and 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. Upon Completion, the Offeror became 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 (excluding the Surrendered Options which were cancelled by the Company upon Completion and before the making the Option Offer pursuant to the Share Purchase Agreement) pursuant to Rule 13 of the Takeovers Code.

This letter forms part of this Composite Document and sets out, among other things, details of the Offers, information on the Offeror, and the Offeror's intentions in relation to the Company. Further details on the terms and the procedures for acceptances of the Offers are set out in Appendix I to this Composite Document and the accompanying Forms of Acceptance. Terms used in this letter shall have the same meanings as those defined in this Composite Document unless the context otherwise requires.

The Independent Shareholders and Optionholders are strongly advised to consider carefully the information contained in the "Letter from the Board", the "Letter from the Independent Board Committee" and the "Letter from the Independent Financial Adviser" as set out in this Composite Document and to consult their professional advisers if in doubt before reaching a decision as to whether or not to accept the Share Offer.

1. MANDATORY UNCONDITIONAL CASH OFFERS

1.1 Principal terms of the Offers

The Share Offer

As at the Latest Practicable Date, there were 1,159,780,000 Shares in issue. Save for the 702,020,000 Shares already owned by the Offeror and assuming there is no change of issued share capital of the Company from the Latest Practicable Date and up to the Closing Date, 457,760,000 Shares are subject to the Share Offer.

We, for and on behalf of the Offeror and BOCOM (Asia), are making the Share Offer in compliance with the Takeovers Code, on the following basis:

For each Offer Share HK\$0.0776 in cash

LETTER FROM BOCOM SECURITIES

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 an 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.

We, for and on behalf of the Offeror and BOCOM (Asia), are making the Option Offer to the Optionholders (whether their respective Share Options vested or not) to cancel all outstanding Share Options in accordance with Rule 13 of the Takeovers Code. Under the Option Offer, we, 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 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 Share Option with an exercise price of:

HK\$0.10 (6,050,000 Share Options in total) HK\$0.0001 in cash

The Option Offer is extended to all Optionholders (whether their respective Share Options vested or not) who holds the 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 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.

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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 received or any other conditions.

1.2 Share Offer Price and Comparison of Value

The Share Offer Price of HK\$0.0776 per Share represents:

- (i) a discount of approximately 22.4% to the closing price of HK\$0.1 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (ii) a premium of approximately 14.1% over the closing price of HK\$0.068 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (iii) a premium of approximately 12.8% over the average closing price of approximately HK\$0.0688 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to and including the Last Trading Day;
- (iv) a premium of approximately 6.7% over the average closing price of approximately HK\$0.0727 per Share as quoted on the Stock Exchange for the last 10 consecutive trading days immediately prior to and including the Last Trading Day;
- (v) a premium of approximately 22.2% over the average closing price of approximately HK\$0.0635 per Share as quoted on the Stock Exchange for the last 30 consecutive trading days immediately prior to and including the Last Trading Day;
- (vi) a premium of approximately 54.6% over the average closing price of approximately HK\$0.0502 per Share as quoted on the Stock Exchange for the last 90 consecutive trading days immediately prior to and including the Last Trading Day;
- (vii) a premium of approximately 3,235.8% over the audited consolidated net asset value per Share attributable to owners of the Company of approximately HK\$0.0023263 per Share as at 31 December 2022, based on a total of 1,159,780,000 Shares in issue as at the Latest Practicable Date and the audited consolidated net assets value attributable to owners of the Company of approximately HK\$2.7 million as at 31 December 2022; and

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- (viii) a premium of approximately 1,180.6% over the unaudited consolidated net asset value per Share attributable to owners of the Company of approximately HK\$0.0060598 per Share as at 30 June 2023, based on a total of 1,159,780,000 Shares in issue as at the Latest Practicable Date and the unaudited consolidated net asset value attributable to owners of the Company of approximately HK\$7 million as at 30 June 2023.

1.3 Highest and lowest prices

During the Relevant Period, the highest and lowest closing prices of the Shares as quoted on the Stock Exchange were HK\$0.15 per Share (on 22 December 2023) and HK\$0.034 per Share (on 3 October 2023, 5 October 2023, 6 October 2023 and 9 October 2023), respectively.

1.4 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 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.

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1.5 Financial resources available to the Offeror

The maximum cash amount to be paid to the Independent Shareholders in respect of acceptances under the Offers is approximately HK\$35,991,656. The Offers will be funded by internal resources of the Offeror.

BOCOM (Asia), the financial adviser to the Offeror in respect of the Offers, is satisfied that sufficient financial resources are available to the Offeror to satisfy the amount of funds required for the full acceptances of the Offers.

1.6 Effect of Accepting the Offers

Provided that valid acceptance forms and the relevant certificate(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) are complete and have been received by the Registrar, the Independent Shareholders will sell their tendered Shares to the Offeror free from all encumbrances and together with all rights attaching to them, including, without limitation, the rights to receive in full all dividends and other distributions, if any, recommended, declared, made or paid by reference to a record date on or after the date on which the Share Offer is made, that is, the date of despatch of this Composite Document. The Company confirms that as at the Latest Practicable Date, (a) it has not declared any dividend which is outstanding and not yet paid; and (b) it does not have any intention to make, declare or pay any future dividend or make other distributions or any return of capital prior to and including the Closing Date.

Acceptance of the Share Offer by any Shareholder will be deemed to constitute a warranty by such person that all Shares sold by such person under the Share Offer are free from all encumbrances and any other third party rights of any nature and together with all rights accruing or attaching to them, including, without limitation, the right to receive all dividends and distributions which may be recommended, declared, made or paid, if any, at any time on or after the date on which the Share Offer is made, being the date on which this Composite Document is posted.

Acceptances of the Option Offer by Optionholders will result in the cancellation of those outstanding Share Options, together with all rights attaching thereto. 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.

Acceptances of the Offers will be irrevocable and not capable of being withdrawn, except as permitted under the Takeovers Code.

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1.7 Payment

Payment in cash in respect of acceptances of the Offers will be made as soon as possible but in any event no later than seven (7) Business Days following the date on which the duly completed Form(s) of Acceptance and the relevant documents of title of the Offer Shares or the Share Options (as the case may be) in respect of such acceptance are received by the Offeror to render such acceptance complete and valid pursuant to Rule 20.1 and Note 1 to Rule 30.2 of the Takeovers Code.

No fractions of a cent will be payable and the amount of the consideration payable to an Independent Shareholder or Optionholder who accepts the Offers will be rounded up to the nearest cent.

1.8 Overseas Shareholders and Optionholders

The Offeror intends to make the Offers available to all Independent Shareholders and Optionholders, including those with a registered address in a jurisdiction outside Hong Kong. The availability of the Offers to persons not resident in Hong Kong may be affected by the laws of the relevant overseas jurisdictions. The making of the Offers to persons not resident in Hong Kong may be prohibited or limited by the laws or regulations of the relevant jurisdictions. The overseas Shareholders and overseas Optionholders who are citizens, residents or nationals of a jurisdiction outside Hong Kong should observe any applicable legal or regulatory requirements and, where necessary, seek legal or other professional advice. It is the responsibilities of the overseas Shareholders and overseas Optionholders who are not resident in Hong Kong and wish to accept the Offers to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdictions in connection with the acceptance of the Offers (including the obtaining of any governmental, exchange control or other consent which may be required or the compliance with other necessary formalities and the payment of any transfer or other taxes due by such overseas Shareholders and overseas Optionholders in respect of such jurisdictions).

As at the Latest Practicable Date, there was one Independent Shareholder with registered address in Singapore, and there were no Optionholders with registered addresses outside Hong Kong. The Offeror has been advised by Singapore legal counsel that there is no restriction as to the despatch of this Composite Document and the accompanying Form(s) of Acceptance, and the making of the Offers, to such overseas Shareholder in Singapore.

Any acceptance by the Shareholders and/or the Optionholders and beneficial owners of the Shares and Share Options who are citizens, residents or nationals of a jurisdiction outside Hong Kong will be deemed to constitute a representation and warranty from such persons to the Offeror that the local laws and requirements have been complied with. Shareholders and/or Optionholders who are in doubt as to the action they should take should consult a licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional advisers.

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1.9 Hong Kong Stamp Duty

Seller's Hong Kong ad valorem stamp duty arising in connection with acceptances of the Share Offer will be payable by the relevant Shareholders at a rate of 0.1% of the market value of the Offer Shares or consideration payable by the Offeror in respect of the relevant acceptances of the Share Offer, whichever is higher, and will be deducted from the amount payable to the relevant Shareholder on acceptance of the Share Offer (where the stamp duty calculated includes a fraction of HK\$1.00, the stamp duty would be rounded-up to the nearest HK\$1.00). The Offeror will arrange for payment of the sellers' Hong Kong ad valorem stamp duty on behalf of accepting Shareholders and pay the buyer's Hong Kong ad valorem stamp duty in connection with such Offer Shares and the transfer of the Offer Shares in accordance with the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong).

No stamp duty is payable in connection with the acceptance of the Option Offer.

1.10 Taxation Advice

Independent Shareholders and Optionholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of accepting or rejecting the Offers. None of members of the Offeror Concert Group, the Company, BOCOM Securities, BOCOM (Asia), and their respective ultimate beneficial owners, directors, officers, agents or associates or any other person involved in the Offers accepts responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Offers.

2. INFORMATION REGARDING THE OFFEROR AND OFFEROR CONCERT GROUP

The Offeror

The Offeror is a company incorporated in Hong Kong. It is held as to 51% by Mr. Peng Ben, 49% by Mr. Zhao Hong. The principal activity of the Offeror is investment holding, which is established on 6 July 2023 solely for the purpose of holding the Company.

The Offeror Concert Group

Mr. Peng Ben, aged 34, is the sole director of the Offeror. He served as the general manager of Sino-Market Technology Group Co., Ltd. (中市技術集團有限公司), a company primarily engaged in engineering, consultancy and project management, from August 2015 to December 2017. In 2020, he founded Hunan Xiangdu Nongchuang Agricultural Technology Co., Ltd.* (湖南湘都農創農業科技有限公司), a company primarily engaged in the business of agricultural technology development and consultancy services, where he also served as the executive director from March 2020 to July 2022. In October 2022, Mr. Peng Ben completed the EMBA Distinct Director Advanced Course* (清大EMBA工商管理卓越總裁高級研修項目) offered by the BeiQing Institute of Economics and Management* (北清經管高等研究院). In

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April 2023, he founded Changsha Yunshen Technology Co., Ltd.* (長沙雲樂科技有限責任公司), a company primarily engaged in the provision of software and information technology services. Mr. Peng Ben is currently the general manager of Changsha Aojiaohuola Catering Services Co., Ltd.* (長沙傲椒火辣餐飲服務有限公司) and Changsha Tianxiangfu Catering Services Co., Ltd.* (長沙天湘府餐飲有限公司) which are both principally engaged in the catering business in the PRC.

Mr. Zhao Hong, aged 46, obtained a degree in hotel management from Hunan Agricultural University (湖南農業大學) in 1998. In 2004, he began to operate his own internet café chain in Hunan Province, the PRC, and over the course of 13 years, managed over 150 branches in his internet café chain. Between May 2013 and September 2017, Mr. Zhao Hong was the vice chairman of Hunan Province Internet Café Association* (湖南省網吧協會). Since August 2020, he has been serving as the general manager of the Changsha branch company of China Aerospace Changsha Cheyida New Energy Technology Co., Ltd.* (中國航天長沙車億達新能源科技有限公司), a company primarily engaged in the development of new energy vehicles, where he was responsible for the overall management and operations of the company. He is currently the deputy general manager of Changsha Aojiaohuola Catering Services Co., Ltd.* (長沙傲椒火辣餐飲服務有限公司) which is principally engaged in the catering business in the PRC.

The Offeror confirms that, as at the Latest Practicable Date, save for the 702,020,000 Shares acquired by the Offeror in the Transaction, none of the members of the Offeror Concert Group holds, controls or has direction over any Shares, convertible securities, warrants or options or derivatives (as defined in Note 4 to Rule 22 of the Takeovers Code) or has, controls or has direction over any other interests in the issued Shares or voting rights of the Company.

3. THE OFFEROR'S INTENTIONS REGARDING THE COMPANY

The Offeror became the Controlling Shareholder of the Company upon Completion. As at the Latest Practicable Date, the Offeror is interested in approximately 60.53% of the total issued share capital of the Company.

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 changes to the members of the Board as detailed in the paragraph headed "Proposed change to the Board composition of the Company" below).

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

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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.

4. PROPOSED CHANGE OF COMPANY NAME

The Board proposes to change the English name of the Company from “Jia Group Holdings Limited” to “XinXiang Era Group Company Limited” and the Chinese name of the Company from “佳民集團有限公司” to “新享時代集團有限公司”. The EGM will be convened and held for the purposes of considering and, if thought fit, approving, the special resolution in respect of the Proposed Change of Company Name. A separate circular will be issued by the Company in this regard pursuant to the GEM Listing Rules as soon as possible.

Immediately after the Completion, the Offeror became the Controlling Shareholder of the Company and to better reflect the relationship between the Offeror and the Company, the Board considers that the Proposed Change of Company Name would provide a clear identification to the market and general public.

The Proposed Change of Company Name will not affect any of the rights of the Shareholders. Once the Proposed Change of Company Name becomes effective, any issue of share certificates of the Company thereafter will be in the new name of the Company and the Shares will be traded on the Stock Exchange under the new name of the Company. All existing share certificates of the Company in issue bearing the present name of the Company shall, after the Proposed Change of Company Name having become effective, continue to be evidence of title to such Shares and will continue to be valid for trading, settlement, registration and delivery purposes. Accordingly, there will not be any arrangement for free exchange of the existing share certificates for new certificates bearing the new name of the Company.

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5. PROPOSED CHANGE TO THE BOARD COMPOSITION OF THE COMPANY

As at the Latest Practicable Date, the Board comprised five Directors, being two executive Directors and three independent non-executive Directors. To minimize any potential disruptions to the business and day-to-day operations of the Group due to the Transaction, Miss Wan Suet Yee Cherry will remain as executive Director, and Miss Foo Man Yee, Carina will remain as the Company secretary upon Completion. It is intended that save for Ms. Wan Suet Yee Cherry, all other existing directors of the Board will resign from the earliest time permitted under the Takeovers Code. The Offeror has nominated (i) Mr. Kong Linglei as the new executive Director of the Board, (ii) Mr. Peng Ben and Mr. Liu Enyu as the new non-executive Directors of the Board, (iii) Ms. Deng Yongling, Ms. Mao Xiaobi, and Ms. Ma Lina as the new independent non-executive Directors of the Board. Any changes to the composition of the Board will be made in compliance with the Takeovers Code and the GEM Listing Rules. The biographies of the new Directors to be nominated are set out below:

Mr. Kong Linglei

Mr. Kong Linglei, aged 36, began his career as a TV food show host and producer. In 2008, Mr. Kong Linglei became an artist managed by Hunan Television (湖南衛視) and was then transferred to the production team in 2012 during which he took part in the production of the television program “Great Fun in Hunan” (湖南好好玩). In 2015, Mr. Kong Linglei produced his own food program named “What to Eat” (食色x食色吃什麼) which integrated the use of we-media and online video channels to generate revenue through online traffic monetization. From January 2017 to December 2022, Mr. Kong Linglei served as the general manager of Hunan Province FuoersHITE Network Technology Co., Ltd.* (湖南省弗爾斯特網絡科技股份有限公司) which is principally engaged in mobile apps software development and e-commerce platform business. From June 2018 to December 2023, Mr. Kong Linglei served as the general manager of Changsha Xunjue Catering Management Co., Ltd.* (長沙勳爵餐飲管理有限公司) which operated franchised restaurants under a renowned local restaurant brand “Huogongdian”* (“火官殿”) in Changsha. From August 2022 to December 2023, he also served as the deputy general manager of Changsha Tianxiangfu Catering Services Co., Ltd.* (長沙天湘府餐飲有限公司). Mr. Kong Linglei graduated from Zhongyuan Specialty Institute of Technology (鄭州中原理工專修學院) majoring in business administration in July 2006 and completed an EMBA Distinct Director Advanced Course* (清大EMBA工商管理卓越總裁高級研修項目) offered by the BeiQing Institute of Economics and Management* (北清經管高等研究院) in August 2022.

Mr. Peng Ben

Mr. Peng Ben, aged 34, is the sole director of the Offeror. He served as the general manager of Sino-Market Technology Group Co., Ltd. (中市技術集團有限公司), a company primarily engaged in engineering, consultancy and project management, from August 2015 to December 2017. In 2020, he founded Hunan Xiangdu Nongchuang Agricultural Technology Co., Ltd.* (湖南湘都農創農業科技有限公司), a company primarily engaged in the business of agricultural technology development and consultancy services, where he also served as the

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executive director from March 2020 to July 2022. In October 2022, Mr. Peng Ben completed the EMBA Distinct Director Advanced Course* (清大EMBA工商管理卓越總裁高級研修項目) offered by the BeiQing Institute of Economics and Management* (北清經管高等研究院). In April 2023, he founded Changsha Yunchan Technology Co., Ltd.* (長沙雲燊科技有限責任公司), a company primarily engaged in the provision of software and information technology services. Mr. Peng Ben is currently the general manager of Changsha Aojiaohuola Catering Services Co., Ltd.* (長沙傲椒火辣餐飲服務有限公司) and Changsha Tianxiangfu Catering Services Co., Ltd.* (長沙天湘府餐飲有限公司) which are both principally engaged in the catering business in the PRC.

Mr. Liu Enyu

Mr. Liu Enyu, aged 39, completed an advanced program on market risk management for entrepreneurs (北京大學民營企業家決勝市場風險高級研修班) at the Peking University and an advance program of corporate compliance management at China University of Political Science and Law (中國政法大學企業合規管理高級研修班) in November 2023 and July 2023, respectively. Between October 2017 and December 2021, Mr. Liu Enyu served as the chief operating officer of Hunan Xinfurong Catering Management Co., Ltd.* (湖南新芙蓉餐飲管理有限公司) where he was in charge of brand management and operations. He has been serving as the chief operating officer of Changsha Tianxiangfu Catering Services Co., Ltd.* (長沙天湘府餐飲有限公司), a company principally engaged in catering business in the PRC since July 2022. In September 2022, Mr. Liu Enyu has been appointed as the vice director of the Young Lives Foundation Commission of the Hunan Province Health and Charity Foundation* (湖南健康公益基金會青少年成長專項基金管委會) for a term of three years.

Ms. Ma Lina

Ms. Ma Lina, aged 40, completed a diploma in business administration at Beijing Oriental College (北京東方研修學院) in July 2008. Between May 2009 and December 2012, Ms. Ma Lina served as the hotel catering business director at Hunan Jinmao Hotel Management Co., Ltd.* (湖南金茂酒店管理有限公司) and latterly, as the general manager of operations from December 2012 to December 2014. In 2016, she founded Xinkongjian Environmental Protection Materials Co., Ltd.* (鑫空間環保材料有限公司), a company principally engaged in the industry of environmental decoration materials, where she served as the general manager from March 2016 to December 2017. From May 2018 to December 2020, she served as the sales director of Changsha Lanxing Bio-Technology Co., Ltd.* (長沙蘭馨生物科技有限公司), a company principally engaged in food and beverage retail and production, and has latterly served as its chief operating officer since December 2020. In December 2022, she founded Zhimeng Zhiku Sports Group Co., Limited (至萌至酷體育集團有限公司), a company principally engaged in education training and the sale of sports equipment, where she served as its vice president since April 2023.

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Ms. Mao Xiaobi

Ms. Mao Xiaobi, aged 61, obtained her bachelor's degree in Library and Information Studies (圖書情報專業) from Central China Normal University (華中師範大學) in 1984. Prior to that, she obtained her college degree in catalysis from Hunan Changling Petrochemical Vocational and Technical College* (湖南長嶺石油學校) in July 1981. In 2001, she founded Changsha Jialin Industrial Co., Ltd.* (長沙嘉林實業有限公司), a company principally engaged in catering management and the wholesale of construction materials in the PRC, where she has served as its executive director since July 2001.

Since 2004, Ms. Mao Xiaobi has been actively involved in public welfare affairs and is currently a member of the council of Hunan Province Xixin Charity Foundation* (湖南省洗心公益基金會理事). In 2022, she founded Hunan Yudian Wines Co., Ltd.* (湖南馭典酒業有限公司), a company principally engaged in the manufacture of wine, beverage and tea, where she has served as its executive director since September 2022. Ms. Mao Xiaobi has also been the chairlady of the board of directors of Hunan Chuanghongdeli Technology Group Holdings Limited* (湖南創鴻立德科技集團股份有限公司), a company principally engaged in the industry of scientific research and technical services, as well as the sale of various products, including but not limited to mechanical and electronic products and new energy vehicle related products, since March 2023.

Ms. Deng Yongling

Ms. Deng Yongling, aged 35, obtained her bachelor's degree in business management from China Central Radio and TV University (中央廣播電視大學) in 2012. In 2016, she obtained her certificate of accounting profession issued by the Changsha Finance Bureau. She possesses the accounting qualification (intermediate level) (會計中級) issued by the Human Resources and Social Security Department of Guangdong Province in 2017. Between February 2007 and July 2012, she served as the accountant at Dongguan Baoshengwei Plastic and Metal Products Co., Ltd.* (東莞堡盛威塑膠五金製品有限公司), a company principally engaged in the manufacturing and sale of construction and metalware products. Between August 2012 and October 2016, she was the head of finance at Dongguan Jingsheng Electronic Components Co., Ltd.* (東莞勁勝精密電子組件有限公司), a company that focuses on the manufacturing of computers and electronic products. Between November 2016 and October 2020, she served as the financial manager at Hunan Zhuji Huangpu Big Data Technology Co., Ltd.* (湖南朱記黃埔大數據科技有限公司), a company principally engaged in information technology and transmission services. Since December 2020, she has served as the finance manager at Hunan Luzhou Network Technology Co., Ltd.* (湖南麓洲網絡科技有限公司), a company principally engaged in the provision of information technology and software development services, as well as the sale of various products including but not limited to food, daily necessities and utility products.

Save as disclosed above, the Proposed Directors (i) do not have any relationship with any directors, senior management or substantial or controlling shareholders of the Company for the purpose of GEM Listing Rules; (ii) do not have any interests in the shares of the Company

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within the meaning of Part XV of the SFO; (iii) do not hold other positions with other members of the Group; and (iv) do not have any directorship in any public listed companies in Hong Kong or overseas in the past three years.

The Proposed Directors have not entered into any service contract with the Company and are not appointed for a fixed term of service, and their directorships are subject to retirement by rotation and re-election at the general meetings of the Company in accordance with the articles of association of the Company. The remuneration of the Proposed Directors will be determined by the Board upon the recommendation of the remuneration committee of the Company with reference to their experience, the overall performance of the Company and the prevailing economic situation and market practice. Save as disclosed above, there is no other information relating to the appointment of the Proposed Directors shall be disclosed pursuant to Rule 17.50(2)(h) to (v) of the GEM Listing Rules nor any matters which need to be brought to the attention of the Shareholders.

6. COMPULSORY ACQUISITION

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.

7. 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 the 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) that 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.

8. FURTHER DETAILS OF THE OFFERS

Further details of the Offers are set out in Appendix I to this Composite Document and the accompanying Forms of Acceptance.

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Information on the Company is set out in the section headed “Information of the Company” under “Letter from the Board” in this Composite Document and Appendix III as contained in this Composite Document.

9. GENERAL

This Composite Document has been prepared for the purposes of complying with the laws of Hong Kong, the Takeovers Code and the GEM Listing Rules and the information disclosed may not be the same as which would have been disclosed if this Composite Document had been prepared in accordance with the laws of jurisdictions outside Hong Kong.

Attention of the overseas Shareholders and overseas Optionholders is drawn to the paragraph headed “Overseas Shareholders and Optionholders” in this letter.

All documents and/or remittances to be sent to the Independent Shareholders and the Optionholders by ordinary post are at their own risk. Such documents and/or remittances will be sent to the Independent Shareholders and the Optionholders at their respective addresses as they appear in the register of members or records of the Company, unless otherwise specified on the relevant Form of Acceptance. None of the Company, the Offeror Concert Group, BOCOM Securities, BOCOM (Asia), the Registrar or parties acting in concert with any of them or any of their respective ultimate beneficial owners, directors, officers, agents or associates or any other parties involved in the Offers will be responsible for any loss or delay in transmission or any other liabilities that may arise as a result thereof or in connection therewith.

10. WARNINGS

Independent Shareholders and the Optionholders are encouraged to read this Composite Document carefully, including the letter from the Board, the advice of the Independent Financial Adviser to the Independent Board Committee and the recommendation from the Independent Board Committee to the Independent Shareholders and the Optionholders in respect of the Offers, before deciding whether or not to accept the Offers.

Independent Shareholders, the Optionholders and potential investors are advised to exercise extreme caution when dealing in the securities of the Company, and if they are in any doubt about their position, they should consult their professional advisers.

Yours faithfully,
For and on behalf of
BOCOM International Securities Limited
Wilfred Sum
Responsible Officer

LETTER FROM THE BOARD

JIA

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.

LETTER FROM THE BOARD

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.

LETTER FROM THE BOARD

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.

LETTER FROM THE BOARD

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 Share Option with an exercise price of:

HK\$0.10 (6,050,000 Share 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.

LETTER FROM THE BOARD

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”, “Andō”, “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.

LETTER FROM THE BOARD

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 (Note 4)	–	–	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

LETTER FROM THE BOARD

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

LETTER FROM THE BOARD

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.

LETTER FROM THE BOARD

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.

By order of the Board of
Jia Group Holdings Limited
Wong Pui Yin
Chairlady and Executive Director

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

Set out below is the text of the letter of recommendation from the Independent Board Committee in respect of the Offers.

JIA

Jia Group Holdings Limited

佳民集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8519)

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

We refer to this Composite Document issued jointly by the Offeror and the Company dated 19 January 2024 of which this letter forms part. Unless the context requires otherwise, terms used in this letter shall have the same meaning as those defined in this Composite Document.

We have been appointed by the Board as Independent Board Committee to consider and to advise the Independent Shareholders and the Optionholders as to whether or not the terms of the Offers are fair and reasonable and to make a recommendation as to the acceptance of the Offers.

Pulun International, has been appointed as the Independent Financial Adviser to advise us in respect of the above. The appointment of the Independent Financial Adviser has been approved by us. Details of its advice and the principal factors taken into consideration in arriving at its recommendation are set out in the “Letter from the Independent Financial Adviser” on pages 35 to 65 of this Composite Document.

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

We also wish to draw your attention to the “Letter from BOCOM Securities” and the “Letter from the Board” as set out in this Composite Document as well as the additional information set out in the appendices thereto.

RECOMMENDATIONS

Having considered the terms of the Offers, the information contained in this Composite Document and the principal factors and reasons considered by, and the independent advice of the Independent Financial Adviser, as set out in its letter of advice, we consider that the Share Offer is fair and reasonable. Accordingly, we recommend the Independent Shareholders to accept the Share Offer. For the Option Offer, as the Share Offer Price and see-through basis are considered to be fair and reasonable, we considered that the Option Offer is fair and reasonable. We recommend the Optionholders to accept the Option Offer.

Nonetheless, the Share price has been trading above the Share Offer Price since the trading resumed on 8 December 2023 and up to the Latest Practicable Date. For those Independent Shareholders who intend to accept the Share Offer, they are reminded to closely monitor the market price and liquidity of the Shares during the Offer Period, and having regard to their own circumstances, should sell the Shares in the open market, instead of accepting the Share Offer, if the net proceeds from the ultimate sale of such Shares would be higher than that receivable under the Share Offer.

Similarly, Optionholders holding Share Options can, to the extent possible, exercise their Share Options and dispose of their Shares on market if the market price is above the exercise price during the Offer Period.

Notwithstanding our recommendation, the Independent Shareholders and the Optionholders should consider carefully the terms of the Offers and then decide whether to accept or not to accept the Offers. You are strongly recommended to read the full text of the “Letter from the Independent Financial Adviser” as set out in this Composite Document.

Yours faithfully,
For and on behalf of the
Independent Board Committee
Jia Group Holdings Limited

Mr. Leung Yuk Lun Ulric
Independent non-executive Director

Mr. Devin Nijanthan Chanmugam
Independent non-executive Director

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The following is the full text of the letter of advice from the Independent Financial Adviser, Pulun International Capital Limited (formerly known as Titan Financial Services Limited), to the Independent Board Committee in respect of the Offers for the purpose of inclusion in this Composite Document.

普倫國際融資有限公司

Pulun International Capital Limited

12/F, Woon Lee Commercial Building

7-9 Austin Avenue

Tsim Sha Tsui

Hong Kong

19 January 2024

To the Independent Board Committee

Dear Sir or Madam,

**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

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee in respect of the Offers, details of which are set out in the “Letter from BOCOM Securities” and the “Letter from the Board” contained in the Composite Document dated 19 January 2024, of which this letter of advice forms part. Capitalised terms used in this letter of advice shall have the same meanings as defined in the Composite Document unless the context requires otherwise.

On 4 December 2023 (non-trading hours), the Offeror and the Selling Shareholders entered into a Share Purchase Agreement. Pursuant to which, 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. The Consideration for the Sale Shares amounted to HK\$54,476,752, representing approximately HK\$0.0776 per Sale Share. Completion of the Share Purchase Agreement took place on 13 December 2023.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Immediately following Completion and as at the Latest Practicable Date, the Offeror became interested in 702,020,000 Shares, representing approximately 60.53% of the issued share capital of the Company. In addition, as at the Latest Practicable Date, there were 6,050,000 outstanding Share Options granted under the Share Option Scheme with an exercise price of HK\$0.1. 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.

Pursuant to Rules 26.1 and 13 of the Takeovers Code, upon Completion, the Offeror will be required to make mandatory unconditional general offers in cash (i) for all the issued Shares held by the Independent Shareholders; and (ii) to cancel all the outstanding Share Options (excluding the Surrendered Options which were cancelled by the Company upon Completion and before the making the Option Offer pursuant to the Share Purchase Agreement). BOCOM Securities, on behalf of the Offeror, is making the Offers in compliance with the Takeovers Code on the terms set out in this Composite Document.

This letter forms part of the Composite Document and sets out our advice to the Independent Board Committee in respect of the Offers. The Independent Shareholders and the Optionholders should also consider information contained in the “Letter from BOCOM Securities”, “Letter from the Board”, the accompanying Forms of Acceptance and the appendices, which contain details of the terms of the Offers, the information of the Offeror and the intention of the Offeror in relation to the Group, before making their decision on the acceptance of the Offers.

THE INDEPENDENT BOARD COMMITTEE AND THE INDEPENDENT FINANCIAL ADVISER

An 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 in accordance with Rule 2.1 of the Takeovers Code to advise the Independent Shareholders and the Optionholders as to whether 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.

We, Pulun International Capital Limited (formerly known as Titan Financial Services Limited), have been appointed as the Independent Financial Adviser to advise the Independent Board Committee in this respect, and our opinion herein is solely for the assistance of the Independent Board Committee in connection with its consideration of the Offers pursuant to Rule 2.1 of the Takeovers Code. The appointment of Pulun International Capital Limited (formerly known as Titan Financial Services Limited) as the Independent Financial Adviser has been approved by the Independent Board Committee.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

INDEPENDENCE DECLARATION

During the past two years immediately preceding the Latest Practicable Date, save as this appointment as the Independent Financial Adviser, we had not been engaged by the Company as an independent financial adviser. We were not aware of any relationship or interests between us and the Company, the Offeror, or any other parties that could be reasonably regarded as hindrance to our independence to act as the Independent Financial Adviser during the past two years immediately preceding the Latest Practicable Date.

BASIS OF OUR OPINION

In formulating our opinion and recommendation, we have considered and relied on, among other things, (i) the statements, information, opinions and facts contained in or referred to in the Composite Document; (ii) the annual reports of the Company for the financial year ended 31 December 2022 (the “**2022 Annual Report**”), the interim report of the Company for the six months ended 30 June 2023 (the “**2023 Interim Report**”) and the quarterly report for the nine months ended 30 September 2023 (the “**2023 Q3 Report**”); (iii) the information and representations provided by the Directors and the management of the Company (the “**Management**”); and (iv) our review of the relevant announcements published by the Company and the relevant public information.

The sole director of the Offeror, Mr. Peng Ben, has declared in a responsibility statement set out in the Composite Document that he accepts full responsibility for the accuracy of the information contained in the Composite Document (other than those relating to the Directors and the Group) and confirms, having made all reasonable enquiries, that to the best of his knowledge, opinions expressed in the Composite Document (other than those expressed by the Directors) have been arrived at after due and careful consideration and there are no other facts not contained in the Composite Document, the omission of which would make any statements in the Composite Document misleading. The Directors have also declared in a responsibility statement set out in the Composite Document that they jointly and severally accept full responsibility for the accuracy of the information relating to the Group contained in the Composite Document (other than any information relating to the Offeror Concert Group) and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed by the Directors in the Composite Document have been arrived at after due and careful consideration and there are no other facts not contained in the Composite Document, the omission of which would make any statement in the Composite Document misleading. We have also assumed that the information and the representations made by the Directors, the Management and the Offeror (where applicable) as contained or referred to in the Composite Document were true and accurate at the time they were made and continue to be so up to the Latest Practicable Date. We have no reason to doubt the truth, accuracy and completeness of the information and representations provided to us by the Directors and the Management or the Offeror (if applicable). We have also been advised by the Directors and believe that no material facts have been omitted from the Composite Document. The Company will notify the Independent Shareholders and the Optionholders of any material changes to information contained or referred to in the Composite Document as soon as possible in accordance with

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Rule 9.1 of the Takeovers Code. The Independent Shareholders and the Optionholders will also be informed as soon as possible when there are any material changes to the information contained or referred to herein as well as changes to our opinion, if any, after the Latest Practicable Date pursuant to Rule 9.1 of the Takeovers Code.

We have assumed that the Offers will be consummated in accordance with the terms and conditions set forth in the Composite Document without any waiver, amendment, addition or delay of any terms or conditions. We have assumed that in connection with the receipt of all the necessary governmental, regulatory or other approvals and consents as required for the Offers, no delay, limitation, condition or restriction will be imposed that would have a material adverse effect on the contemplated benefits expected to be derived from the Offers. In addition, our opinion is necessarily based on the financial, market, economic, industry-specific and other conditions as they existed on, and the information made available to us as at the Latest Practicable Date.

PRINCIPAL FACTORS TAKEN INTO CONSIDERATION

In formulating our opinions, we have taken into consideration the following principal factors and reasons:

1. Information and financial performance of the Group

The Company is an investment holding company incorporated in Cayman Islands with limited liability. The principal activities of the Group is the operation of restaurants in Hong Kong. The Group provides fine dining, mid-market dining, specialty coffee and casual dining spanning cuisines including Chinese, Thai, European and South American under different brand restaurants, including Duddell's, Andō, Louise, MONO, Estro, 22 Ships, Mak Mak and Chachawan.

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Set out below is a summary of the financial information of the Group for (i) each of the two financial years ended 31 December 2021 (“FY2021”) and 2022 (“FY2022”) as extracted from the 2022 Annual Report; and (ii) the nine months ended 30 September 2022 (“9M2022”) and 2023 (“9M2023”) as extracted from the 2023 Q3 Report:

	FY2021	FY2022	9M2022	9M2023
	<i>(HK\$'000)</i>	<i>(HK\$'000)</i>	<i>(HK\$'000)</i>	<i>(HK\$'000)</i>
	<i>(Audited)</i>	<i>(Audited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Revenue:				
– Fine dining	138,174	152,503	108,133	121,190
– Mid-market dining	28,210	21,236	14,869	13,625
– Specialty coffee	15,571	7,470	7,257	–
– Casual dining	39,389	35,796	24,102	71,207
Total Revenue	221,344	217,005	154,361	206,022
Other income <i>(note 1)</i>	4,622	14,422	13,450	1,702
Other gains and losses	250	2,163	(741)	(361)
Raw materials and consumables used	(61,950)	(60,672)	(43,824)	(55,279)
Staff costs	(87,104)	(91,866)	(67,353)	(77,343)
Depreciation	(33,212)	(34,250)	(26,290)	(19,953)
Property rentals and related expenses	(8,785)	(10,528)	(7,183)	(16,962)
Utility expenses	(5,651)	(6,037)	(4,374)	(5,939)
Advertising and promotion expenses	(9,238)	(8,705)	(6,432)	(7,423)
Other operating expenses	(28,511)	(30,703)	(22,693)	(21,790)
Operating (loss)/profit	(8,235)	(9,171)	(11,079)	2,674
<i>Operating (loss)/profit margin (%)</i>	<i>(3.7%)</i>	<i>(4.2%)</i>	<i>(7.2%)</i>	<i>1.3%</i>
(Loss)/Profit and total comprehensive expense for the year/period	(21,262)	(23,000)	(9,377)	233
<i>Net (loss)/profit margin (%)</i>	<i>(9.6%)</i>	<i>(10.6%)</i>	<i>(6.1%)</i>	<i>0.1%</i>

Note:

- 1) The Group recognised COVID-19 related government subsidies of approximately HK\$2.7 million, HK\$11.0 million and HK\$10.5 million for FY2021, FY2022 and 9M2022 respectively.

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FY2022 vs FY2021

As disclosed in the 2022 Annual Report, the revenue of the Group for FY2022 decreased by approximately HK\$4.3 million to approximately HK\$217.0 million compared with FY2021. The deterioration in the Group's results was mainly attributable to the adverse impact to the Group's business arising from the outbreak of the COVID-19 pandemic as well as social distancing restrictions and measures effective in Hong Kong during the period, especially the fifth wave of the COVID-19 pandemic in Hong Kong emerging in late December 2021. Such restrictions and measures have contributed to a decrease in revenue from specialty coffee and casual dining catering services of approximately HK\$8.1 million and HK\$3.6 million, respectively, as the Group closed the restaurant "Bibi & Baba" in September 2022 and disposed in aggregate 81% of shares in Between Hong Kong Limited, a company principally engaged in the business of providing specialty coffee, during 2022. Between Hong Kong Limited was not the subsidiary of the Company as at 31 December 2022 and no revenue was derived from specialty coffee catering service since then. The revenue from mid-market dining also decreased by approximately HK\$7.0 million, due to "208 & Ramato" being under renovation from February to March 2022. On the other hand, the revenue from fine dining catering services increased by approximately HK\$14.3 million compared with FY2021, which was mainly due to the opening of "Agora" in April 2022 and the re-opening of "Duddell's Hong Kong Airport" in November 2022, respectively.

The Group recorded a loss of approximately HK\$23.0 million for FY2022, representing an increase in loss of approximately HK\$1.7 million as compared with a loss of approximately HK\$21.3 million for the FY2021. Such increase in loss was primarily attributable to:

(i) *Consistent high contribution of cost for raw materials and consumables*

Raw materials and consumables used remained high and stable at approximately 27%-28% of the Group's revenue for FY2021 and FY2022. Raw materials and consumables used by the Group include, but are not limited to, vegetables, meat, seafood and frozen food etc. that is one of the major components of the Group's operating expenses which amounted to approximately HK\$62.0 million and HK\$60.7 million for each of the FY2021 and FY2022, respectively.

(ii) *Increase of staff costs*

Staff costs represented one of the major components of the Group's operating expenses, representing approximately 39.4% and approximately 42.3% of the Group's revenue for FY2021 and FY2022 respectively, increased by approximately HK\$4.8 million from approximately HK\$87.1 million for FY2021 to approximately HK\$91.9 million for FY2022. Such increase was mainly due to the staff salaries and allowance associated with the opening of "Agora" in April 2022 and the re-opening of "Duddell's Hong Kong Airport" in November 2022, respectively.

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(iii) Increase of property rentals and related expenses

Apart from raw materials and consumables used and staff costs, property rentals also represent one of the major components of the Group's operating expenses, representing approximately 4.0% and approximately 4.9% of the Group's revenue for FY2021 and FY2022 respectively. Property rentals and related expenses increased by approximately HK\$1.7 million from approximately HK\$8.8 million for FY2021 to approximately HK\$10.5 million for FY2022. The increase was mainly due to the opening of "Agora" in April 2022 and the re-opening of "Duddell's Hong Kong Airport" in November 2022, respectively.

9M2023 vs 9M2022

During 2022, Hong Kong's food and beverage industry encountered challenging business environment with the resurgence of the COVID-19 pandemic in Hong Kong, the rising inflation across the globe and the slowdown in the world economy, which caused the Group's restaurants to fail to operate as usual, resulting in a decrease in revenue and negatively affected the Group's profitability for 9M2022. As disclosed in the 2023 Q3 Report, the Group recorded a revenue of approximately HK\$206.0 million for 9M2023, representing an increase of approximately HK\$51.7 million or 33.5% as compared with 9M2022 which was a result of the termination of certain social distancing measures and immigration control policies at the end of 2022. Despite the loosening of travel restrictions, businesses over the summer were not optimistic. While there were not enough tourists in Hong Kong yet, the business of the Group's restaurants were affect and the Group has closed "Ramato" in August 2023 to cease consistent loss. The revenue of "Duddell's central" increased by approximately HK\$16.3 million and "Duddell's Hong Kong Airport", one of the restaurants of the Group located in the Hong Kong International Airport has resumed operations since late November 2022 and recorded revenue of approximately HK\$43.8 million during 9M2023 as many locals preferred to travel overseas during this time.

The Group recorded a minimal profit of approximately HK\$0.2 million for 9M2023, representing an increase in profit of approximately HK\$9.6 million as compared with a loss of approximately HK\$9.4 million for 9M2022. Such increase in profit was primarily attributable to increase in revenue as explained above and the re-opening of "Duddell's Hong Kong Airport" in November 2022 that contributed to the improvement of cost margin resulting from the reduction of contribution of cost for raw materials and consumables, which was partly offset by the increase of staff cost and property rentals and related expenses as explained below:

(i) Reduction of contribution of cost for raw materials and consumables

Raw materials and consumables used by the Group includes, but is not limited to, vegetable, meat, seafood and frozen food etc. is one of the major components of the Group's operating expenses which amounted to approximately HK\$43.8 million and approximately HK\$55.3 million for each of 9M2022 and 9M2023 respectively,

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representing approximately 28.4% and approximately 26.8% of the Group's total revenue the corresponding periods respectively. Such decrease was mainly due to the cost margin of "Duddell's Hong Kong Airport" being maintained steadily at around 22.6% which is lower than the average compared to other outlets offering fine dining and mid-market dining.

(ii) Increase of staff costs

Staff costs represented one of the major components of the Group's operating expenses increased by approximately HK\$10.0 million from approximately HK\$67.4 million for 9M2022 to approximately HK\$77.3 million for 9M2023. The increase was mainly due to the relaxation of social distancing measures originally adopted for Covid-19 pandemic such as the lifting of the restriction on capacity for catering premises, bars/pubs and scheduled premises and lifting the headcount limit in banquet activities announced by the Hong Kong Government in December 2022, no unpaid leave in 2023, the staff costs related to the reopening of "Duddell's Hong Kong Airport" and staff salaries and allowance associated resumption of business. The staff costs were approximately 43.6% of the Group's revenue for 9M2022 and decreased to approximately 37.5% of the Group's revenue for 9M2023.

(iii) Increase of property rentals and related expenses related to the re-opening of "Duddell's Hong Kong Airport"

Apart from raw materials and consumable used and staff costs, property rentals also represent one of the major components of the Group's operating expenses, representing approximately 4.7% and approximately 8.2% of the Group's revenue for 9M2022 and 9M2023 respectively. Property rentals and related expenses increased by approximately HK\$9.8 million from approximately HK\$7.2 million for 9M2022 to approximately HK\$17.0 million for 9M2023. Such increase was mainly due to the payable turnover rent for re-opening "Duddell's Hong Kong Airport" in November 2022 as property rental expenses. Since the re-opening of "Duddell's Hong Kong Airport" in November 2022, "Duddell's Hong Kong Airport" has recorded revenue of approximately HK\$43.8 million and net profit of approximately HK\$8.8 million during 9M2023, therefore improving the net profit of the Group for 9M2023.

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Set out below is a summary of the consolidated statements of financial position of the Group as at 31 December 2021, 31 December 2022 and 30 June 2023 as extracted from the 2022 Annual Report and the 2023 Interim Report:

	As at 31 December		As at
	2021	2022	30 June
	(HK\$'000)	(HK\$'000)	(HK\$'000)
	(Audited)	(Audited)	(Unaudited)
Non-current assets	97,114	69,937	62,265
– Property, plant and equipment	30,713	20,364	16,728
– Right-of-use assets	42,442	23,675	21,657
– Investments in associates	–	1,317	834
– Financial assets measured at fair value through profit or loss	3,167	3,147	3,147
– Deferred tax assets	1,858	2,327	2,327
– Deposits	13,934	14,107	12,572
– Pledged bank deposits	5,000	5,000	5,000
Current assets	38,912	28,620	30,609
– Inventories	5,726	6,283	6,890
– Trade and other receivables, deposits and prepayment	13,524	9,656	11,723
– Financial assets measured at fair value through profit and loss	–	1,783	1,783
– Amount due from related companies	768	747	853
– Amount due from a controlling shareholder	608	–	–
– Amount due from an associate	747	531	406
– Tax recoverable	114	279	279
– Pledged bank deposits	4,500	–	–
– Bank balances and cash	12,925	9,341	8,675
Total assets	136,026	98,557	92,874
Non-current liabilities	38,999	22,060	19,534
– Provision	4,450	2,357	2,754
– Deferred tax liabilities	51	505	505
– Contract liabilities	10,267	9,082	8,603
– Lease liabilities	24,231	10,116	7,672
Current liabilities	77,275	79,361	72,516
– Trade and other payables and accrued charges	31,879	33,883	32,170
– Contract liabilities	6,127	4,962	4,872
– Amounts due to related companies	2,165	2,399	2,399

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	As at 31 December		As at
	2021	2022	30 June
	<i>(HK\$'000)</i>	<i>(HK\$'000)</i>	<i>(HK\$'000)</i>
	<i>(Audited)</i>	<i>(Audited)</i>	<i>(Unaudited)</i>
– Amount due to a controlling shareholder	–	939	1,356
– Amounts due to an associate	–	94	208
– Bank borrowings	11,184	8,191	6,176
– Tax payable	370	648	782
– Lease liabilities	25,550	26,126	22,831
– Provision	–	2,119	1,722
Total liabilities	116,274	101,421	92,050
Net current (liabilities)	(38,363)	(50,741)	(41,907)
Total (deficit)/equity	19,752	(2,864)	824

The Group's non-current assets mainly comprised (i) property, plant and equipment; (ii) right-of-use assets; and (iii) deposits. The Group's property, plant and equipment decreased from approximately HK\$30.7 million as at 31 December 2021 to approximately HK\$20.4 million as at 31 December 2022 and further decrease to approximately HK\$16.7 million as at 30 June 2023. The Group's right-of-use assets decreased from approximately HK\$42.4 million as at 31 December 2021 to approximately HK\$23.7 million as at 31 December 2022 and further decrease to approximately HK\$21.7 million as at 30 June 2023. Furthermore, the Group's deposit remained stable at approximately HK\$13.9 million as at 31 December 2021 and approximately HK\$14.1 million as at 31 December 2022 and decreased to approximately HK\$12.6 million as at 30 June 2023. The Management explained that (i) the continuous decrease in property, plant and equipment was mainly related to impairment loss of approximately HK\$5.3 million for FY2022 and normal depreciation; (ii) the continuous decrease in right-of-use assets was mainly related to impairment loss of approximately HK\$3.5 million for FY2022 and normal depreciation; and (iii) the decrease of deposits as at 30 June 2023 was mainly related to the reclassification of rental deposit to current asset due to the expiry of tenancy agreement within 12 months.

The Group's current assets mainly comprised (i) inventories; (ii) trade and other receivables, deposits and prepayments; and (iii) bank balances and cash. The Group's inventories increased from approximately HK\$5.7 million as at 31 December 2021 to approximately HK\$6.3 million as at 31 December 2022 and further increased to approximately HK\$6.9 million as at 30 June 2023. The Group's trade and other receivables, deposits and prepayments decreased from approximately HK\$13.5 million as at 31 December 2021 to approximately HK\$9.7 million as at 31 December 2022 and increased to approximately HK\$11.7 million as at 30 June 2023. Furthermore, the Group's bank balances and cash decreased from approximately HK\$12.9 million as at 31 December 2021 to approximately HK\$9.3 million as at 31 December 2022 and further decreased to approximately HK\$8.7 million as at 30 June 2023. The Management explained that (i) the continuous increase in

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inventories, which mainly comprise of raw materials and consumables used by the Group including, but are not limited to, vegetables, meat, seafood and frozen food etc., was in line with the Group's business operation; (ii) the fluctuation of trade and other receivables, deposits and prepayments was related to the closure of the restaurant "Bibi & Baba" and disposed of shares in Between Hong Kong Limited during FY2022 and the reclassification of certain rental deposit from non-current asset during six months ended 30 June 2023 ("6M2023"); and (iii) the continuous decrease in bank balances and cash was mainly related to the consistent loss for the Group for FY2021 and FY2022.

The Group's current liabilities mainly comprised (i) trade and other payables and accrued charges; and (ii) lease liabilities. The Group's trade and other payables and accrued charges increased from approximately HK\$31.9 million as at 31 December 2021 to approximately HK\$33.9 million as at 31 December 2022 and decreased to approximately HK\$32.2 million as at 30 June 2023. The Group's lease liabilities increased from approximately HK\$25.6 million as at 31 December 2021 to approximately HK\$26.1 million as at 31 December 2022 and decreased to approximately HK\$22.8 million as at 30 June 2023. The Management explained that the fluctuation of (i) trade and other payables and accrued charge; and (ii) lease liabilities were mainly related to the consistent loss for the Group for FY2021 and FY2022 and more payables and outstanding rental payment were starting to be settled as the business started to record net profit during 6M2023.

The Group's non-current liabilities mainly comprised lease liabilities, which has decreased from approximately HK\$24.2 million as at 31 December 2021 to approximately HK\$10.1 million as at 31 December 2022 and further decrease to approximately HK\$7.7 million as at 30 June 2023. As advised by the Management, the continuous decrease in lease liabilities was mainly related to expiry of tenancy since FY2022.

While the Group recorded net assets of approximately HK\$19.8 million as at 31 December 2021, the Group turned into net liabilities position of approximately HK\$2.9 million as at 31 December 2022. As advised by the Management, such change to net liabilities position was mainly attributable to (i) the decrease in property, plant and equipment resulting from impairment loss of approximately HK\$5.3 million for FY2022; (ii) the decrease in right-of-use assets resulting from impairment loss of approximately HK\$3.5 million for FY2022; and (iii) the decrease in pledged bank deposits from approximately HK\$9.5 million as at 31 December 2021 to approximately HK\$5.0 million as at 31 December 2022. The financial position of the Group improved as the Group turnaround from net liabilities of approximately HK\$2.9 million as at 31 December 2022 to net assets of approximately HK\$0.8 million as at 30 June 2023. The Management explained that the financial position of the Group improved as the Group's (i) trade receivables from restaurant operations increased from approximately HK\$1.8 million as at 31 December 2022 to approximately HK\$2.1 million as at 30 June 2023; and (ii) bank borrowings decreased from approximately HK\$8.2 million as at 31 December 2022 to approximately HK\$6.2 million as at 30 June 2023.

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Overall comments

With reference to the section headed “Five Years Financial Summary” in the 2022 Annual Report, it is noted that the Group’s revenue was over HK\$210 million for each of the year ended 31 December 2018 and 2019 prior to the Covid-19 pandemic. The Covid-19 pandemic has severely affected the operating environment of food and beverage businesses resulting the Group’s revenue dropped to approximately HK\$173 million for the year ended 31 December 2020. Subsequently, the Group’s revenue has rebounded to over HK\$210 million for the year ended 31 December 2022. Moreover, the Group has been loss-making for five consecutive financial years since 2018 and recorded loss amounted to approximately HK\$16.4 million, HK\$32.0 million, HK\$19.1 million, HK\$21.3 million and HK\$23.0 million for the years ended 31 December 2018, 2019, 2020, 2021 and 2022, respectively.

The COVID-19 pandemic and the related measures imposed by government in Hong Kong to contain the spreading of COVID-19 pandemic had resulted in operating hours restriction and temporary closure of the restaurants during FY2022. These had negatively impacted the results of the Group during the reporting period and its liquidity position. During FY2022, the Group was still suffered from various restrictions imposed by the Hong Kong Government to contain the spread of COVID-19 pandemic and a net loss of approximately HK\$23.0 million was incurred. As at 31 December 2022, the Group’s current liabilities exceeded its current assets by approximately HK\$50.7 million and the net liabilities was approximately HK\$2.9 million. The 2022 Annual Report also mentioned that the Group has breached the covenants of borrowings amounted to approximately HK\$8.2 million as at 31 December 2022 and the lenders had the right to declare the outstanding principal amount, accrued interest and all other sums payable under the loan immediately due and payable. As stated in the 2022 Annual Report, the above events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Group’s ability to continue as a going concern and therefore, the Group may not be able to realise its assets and discharge its liabilities in the normal course of business.

In light of the doubt on the Group’s ability to continue as a going concern, the Management confirms that the Group has taken measures to tighten cost controls over staff costs by closing a mid-market dining restaurant, Ramato (formerly known as “208 Duecento Otto”), in August 2023 aiming at improving the working capital and cash flow position of the Group. Such measures have resulted the Group to record profit of approximately HK\$0.2 million for 9M2023 and the net assets of approximately HK\$0.8 million as at 30 June 2023. The Group has further closed a fine dining restaurant, Agora, in October 2023 to strengthen the working capital and cash flow position of the Group. We also understand from the Management that the Group has been communicating with the bank to resolve the breach of the bank covenants since the preparation of the annual report for the year ended 31 December 2020 in order to maintain the existing banking loan facilities obtained from a bank in Hong Kong during the financial year ended 31 December 2020. As at the Latest Practicable Date, the Management confirmed that no lender has made any demand to the Group for immediate loan repayment.

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Although there has been relaxation of social distancing measures in Hong Kong, the situation in which the Group operates is still precarious as the catering industry in Hong Kong is generally negative for 9M2023 as discussed in the section headed “2. Future Plan and Prospects” below, causing the Group initially recorded a net profit of approximately HK\$3.7 million for 6M2023 and then turnaround recorded a net loss of approximately HK\$3.5 million for the three months ended 30 September 2023, eroding the Group’s profit recorded for 6M2023 and resulting the Group only recorded minimal profit of approximately HK\$0.2 million for 9M2023. As at 30 June 2023, the Group’s current liabilities continue exceeded its current assets by approximately HK\$41.9 million and the net assets was approximately HK\$0.8 million as compared to net liabilities of approximately HK\$2.9 million as at 31 December 2022.

2. Future Plan and Prospects

The Group is principally engaged in the operation of restaurants in Hong Kong. As stated in the 2022 Annual Report and the 2023 Q3 Report, the Group’s revenue is solely derived from the operation and management of restaurants in Hong Kong.

The Census and Statistics Department has periodically published restaurant receipts statistics of restaurants in Hong Kong. As at the Latest Practicable Date, the Census and Statistics Department has released the latest statistics on the restaurant receipts by type of restaurant up to September 2023 on 20 December 2023. The table below sets out the annual restaurant receipts by type of restaurant from 2020 to 2022 and monthly restaurant receipts by type of restaurant from January 2023 to September 2023:

Restaurant receipts by type of restaurant (HK\$ million)

Period	Chinese restaurants	Non- Chinese restaurants	Fast food shops	Bars	Miscellaneous eating and drinking places	All restaurants
Year 2020	28,971	24,556	18,427	834	6,549	79,337
Year 2021	34,293	30,214	19,989	833	7,360	92,690
Year 2022	30,853	28,333	19,621	758	7,268	86,833
January 2023	3,684	3,162	1,964	106	679	9,597
February 2023	3,060	3,028	1,764	106	652	8,610
March 2023	3,226	3,333	1,951	120	731	9,361
April 2023	3,490	2,856	1,883	124	712	9,066
May 2023	3,518	2,852	2,042	117	755	9,284
June 2023	3,437	2,819	1,947	122	755	9,080
July 2023	3,540	2,914	1,947	76	774	9,251
August 2023	3,539	2,893	1,948	78	776	9,234
September 2023 ^(Note 1)	3,340	2,572	1,913	77	708	8,610

Note:

- The Census and Statistics Department has released the latest statistics on the restaurant receipts by type of restaurant up to September 2023 on 20 December 2023.

Source: Census and Statistics Department

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As illustrated from the above data obtained from the Census and Statistics Department, the receipts for all restaurants in Hong Kong recorded a year-on-year change of approximately 16.8% increase and approximately 6.3% decrease in 2021 and 2022, respectively. The receipts for Chinese restaurants in Hong Kong recorded a year-on-year change of approximately 18.4% increase and approximately 10.0% decrease in 2021 and 2022, respectively. The receipts for non-Chinese restaurants in Hong Kong recorded a year-on-year change of approximately 23.0% increase and approximately 6.2% decrease in 2021 and 2022, respectively.

Based on the latest statistics available from the Census and Statistics Department on the restaurant receipts by type of restaurant analysed by month up to September 2023, the monthly receipts for all restaurants, Chinese restaurants and non-Chinese restaurant in Hong Kong for each of the nine months from January 2023 to September 2023 has improved as compared to the respective months in 2022. The monthly receipts for all restaurants in Hong Kong recorded a year-on-year change ranged from approximately 10.2% increase in September 2023 to approximately 136.8% increase in March 2023 during first nine months of 2023 as compared to the respective months in 2022. The monthly receipts for Chinese restaurants in Hong Kong recorded a year-on-year change ranged from approximately 16.8% increase in September 2023 to approximately 238.3% increase in March 2023 during first nine months of 2023 as compared to the respective months in 2022. The monthly receipts for non-Chinese restaurants in Hong Kong recorded a year-on-year change ranged from approximately 1.7% increase in September 2023 to approximately 136.3% increase in March 2023 during first nine months of 2023 as compared to the respective months in 2022. Moreover, the latest available statistics released by the Census and Statistics Department on the restaurant receipts by type of restaurant analyzed by month has captured the performance of restaurants in Hong Kong after the relaxation of social distancing measures originally adopted for Covid-19 pandemic such as the lifting of the restriction on capacity for catering premises, bars/pubs and scheduled premises and lifting the headcount limit in banquet activities announced by the Hong Kong Government in December 2022 and such statistics showed that the receipts for all restaurants, Chinese restaurants and non-Chinese restaurant in Hong Kong are on a decreasing trend from January 2023 to September 2023. The monthly receipts for all restaurants in Hong Kong decreased from approximately HK\$9,597 million for January 2023 to approximately HK\$8,610 million for September 2023, representing a decrease of approximately 10.3%. The monthly receipts for Chinese restaurants in Hong Kong decreased from approximately HK\$3,684 million for January 2023 to approximately HK\$3,340 million for September 2023, representing a decrease of approximately 9.3%. The monthly receipts for non-Chinese restaurants in Hong Kong also decreased from approximately HK\$3,162 million for January 2023 to approximately HK\$2,572 million for September 2023, representing a decrease of approximately 18.7%.

Furthermore, the reopening of mainland China's borders, the removal of mainland China's mandatory health declaration (i.e. the black code) and the strengthening of Hong Kong dollar against Renminbi since the beginning of 2022 have facilitated cross-border mobility for Hong Kong residents travelling north to mainland China for weekend getaways or holiday trips. Although the Hong Kong government has launched the "Night Vibes Hong Kong" campaign on 14 September 2023, statistics from the Hong Kong Immigration Department indicated that there were over 630,000 Hong Kong residents travelled to Shenzhen via the land control points, namely Express Rail Link West Kowloon, Hung Hom, Lo Wu, Lok Ma Chau

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Spur Line, Heung Yuen Wai, Lok Ma Chau, Man Kam To, Sha Tau Kok and Shenzhen Bay (the “**Land Control Points**”), during the first weekend after the launched of the campaign (i.e. from Friday, 15 September 2023 to Sunday, 17 September 2023), which is far outweighed the number of Mainland visitors of over 260,000 coming to Hong Kong from all control points during the same period. Statistics from the Hong Kong Immigration Department continues to show over 840,000 Hong Kong residents travelled to Shenzhen via the Land Control Points during the long weekend holiday of the Mid-Autumn Festival and the National Day holiday (i.e. Friday, 29 September 2023 to Monday, 2 October 2023) (the “**National Day Long Weekend**”) and over 1,080,000 Hong Kong residents travelled to Shenzhen via the Land Control Points during the long weekend holiday of the Chung Yeung Festival (i.e. Friday, 20 October 2023 to Monday, 23 October 2023) (the “**Chung Yeung Festival Long Weekend**”), which also far outweighed the number of Mainland visitors of over 600,000 coming to Hong Kong from all control points during the National Day Long Weekend and the number of Mainland visitors of over 320,000 coming to Hong Kong from all control points during the Chung Yeung Festival Long Weekend.

As mentioned in the paragraph headed “Information and financial performance of the Group” of this letter, as a result of the Covid-19 pandemic, the Group’s financial performance has been negatively affected in the recent financial years. Although the Group’s has recorded profit for 9M2023 with turnaround from loss making for FY2022 in absent of the Covid-19 related subsidies from the Government in 2023, we consider the Group’s financial performance is still unstable as the Group has initially recorded a net profit of approximately HK\$3.7 million for 6M2023 and then turnaround recorded a net loss of approximately HK\$3.5 million for the three months ended 30 September 2023, eroding the Group’s profit recorded for 6M2023 and resulting the Group recorded a minimal profit of approximately HK\$0.2 million for 9M2023. Moreover, despite the continued recovery of the travel industry and the reopening of the mainland China’s borders, recent statistics showed that the receipts for restaurant operators in Hong Kong is on a decreasing trend during the first nine months of 2023 and the Group has only recorded minimal profit for the same period.

In order to improve the overall performance of the consumption and catering industry, many companies in Hong Kong, including MTR Corporation Limited, are actively supporting the Hong Kong government’s “Night Vibes Hong Kong” initiative by offering various incentives to attract Hong Kong residents to consume and dine out in the evening since September 2023. However, there is no statistics on the impact of “Night Vibes Hong Kong” campaign on the catering industry as the Census and Statistics Department has only released statistics on the restaurant receipts by type of restaurant analysed by month up to September 2023 as at the Latest Practicable Date. Despite that, a news article published by Hong Kong Economic Times on 1 November 2023¹, being approximately one month after the launch of the “Night Vibes Hong Kong” campaign, has reported that a restaurant industry survey conducted by an online food delivery platform, Deliveroo, indicated that over 90% of the restaurants surveyed have no plans to extend their business and adopted a wait and see attitude to observe the impact of “Night Vibes Hong Kong” campaign offered by the government to attract Hong Kong residents to consume and dine out in the evening. It should be noted that the result of the

¹ <https://dynamic.hket.com/article/ZJTovEjKpxnDf1Yz5?r=cpsdlc>

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survey was only based on the responses from the restaurants being surveyed and the sample size may not represent the consensus view of the market participants but, nevertheless, would provide a general overview of responses of the restaurants being surveyed on the initial impact of “Night Vibes Hong Kong” campaign as the news article did not disclose the sample size of the restaurants surveyed. Having taken into account of the recent decreasing trend of the receipts for restaurants in Hong Kong during the first nine months of 2023 after the relaxation of social distancing measures originally adopted for Covid-19 pandemic and the growing trend of Hong Kong residents travel northbound for shopping and dining in Shenzhen, we consider the catering industry and the business of the Group would remain negative.

3. Information on the Offeror

The Offeror is a company incorporated in Hong Kong. It is held as to 51% by Mr. Peng Ben, 49% by Mr. Zhao Hong. The principal activity of the Offeror is investment holding, which is established on 6 July 2023 solely for the purpose of holding the Company.

Mr. Peng Ben, aged 34, is the sole director of the Offeror. He served as the general manager of Sino-Market Technology Group Co., Ltd. (中市技術集團有限公司), a company primarily engaged in engineering, consultancy and project management, from August 2015 to December 2017. In 2020, he founded Hunan Xiangdu Nongchuang Agricultural Technology Co., Ltd.* (湖南湘都農創農業科技有限公司), a company primarily engaged in the business of agricultural technology development and consultancy services, where he also served as the executive director from March 2020 to July 2022. In October 2022, Mr. Peng Ben completed the EMBA Distinct Director Advanced Course* (清大EMBA工商管理卓越總裁高級研修項目) offered by the BeiQing Institute of Economics and Management* (北清經管高等研究院). In April 2023, he founded Changsha Yunshen Technology Co., Ltd.* (長沙雲燊科技有限責任公司), a company primarily engaged in the provision of software and information technology services. Mr. Peng Ben is currently the general manager of Changsha Aojiaohuola Catering Services Co., Ltd.* (長沙傲椒火辣餐飲服務有限公司) and Changsha Tianxiangfu Catering Services Co., Ltd.* (長沙天湘府餐飲有限公司) which are both principally engaged in the catering business in the PRC.

Mr. Zhao Hong, aged 46, obtained a degree in hotel management from Hunan Agricultural University (湖南農業大學) in 1998. In 2004, he began to operate his own internet café chain in Hunan Province, the PRC, and over the course of 13 years, managed over 150 branches in his internet café chain. Between May 2013 and September 2017, Mr. Zhao Hong was the vice chairman of Hunan Province Internet Café Association* (湖南省網吧協會). Since August 2020, he has been serving as the general manager of the Changsha branch company of China Aerospace Changsha Cheyida New Energy Technology Co., Ltd.* (中國航天長沙車億達新能源科技有限公司), a company primarily engaged in the development of new energy vehicles, where he was responsible for the overall management and operations of the company. He is currently the deputy general manager of Changsha Aojiaohuola Catering Services Co., Ltd.* (長沙傲椒火辣餐飲服務有限公司) which is principally engaged in the catering business in the PRC.

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4. Intentions of the Offeror in relation to the Group

As disclosed in the “Letter from BOCOM Securities”, 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 and 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 the scale 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.

Proposed change of Company Name

As disclosed in the “Letter from BOCOM Securities”, the Board proposes to change the English name of the Company from “Jia Group Holdings Limited” to “XinXiang Era Group Company Limited” and the Chinese name of the Company from “佳民集團有限公司” to “新享時代集團有限公司”. The Proposed Change of Company Name will not affect any of the rights of the Shareholders. Once the Proposed Change of Company Name becomes effective, any issue of share certificates of the Company thereafter will be in the new name of the Company and the Shares will be traded on the Stock Exchange under the new name of the Company. All existing share certificates of the Company in issue bearing the present name of the Company shall, after the Proposed Change of Company Name having become effective, continue to be evidence of title to such Shares and will continue to be valid for trading, settlement, registration and delivery purposes. Accordingly, there will not be any arrangement for free exchange of the existing share certificates for new certificates bearing the new name of the Company.

As immediately after the Completion, the Offeror became the Controlling Shareholder of the Company and to better reflect the relationship between the Offeror and the Company, the Board considers that the Proposed Change of Company Name would provide a clear identification to the market and general public.

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Proposed change of Board composition of the Company

As at the Latest Practicable Date, the Board was made up of five Directors, comprising two executive Directors, namely Miss Wong Pui Yain and Ms. Wan Suet Yee Cherry and three independent non-executive Directors, namely Mr. Leung Yuk Lun Ulric, Mr. Devin Nijanthan Chanmugam and Mr. Wee Keng Hiong Tony. As stated in the “Letter from BOCOM Securities”, it is intended that save for Ms. Wan Suet Yee Cherry, who is an existing executive Director, all other existing Directors (including independent non-executive Directors) will resign from the earliest time permitted under the Takeovers Code.

As mentioned in the “Letter from BOCOM Securities”, as at the Latest Practicable Date, the Offeror has nominated (i) Mr. Kong Linglei as the new executive Director of the Board, (ii) Mr. Peng Ben and Mr. Liu Enyu as the new non-executive Directors of the Board, (iii) Ms. Deng Yongling, Ms. Mao Xiaobi and Ms. Ma Lina as the new independent non-executive Directors of the Board. Any changes to the composition of the Board will be made in compliance with the Takeovers Code and the GEM Listing Rules.

For the biographies of the new Directors, please refer to the section headed “Proposed change of the Board composition of the Company” in the “Letter from BOCOM Securities” in the Composite Document.

Given (i) the new Directors possess commercial experiences in the food and beverage and catering industry ranging from manufacturing of wine, beverage and tea, production of food related media marketing programs, brand management of catering management company and operation of restaurants; and (ii) the new Directors share diverse background, including education and qualification in the area of business management, risk management, corporate compliance management and accounting, we consider the proposed change to the members of the Board will benefit the operation of the Group as the new Directors possess the relevant experience in the catering industry and education background in formulating a sustainable business plan or strategy for the Group’s long-term development after the Offeror’s detailed review of the business operations and financial position of the Group upon the close of the Offers.

5. Public Float and Maintaining the Listing Status of the Company

As stated in the “Letter from BOCOM Securities”, the Offeror intends to maintain the listing of the Shares on the Stock Exchange after the close of the Offers and will take appropriate steps to ensure that sufficient public float exists in the Shares after the close of the Offers. Pursuant to the GEM Listing Rules, if, at the close of the Offers, less than the minimum prescribed percentage applicable to the Company, being 25%, of the 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, then the Stock Exchange will consider exercising its discretion to suspend trading in the Shares until a level of sufficient public float is attained.

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6. Compulsory Acquisition

As stated in the “Letter from BOCOM Securities”, 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.

7. Terms of the Offers

The Share Offer

As stated in the Letter from the Board, BOCOM Securities, on behalf of the Offeror, is making the Share Offer in compliance with the Takeovers Code on the following basis:

For each ShareHK\$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 Sale Share payable by the Offeror under the Share Purchase Agreement. The Share Offer will be extended to all Independent Shareholders in accordance with the Takeovers Code.

The Offer Shares to be acquired shall be fully paid and 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 Share Offer is made, being the date of the Despatch Date.

The Share Offer is unconditional in all aspects and is not subject to any minimum level of acceptances received or any other conditions.

The Option Offer

As stated in the Letter from the Board, BOCOM Securities, for and on behalf of the Offeror, is making the Option Offer to the Optionholders in accordance with Rule 13 of the Takeovers Code to cancel all outstanding Share Options in exchange for cash on the following basis:

For cancellation of each Share Option with an exercise price of:

HK\$0.10 (6,050,000 Share Options in total).HK\$0.0001 in cash

In compliance with Rule 13 of the Takeovers Code, the Option Offer Price for cancellation of the outstanding Share Options represents 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) they hold for the cancellation of every Share Option. As the outstanding Share Options has exercise price of HK\$0.10, which is above the Share Offer Price of HK\$0.0776, such “see-through” price are both negative. Therefore, the Option Offer Price for cancellation of each of the Share Options is a nominal amount of HK\$0.0001.

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The Option Offer is unconditional in all aspects and is not subject to any minimum level of acceptances received or any other conditions. Following acceptance of the Option Offer, the relevant Share Options together with all rights attaching thereto will be cancelled and renounced in their entirety.

Analysis of the Share Offer Price

The Share Offer Price of HK\$0.0776 per Offer Share represents:

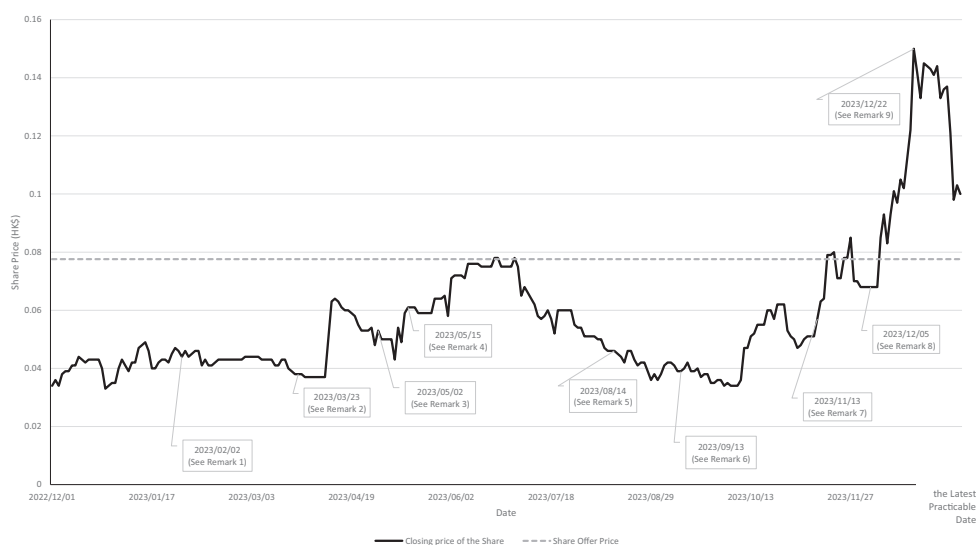
- (i) a discount of approximately 22.4% to the closing price of HK\$0.100 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (ii) a premium of approximately 14.1% to the closing price of HK\$0.0680 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (iii) a premium of approximately 12.8% to the average closing price of approximately HK\$0.0688 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to and including the Last Trading Day;
- (iv) a premium of approximately 6.7% to the average closing price of approximately HK\$0.0727 per Share as quoted on the Stock Exchange for the last 10 consecutive trading days immediately prior to and including the Last Trading Day;
- (v) a premium of approximately 22.2% to the average closing price of approximately HK\$0.0635 per Share as quoted on the Stock Exchange for the last 30 consecutive trading days immediately prior to and including the Last Trading Day;
- (vi) a premium of approximately 54.6% over the average closing price of approximately HK\$0.0502 per Share as quoted on the Stock Exchange for the last 90 consecutive trading days immediately prior to and including the Last Trading Day;
- (vii) a premium of approximately 3,235.8% over the audited consolidated net asset value per Share attributable to owners of the Company of approximately HK\$0.0023263 per Share as at 31 December 2022, based on a total of 1,159,780,000 Shares in issue as at the Latest Practicable Date and the audited consolidated net assets value attributable to owners of the Company of approximately HK\$2.7 million as at 31 December 2022; and
- (viii) a premium of approximately 1,180.6% over the unaudited consolidated net asset value per Share attributable to owners of the Company of approximately HK\$0.0060598 per Share as at 30 June 2023, based on a total of 1,159,780,000 Shares in issue as at the Latest Practicable Date and the unaudited consolidated net asset value attributable to owners of the Company of approximately HK\$7.0 million as at 30 June 2023.

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Historical Share price performance

Set out below is a chart showing the movement of the closing prices of the Shares during the period from December 2022 and up to the Latest Practicable Date (the “**Review Period**”), which covers an approximate one-year period prior to the Last Trading Day and the period up to the Latest Practicable Date, to illustrate the general trend and level of movement of the closing prices of the Shares. We consider that the duration of the Review Period of approximately one year period prior to the Last Trading Day commencing from 1 December 2022 would be a reasonable and sufficient period to illustrate the recent closing price movement of the Shares as it captures the performance of the Company after the relaxation of social distancing measures originally adopted for Covid-19 pandemic such as the lifting of the restriction on capacity for catering premises, bars/pubs and scheduled premises and lifting the headcount limit in banquet activities announced by the Hong Kong Government in December 2022.

Historical Share Price Performance of the Company during the Review Period



Source: The Stock Exchange website (www.hkex.com.hk)

Remarks:

- (1) On 2 February 2023, the Company issued voluntary announcement in relation to the business update of the resumed operation of Duddell’s Hong Kong Airport, one of the restaurants of the Group under its flagship “Duddell’s” brand that is located in the Hong Kong International Airport and which has been closed since December 2020 (the “**Voluntary Announcement**”).
- (2) On 23 March 2023, the Company issued the annual results announcement for the year ended 31 December 2022 (the “**FY2022 Annual Results Announcement**”).
- (3) On 2 May 2023, the Company issued a positive profit alert announcement based on a preliminary review of the unaudited consolidated management accounts of the Group for the three months ended 31 March 2023 (the “**2023Q1 Positive Profit Alert Announcement**”).
- (4) On 15 May 2023, the Company issued the first quarterly results announcement for the three months ended 31 March 2023 (the “**2023Q1 Results Announcement**”).

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- (5) On 14 August 2023, the Company issued the interim results announcement for the six months ended 30 June 2023 (the “**2023 Interim Results Announcement**”).
- (6) On 13 September 2023, the Company issued an announcement in relation to a disclosable transaction disclosing the Group has entered into a license agreement as licensee with PMQ Management Company Limited as licensor in respect of the license to use the premises located in PMQ for a term of 36 months commencing on 1 December 2023 and expiring on 30 November 2026 (both days inclusive) for the operation of the Group’s French restaurant under the trade name of “Louise” (the “**September Disclosable Transaction Announcement**”).
- (7) On 13 November 2023, the Company issued the third quarterly results announcement for the nine months ended 30 September 2023 (the “**2023Q3 Results Announcement**”).
- (8) Trading in the Shares on the Stock Exchange was halted with effect from 9:00 a.m. on 5 December 2023 pending the release of the Joint Announcement. The Company issued the Joint Announcement on 7 December 2023. Trading in the Shares on the Stock Exchange was resumed on 8 December 2023.
- (9) On 22 December 2023, the Company issued an announcement in relation to a disclosable transaction disclosing the Group has entered into a lease agreement as tenant with Hang Lung Real Estate Agency Limited as the landlord in respect of premises located at 1 Duddell Street, Central, Hong Kong for a term of one year and eight months commencing on 1 November 2023 and expiring on 30 June 2025 (both days inclusive) for the operation of the Group’s restaurant under the trade name of “Duddell’s” (the “**December Disclosable Transaction Announcement**”).

As shown in chart above, the closing price of the Shares during the Review Period ranges from the lowest closing price of HK\$0.0330 per Share recorded on 23 December 2022 to the highest closing price of HK\$0.1500 per Share recorded on 22 December 2023 with an average closing price per Share of approximately HK\$0.0573.

The closing price of the Shares fluctuated between HK\$0.0330 to HK\$0.0490 from the beginning of the Review Period to the publication of the FY2022 Annual Results Announcement on 23 March 2023. Subsequent to the publication of the FY2022 Annual Results Announcement, the closing price of the Shares increased to HK\$0.0640 on 12 April 2023 and subsequently decreased to HK\$0.0530 on the date of the publication of the 2023Q1 Positive Profit Alert Announcement on 2 May 2023. The closing price of the Shares further decreased to HK\$0.0430 on 9 May 2023 and subsequently increased to HK\$0.0610 on the date of the publication of the 2023Q1 Results Announcement on 15 May 2023. Since the publication of the 2023Q1 Results Announcement, the closing price of the Shares followed a general increasing trend and peaked at HK\$0.0780 at the end of June 2023. The closing price of the Shares then followed a general decreasing trend and decreased to HK\$0.0460 on the date of the publication of the 2023 Interim Results Announcement on 14 August 2023. Followed the publication of the 2023 Interim Results Announcement and the Disclosable Transaction Announcement, the closing price of the Shares continued to follow a general decreasing trend and bottomed at HK\$0.0340 at the beginning of October 2023 and subsequently followed a general increasing trend increased to HK\$0.0620 near the end of October 2023 but decreased to HK\$0.0570 on the date of the publication of the 2023Q3 Results Announcement on 13 November 2023. Subsequent to the publication of the 2023Q3 Results Announcement, the closing price of the Shares followed an upward trend with fluctuation between HK\$0.0630 to HK\$0.0850 and closed at HK\$0.0680 on the Last Trading Day.

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After the publication of the Joint Announcement up to and including the Latest Practicable Date (the “**Post-Announcement Period**”), the lowest and highest closing price of the Shares ranges from the lowest closing price of approximately HK\$0.0830 per Share recorded on 12 December 2023 to the highest closing price of HK\$0.1500 per Share recorded on 22 December 2023. The Share Offer Price of HK\$0.0776 per Share represents (i) a discount of approximately 6.5% to the lowest closing price of HK\$0.0830 per Share during the Post-Announcement Period; and (ii) a discount of approximately 48.3% to the highest closing price of HK\$0.1500 per Share during the Post-Announcement Period. We consider that the aforesaid recent surge in the Share prices was likely linked to the market reaction to the Joint Announcement and the potential anticipation of the business plan or strategy for the Group’s long-term development to be formulated by the Offeror after the Offeror’s detailed review of the business operations and financial position of the Group upon the close of the Offers, which may or may not be a sustainable market reaction to the intention of the Offeror and the trading price of the Shares may or may not be higher than the Share Offer Price during and/or after the offer period (as defined under the Takeovers Code).

We have made enquiry with the Company with respect to the above fluctuations of the closing price of Shares during the Review Period, especially (i) the sharp increase in closing price of Shares after 4 April 2023, 9 October 2023, 15 November 2023 and 8 December 2023; and (ii) the sharp decrease in closing price of the Shares after 30 June 2023 and 30 October 2023. The Management confirmed that, saved for the publication of (i) the Voluntary Announcement on 2 February 2023; (ii) the FY2022 Annual Results announcement on 23 March 2023; (iii) the 2023Q1 Positive Profit Alert Announcement on 2 May 2023; (iv) the 2023Q1 Results Announcement on 15 May 2023; (v) the 2023 Interim Results Announcement on 14 August 2023; (vi) the September Disclosable Transaction Announcement on 13 September 2023; (vii) 2023Q3 Results Announcements on 13 November 2023; (viii) the announcement in relation to the trading halt of the Company dated 5 December 2023; (ix) the Joint Announcement dated 7 December 2023; and (x) the December Disclosable Transaction Announcement on 22 December 2023, the Management is not aware of any specific reasons which may have an impact of the fluctuations of Share prices during the Review Period.

Based on the above, we noted that (i) the Share Offer Price is higher than the historical closing price of the Shares during the majority of the Review Period; (ii) there are 237 days out of 271 days that the Share Offer Price is higher than the historical closing price of the Shares during the Review Period; (iii) the closing prices of the Shares had been staying above the Share Offer Price after the trading resumed from 8 December 2023; and (iv) the Share Offer Price represented a premium of approximately 35.4% over the average closing prices of the Shares during the Review Period, there is no guarantee on whether the trading price of the Shares could be sustained at a level higher than the Share Offer Price during and/or after the offer period (as defined under the Takeovers Code). Therefore, we consider that the Share Offer Price at HK\$0.0776 is fair and reasonable. However, Independent Shareholders should consider the overall perspective of the various factors contained in different sections of this letter before making their decision on the acceptance of the Share Offer.

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Independent Shareholders who wish to realise their investment in the Group are reminded that they should carefully and closely monitor the market price of the Company during the offer period (as defined under the Takeovers Code) and consider selling their Shares in the open market during the offer period (as defined under the Takeovers Code), rather than accepting the Share Offer, if the net proceeds from the sale of such Shares in the open market would exceed the net amount receivable under the Offer. Independent Shareholders should note that the information set out above is not an indicator of the future performance of the Shares, and that the price of the Shares may increase or decrease from its closing price as at the Latest Practicable Date.

Historical trading liquidity of the Shares

The following table sets out the total trading volume per month and the average daily trading volume per month of the Shares during the Review Period:

Month/period	Total trading volume of the Shares for the month/period	Number of trading days <i>(Note 1)</i>	Average daily trading volume	Total number of issued Shares at the end of the month/period <i>(Note 2)</i>	% of average daily trading volume to total number of Shares as at the end of the month/period	% of average daily trading volume to total number of Shares held by public Shareholders as at the end of the month/period <i>(Note 3)</i>
2022						
December	12,940,000	20	647,000	1,159,780,000	0.056%	0.142%
2023						
January	10,250,000	17	602,941	1,159,780,000	0.052%	0.132%
February	3,270,000	21	155,714	1,159,780,000	0.013%	0.034%
March	750,000	23	32,609	1,159,780,000	0.003%	0.007%
April	5,920,000	17	348,235	1,159,780,000	0.030%	0.076%
May	840,000	21	40,000	1,159,780,000	0.003%	0.009%
June	1,380,000	21	65,714	1,159,780,000	0.006%	0.014%
July	6,520,000	20	326,000	1,159,780,000	0.028%	0.071%
August	3,250,000	23	141,304	1,159,780,000	0.012%	0.031%
September	6,710,000	19	353,158	1,159,780,000	0.030%	0.077%
October	15,480,000	20	774,000	1,159,780,000	0.067%	0.169%
November	5,830,000	22	265,000	1,159,780,000	0.023%	0.058%
December	100,892,500	16	6,305,781	1,159,780,000	0.544%	1.381%

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Month/period	Total trading volume of the Shares for the month/period	Number of trading days <i>(Note 1)</i>	Average daily trading volume	Total number of issued Shares at the end of the month/period <i>(Note 2)</i>	% of average daily trading volume to total number of Shares held by public Shareholders as at the end of the month/period <i>(Note 3)</i>	
					% of average daily trading volume to total number of Shares as at the end of the month/period	% of average daily trading volume to total number of Shares held by public Shareholders as at the end of the month/period
2024						
January (up to and including the Latest Practicable Date)	28,007,500	11	2,546,136	1,159,780,000	0.220%	0.557%
				Minimum:	0.003%	0.007%
				Maximum:	0.544%	1.381%
				Average:	0.078%	0.197%

Source: The Stock Exchange website (www.hkex.com.hk)

Notes:

- Number of trading days of the Shares represents number of trading days during the month or period which excludes any trading day on which trading of the Shares on the Stock Exchange was suspended for the whole trading day (if applicable).
- Based on the total number of the Shares in issue at the end of each month or period as disclosed in the monthly returns of the Company.
- Based on the number of Shares held by public Shareholders as calculated by deducting (i) 702,020,000 Shares held by the Controlling Stake Disposal Group and the Founding Shareholders and 1,000,000 Shares held by an independent non-executive Director (Mr. Wee Keng Hiong Tony) for the period prior to the Completion; or (ii) 702,020,000 Shares held by the Offeror and the parties acting in concert with it and 1,000,000 Shares held by an independent non-executive Director (Mr. Wee Keng Hiong Tony) for the period upon and after the Completion from the total number of the Shares in issue at the end of each month or period.

In order to determine whether the Share Offer Price would be attractive to the Independent Shareholders to participate in the Share Offer, we noted as shown in the table above the highest average daily volume was approximately 6,305,781 Shares in December 2023, representing approximately 0.544% and 1.381% of the total number of Shares and Shares held by public Shareholders respectively. The trading volume of the Shares was generally thin during the Review Period with all months less than 1.0% to the then total number of issued Shares as at the end of respective month/period or the number of shares held by public Shareholders except for December 2023. As the relatively high average trading volume only occurred in December 2023 and was in the Post-Announcement Period, it may not be representable on the trading liquidity over the Review Period. We consider that the exceptionally high trading volume of the Shares in December 2023 was likely to be related to the Offer and may or may not continue during and/or after the offer period (as defined under the Takeovers Code).

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Given the low historical trading volume of the Shares as stated above, it is uncertain as to whether there would be sufficient liquidity in the Shares for the Independent Shareholders to dispose of a significant number of Shares in the open market without exerting a downward pressure on the Share price. Accordingly, the market trading price of the Shares may not necessarily reflect the proceeds that the Independent Shareholders can receive by the disposal of their Shares in the open market. We consider that the Share Offer provide opportunities for the Independent Shareholders to realise all of their investments in the Company at a fixed price. It is noted that the closing price of the Shares as at the Latest Practicable Date of HK\$0.100 per Share exceeded the Share Offer Price, those Independent Shareholders who intend to accept the Share Offer are reminded that they should closely monitor the market price of Shares during the Offer Period and should consider selling their Shares in the open market, rather than accepting the Share Offer, if the net proceeds from the sale of such Shares in the open market would exceed the net proceeds receivable under the Share Offer.

Comparison with other comparable companies

In order to further assess the fairness and reasonableness of the Share Offer Price, we have considered the price-to-earnings ratio (“**PER**”), price-to-book ratio (“**PBR**”) and price-to-sales ratio (“**PSR**”) which are the most commonly used benchmarks in valuing a company as the data for calculating the ratios can be obtained fairly and directly from publicly available information and reflect the value of the companies determined by the open market. PER is usually adopted for judging valuations for companies which are profit making. However, since the Group had been in poor financial performance which recorded net losses since year ended 31 December 2018 for five consecutive years. Therefore, the Group is not appropriate for PER comparison purpose.

On the other hand, PBR is typically applied for valuing companies which hold relatively liquid assets on their balance sheets and their book values approximate their fair market values such as real estate companies, banks and money lenders whereas PSR is appropriate for valuing companies which have volatile earnings or loss but relatively stable source of revenue. Given that the Group has recorded audited consolidated net liabilities as at 31 December 2022 and turnaround recorded minimal unaudited consolidated net asset value of approximately HK\$0.8 million as at 30 June 2023, the adoption of PBR may produce a distorted result. We have also considered the net asset value attributable to the owners of the Company excluding the non-controlling interests. However, the adoption of PBR may still produce a distorted result and therefore not appropriate as the Letter from the Board illustrated that the Share Offer Price of HK\$0.0776 represents (i) a premium of approximately 3,235.8% over the audited consolidated net asset value per Share attributable to owners of the Company of approximately HK\$0.0023263 per Share as at 31 December 2022; and (ii) approximately 1,180.6% over the unaudited consolidated net asset value per Share attributable to owners of the Company of approximately HK\$0.0060598 per Share as at 30 June 2023. As disclosed in the 2022 Annual Report, the Group’s revenue is solely derived from the operation and management of restaurants in Hong Kong. Given the Group’s stable source of revenue, we consider PSR as compared with that using PER and PBR to be an appropriate indicator for comparison purpose.

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Based on the Share Offer Price of HK\$0.0776 per Offer Share and the total number of issued Shares of 1,159,780,000 as at the Latest Practicable Date, the Company is valued at approximately HK\$90.0 million (the “**Implied Market Capitalisation**”). The PSR of the Company implied by the Share Offer Price is (i) approximately 0.415 times (the “**Implied PSR**”) based on the audited consolidated revenue of the Company of approximately HK\$217.0 million for FY2022; and (ii) approximately 0.335 times (the “**Implied T12M PSR**”) based on the unaudited consolidated revenue of the Company of approximately HK\$268.7 million for the trailing 12 months as derived from the 2022 Annual report and the 2023 Q3 Report.

In evaluating the fairness and reasonableness of the Share Offer Price, we have, based on our search on the website of the Stock Exchange, identified an exhaustive list of two peer listed companies on GEM operated by the Stock Exchange (the “**Peer Comparable Companies**”) with substantial and stable source of revenue derived from the operation and management of restaurants in Hong Kong which (i) over 90% of the revenue for the latest full financial year was generated from the operation of restaurants; (ii) over 90% of the revenue for the latest full financial year was derived in Hong Kong; (iii) operate restaurants serving both Western and Asian cuisines similar to the cuisines served by the restaurants of the Group; and (iv) the Peer Comparable Companies with market capitalisation of below HK\$200 million which is considered as of similar size as compared with (i) the Company’s market capitalisation of approximately HK\$78.9 million as at the Last Trading Date; (ii) the Implied Market Capitalisation of approximately HK\$90.0 million; and (iii) the Company’s market capitalisation of approximately HK\$116.0 million as at the Latest Practicable Date.

We have set the selection criteria to include peer listed companies that operate restaurants serving both Western and Asian cuisines similar to the cuisines served by the restaurants of the Group as we consider peer listed companies that operate restaurants serving single food item type or single line of cuisine would have different clientele and operations not comparable to the Group. We have also set the selection criterion to include peer listed companies with over 90% of the revenue for the latest full financial year was generated from the operation of restaurants as we consider (i) such peer listed companies would possess substantial and stable source of revenue derived from the operation and management of restaurants similar and comparable to the operation and revenue model of the Group that is appropriate for conducting PSR comparison purpose; and (ii) peer listed companies with revenue derived from businesses other than operation and management of restaurants would have valuation, business environment and outlook not comparable to the Group. Although the number of the Peer Comparable Companies was limited, considering that the food catering services business of the Company with revenue solely derived from the operation and management of restaurants in Hong Kong is affected directly by consumer dining habits and preferences as well as the restaurant industry in Hong Kong as a whole, we are of the view that the business performances of the peer listed companies engaged in the same industry with substantial and stable source of revenue generated from the operation of restaurants in Hong Kong serving both Western and Asian cuisines are comparable with that of the Company and, in our opinion, constitute the closest proxies to the Company and are therefore fair, meaningful and representative samples

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to serve as a general reference to the valuation of the Group's business. As a result, we consider that the Peer Comparable Companies provide a relevant analysis for the Independent Shareholders based on the above.

The table below illustrates the PSRs and the trailing 12 months PSRs ("T12M PSR") of the Peer Comparable Companies based on their respective market capitalization as at the Latest Practicable Date and their respective latest published financial information:

Company name (Stock Code)	Principal activities	% of revenue generated from operation of restaurants for the latest full financial year	Market capitalisation as at the Latest Practicable Date (HK\$' million)	Total revenue for the latest full financial year (HK\$' million)	PSR (Note 1) (times)	Trailing 12 months revenue (HK\$' million)	T12M PSR (Note 2) (times)
1957 & Co. (Hospitality) Limited (8495.HK)	include operation of full-service restaurants serving Japanese, Thai, Vietnamese, Shanghainese and Italian cuisines	99.5%	83.7	352.9	0.237	450.7	0.186
MS Concept Limited (8447.HK)	include operation of restaurants serving various Western, Japanese and Taiwanese cuisines	100%	41.0	250.4	0.164	243.8	0.168
Average and Median:					0.200		0.177
High:					0.237		0.186
Low:					0.164		0.168

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Company Name (Stock Code)	Principal activities	% of revenue generated from operation of restaurants for the latest full financial year	Implied Market Capitalisation <i>(Note 3)</i> <i>(HK\$' million)</i>	Total revenue for the latest full financial year <i>(HK\$' million)</i>	Implied PSR <i>(Note 4)</i> <i>(times)</i>	Trailing 12 months revenue <i>(HK\$' million)</i>	Implied T12M PSR <i>(Note 5)</i> <i>(times)</i>
The Company (8519.HK)	Include operation of restaurants serving Chinese, Thai, Italian, French and Spanish cuisines	100%	90.0	217.0	0.415	268.7	0.335

Source: the website of the Stock Exchange (www.hkex.com.hk) and the latest published annual reports, interim reports and quarterly reports of the respective Peer Comparable Companies

Notes:

1. The PSRs of the Peer Comparable Companies are calculated by dividing their respective market capitalization as at the Latest Practicable Date by their respective revenue for the financial year as extracted from their respective latest published annual reports as at the Latest Practicable Date.
2. The T12M PSRs of the Peer Comparable Companies are calculated by dividing their respective market capitalization as at the Latest Practicable Date by their respective revenue for the trailing 12 months as extracted from their respective latest published annual reports, interim reports and quarterly reports as at the Latest Practicable Date.
3. The Implied Market Capitalisation is calculated based on the Share Offer Price and the total number of issued Shares of 1,159,780,000 as at the Latest Practicable Date.
4. The Implied PSR is calculated based on the Implied Market Capitalisation divided by the total revenue of the Company for the financial year as extracted from the 2022 Annual Report.
5. The Implied T12M PSR is calculated based on the Implied Market Capitalisation divided by the total revenue of the Company for the trailing 12 months as extracted from the 2022 Annual Report and the 2023 Q3 Report.

We noted from the above table that (i) the Implied PSR of approximately 0.415 times is higher than the PSRs of the Peer Comparable Companies; and (ii) the Implied T12M PSR of approximately 0.335 times is higher than the T12M PSRs of the Peer Comparable Companies. Accordingly, we are of the view that the Share Offer Price is fair and reasonable so far as the Offer Shareholders are concerned.

Analysis of the Option Offer Price

With reference to the Letter from the Board, save for the 6,050,000 outstanding Share Options, as at the Latest Practicable Date, the Company has no 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.

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Given that the exercise price of the outstanding Share Options (being HK\$0.10 per Option) are higher than the Share Offer Price of HK\$0.0776, and are therefore out-of-the-money, the Option Offer Price for the cancellation of each Share Option is a nominal cash amount of HK\$0.0001. We consider that the Option Offer Price of a nominal value of HK\$0.0001 for the cancellation of each Offer Option is fair and reasonable so far as the Optionholders are concerned.

RECOMMENDATION

Having considered the principal factors and reasons as discussed above, in particular the following (which should be read in conjunction with and interpreted in the full context of this letter):

- (i) the fact that the Group had been loss-making for recorded net losses since year ended 31 December 2018 for five consecutive years. Notwithstanding the financial performance of the Company demonstrated an improvement for 9M2023, as stated in sub-section headed “2. Future Plan and Prospects” above, we considered that the catering industry and the business of the Group would remain negative;
- (ii) the Share Offer Price of HK\$0.0776 is at a price level higher than the daily closing prices of the Shares for 237 out of 271 trading days as quoted on the Stock Exchange during the Review Period. Although the Share Offer Price represented a discount of approximately 22.4% to the closing price of the Shares as at the Latest Practicable Date of HK\$0.100 per Share, there is no guarantee on whether the trading price of the Shares could be sustained at a level higher than the Share Offer Price during and/or after the Offer Period resulting the Independent Shareholders (regardless to their amount of shareholdings) may not be able to realise their investments in the Shares at a price higher than the Share Offer Price when they are going to dispose of their partial or entire holdings;
- (iii) given the low liquidity of the Shares, the Share Offer provide opportunities for the Independent Shareholders including those with significant shareholding interest to realise all of their investments in the Company at a fixed price;
- (iv) the Share Offer Price represents a premium to the audited consolidated net liabilities per Share as at 31 December 2022 and a premium of approximately 3,235.8% over the audited consolidated net asset value per Share attributable to owners of the Company of approximately HK\$0.0023263 per Share as at 31 December 2022;
- (v) the Implied PSR of approximately 0.415 times is higher than the PSRs of the Peer Comparable Companies and the Implied T12M PSR of approximately 0.335 times is higher than the T12M PSRs of the Peer Comparable Companies, in which we consider that the Peer Comparable Companies provide a relevant analysis for the Independent Shareholders based on the explanation set out in “Comparison with other comparable companies” above; and

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- (vi) the exercise price of the Share Options is higher than the Share Offer Price and the Share Options are out-of-the-money,

we are of the opinion that the Offers are fair and reasonable so far as the Independent Shareholders and Optionholders are concerned. Accordingly, we advise the Independent Board Committee to recommend, and we ourselves recommend, the Independent Shareholders to accept the Share Offer and the Optionholders to accept the Option Offer. Nonetheless, we note that the Share price has been trading above the Share Offer Price since the trading resumed on 8 December 2023 and up to the Latest Practicable Date. For those Independent Shareholders who intend to accept the Share Offer, we would remind them to closely monitor the market price and liquidity of the Shares during the Offer Period, and having regard to their own circumstances, should sell the Shares in the open market, instead of accepting the Share Offer, if the net proceeds from the ultimate sale of such Shares would be higher than that receivable under the Share Offer.

For those Independent Shareholders who intend to dispose of large blocks of Shares in the open market, we would also remind them of the possible difficulty in disposing of their Shares in the open market without creating downward pressure on the market prices of the Shares as a result of the thin trading in the Shares.

For those Independent Shareholders who are attracted by or confident in the prospects of the Group with the Offeror as the controlling Shareholder of the Company may consider to retain their Shares in full or in part.

Yours faithfully,

For and on behalf of

Pulun International Capital Limited
(formerly known as Titan
Financial Services Limited)

Eric Koo Alvin Tsui
Managing Director Executive Director

Mr. Eric Koo is a licensed person registration with the SFC and is a responsible officer of Pulun International Capital Limited (formerly known as Titan Financial Services Limited) to carry out Type 6 regulated activity (advising on corporate finance) under the SFO. He has over 20 years of experience in corporate finance.

Mr. Alvin Tsui is a licensed person registration with the SFC and is a licensed representative of Pulun International Capital Limited (formerly known as Titan Financial Services Limited) to carry out Type 6 regulated activity (advising on corporate finance) under the SFO. He has over 10 years of experience in corporate finance.

1. PROCEDURES FOR ACCEPTANCE OF THE SHARE OFFER

To accept the Share Offer, you should complete and sign the accompanying **WHITE** Form of Acceptance in accordance with the instructions printed thereon, which instructions form part of the terms of the Share Offer. You should insert the total number of Shares for which the Share Offer is accepted. If no number is inserted in the box title “Number of Share(s) to be transferred” or a number of Shares inserted is greater than the number of Shares held by you or inserted is greater than that represented by the certificate for Shares tendered for acceptance of the Share Offer, the form will be returned to you for correction and resubmission. Any corrected form must be resubmitted and received by the Registrar on or before the latest time for acceptance of the Share Offer. Your Shares sold to the Offeror by way of acceptance of the Share Offer will be registered under the name of the Offeror or its nominee.

By signing and returning the **WHITE** Form of Acceptance, you warrant to the Offeror, BOCOM Securities, BOCOM (Asia), the Company and parties acting in concert with any of them or any of their respective ultimate beneficial owners, directors, officers, agents or associates or any other person involved in the Offers that you have not taken or omitted to take any action which will or may result in the Offeror, the Company, BOCOM Securities, BOCOM (Asia), or parties acting in concert with any of them or any of their respective ultimate beneficial owners, directors, officers, agents or associates or any other person involved in the Offers acting in breach of the legal or regulator requirements of any territory in connection with the Share Offer or your acceptance thereof.

If the share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares is/are in your name and you wish to accept the Share Offer in respect of your Shares (whether in full or in part), you must send the duly completed and signed **WHITE** Form of Acceptance together with the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) for the number of Shares in respect of which you intend to accept the Share Offer, by post or by hand, to the Registrar, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, in an envelope marked “Jia Group Holdings Limited — Share Offer”, as soon as possible, and, in any event no later than 4:00 p.m. on the Closing Date or such later time and/or date as the Offeror may determine and announce with the consent of the Executive.

If the share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares is/are in the name of a nominee company or a name other than your own and you wish to accept the Share Offer in full or in part, you must either:

- (a) lodge your share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) with the nominee company, or other nominee, and with instructions authorising it to accept the Share Offer on your behalf and requesting it to deliver in an envelope marked “Jia Group Holdings Limited – Share Offer” the duly

completed and signed **WHITE** Form of Acceptance together with the relevant share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) for the number of Shares in respect of which you intend to accept the Share Offer to the Registrar; or

- (b) arrange for the Shares to be registered in your name by the Company, through the Registrar, and send in an envelope marked “Jia Group Holdings Limited – Share Offer” the duly completed and signed **WHITE** Form of Acceptance together with the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) to the Registrar; or
- (c) if your Shares have been lodged with your licensed securities dealer/registered institution in securities/custodian bank through CCASS, instruct your licensed securities dealer/registered institution in securities/custodian bank to authorise HKSCC Nominees Limited to accept the Share Offer on your behalf on or before the deadline set by HKSCC Nominees Limited. In order to meet the deadline set by HKSCC Nominees Limited, you should check with your licensed securities dealer/registered institution in securities/custodian bank for the timing on processing your instruction, and submit your instruction to your licensed securities dealer/registered institution in securities/custodian bank as required by them; or
- (d) if your Shares have been lodged with your Investor Participant’s account maintained with CCASS, authorise your instruction via the CCASS Phone System or CCASS Internet System before the deadline set by HKSCC Nominees Limited.

If the number of Share(s) shown in the share certificate is not wholly accepted by you, you shall apply to the Registrar for new share certificate representing such number of shares to be accepted and shown in the **WHITE** Form of Acceptance.

If the share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares is/are not readily available and/or is/are lost, as the case may be, and you wish to accept the Share Offer in respect of your Shares, the **WHITE** Form of Acceptance should nevertheless be duly completed and signed and delivered in an envelope marked “Jia Group Holdings Limited – Share Offer” to the Registrar together with a letter stating that you have lost one or more of your share certificates and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares or that it/they is/are not readily available. If you find such document(s) or if it/they become(s) available, it/they should be forwarded to the Registrar as soon as possible thereafter.

If you have lost your share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares, you should also write to the Registrar requesting a letter of indemnity which, when completed in accordance with the instructions given, should be returned to the Registrar.

If you have lodged transfer(s) of any of your Shares for registration in your name and have not received your share certificate(s) and you wish to accept the Share Offer in respect of your Shares, you should nevertheless complete and sign the **WHITE** Form of Acceptance and deliver it in an envelope marked “Jia Group Holdings Limited – Share Offer” to the Registrar together with the transfer receipt(s) duly signed by you. Such action will be deemed to be an irrevocable authority to the BOCOM Securities and/or Offeror or their respective agent(s) to collect from the Company or the Registrar on your behalf the relevant share certificate(s) when issued and to deliver such share certificate(s) to the Registrar and to authorise and instruct the Registrar to hold such share certificate(s), subject to the terms and conditions of the Share Offer, as if it/they were delivered to the Registrar with the **WHITE** Form of Acceptance.

An acceptance of the Share Offer may not be counted as valid unless:

- (a) it is received by the Registrar on or before 4:00 p.m. on the Closing Date or such time and/or date as the Offeror may determine and announce in accordance with the Takeovers Code, and the Registrar has recorded that such acceptance and any relevant documents required under paragraph (b) below have been so received; and
- (b) the **WHITE** Form of Acceptance is duly completed and signed and is:
 - (i) accompanied by the relevant share certificate(s) and/or transfer receipt (s) and/or other document (s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) and, if that/those share certificate(s) is/are not in your name, such other documents (e.g. a duly stamped transfer of the relevant Shares in blank or in favour of the acceptor executed by the registered holder) in order to establish your right to become the registered holder of the relevant Shares; or
 - (ii) from a registered Shareholder or his personal representatives (but only up to the amount of the registered holding and only to the extent that the acceptance relates to the Shares which are not taken into account under the other subparagraphs of this paragraph (b)); or
 - (iii) certified by the Registrar or the Stock Exchange.

If the **WHITE** Form of Acceptance is executed by a person other than the registered Shareholder, appropriate documentary evidence of authority (e.g. grant of probate or certified copy of a power of attorney) to the satisfaction of the Registrar must be produced.

No acknowledgment of receipt of any **WHITE** Form of Acceptance, share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) will be given.

2. PROCEDURES FOR ACCEPTANCE OF THE OPTION OFFER

To accept the Option Offer, you should complete and sign the accompanying **PINK** Form of Acceptance in accordance with the instructions printed thereon, which instructions form part of the terms of the Option Offer. You should insert the total number of Share Options for which the Option Offer is accepted. If no number is inserted in the box title “Number of Share Option(s) to be cancelled” or a number of Share Options inserted is greater than the number of Share Options in your registered holding of Share Options or those physical Share Options tendered for acceptance of the Option Offer, the form will be returned to you for correction and resubmission. Any corrected form must be resubmitted and received by the Company on or before the latest time for acceptance of the Option Offer.

The duly completed and signed **PINK** Form of Acceptance should be forwarded, together with the relevant certificate(s) of the Share Options (and/or satisfactory indemnity or indemnities required in respect thereof) (if applicable) you intend to tender, stating the number of Share Options in respect of which you intend to accept the Option Offer, by post or by hand, in an envelope marked “JIA GROUP HOLDINGS LIMITED – Option Offer” to the Company as soon as possible and in any event so as to reach the Company by not later than 4:00 p.m. on the Closing Date, or such later time(s) and/or date(s) as may be announced by the Offeror in compliance with the Takeovers Code and approved by the Executive.

If the certificate(s) in respect of your Share Options (if applicable) is/are not readily available and/or is/are lost, as the case may be, and you wish to accept the Option Offer, the **PINK** Form of Acceptance should nevertheless be completed and delivered to the Company together with a letter stating that you have lost one or more of your Share Option certificate(s) (if applicable) or that it/they is/are not readily available. If you find such document(s) or if it/they become(s) available, it/they should be forwarded to the Company as soon as possible thereafter. If you have lost your Share Option certificate(s) (if applicable), you should also write to the Company requesting a letter of indemnity which, when completed in accordance with the instructions given, should be returned to the Company.

No stamp duty will be deducted from the amount paid or payable to Optionholders who accept the Option Offer.

No acknowledgment of receipt of any **PINK** Form(s) of Acceptance and/or certificate(s) of the Share Options (if applicable) will be given.

References to the Offers in this Composite Document and in the Form(s) of Acceptance shall include any extension and/or revision thereof.

In making their decision, the Optionholders must rely on their own examination of the Group and the terms of the Option Offer, respectively, including the merits and risks involved. The contents of this Composite Document, including any general advice or recommendation contained herein together with the Form(s) of Acceptance, shall not be construed as any legal or business advice on the part of any of the Offeror, the Company, BOCOM (Asia), BOCOM Securities, Independent Financial Adviser, or their respective professional advisers. Optionholders should consult their own professional advisers for professional advice.

3. SETTLEMENT

Share Offer

Provided that a valid **WHITE** Form of Acceptance and the relevant certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of the relevant Shares are complete in all respects and have been received by the Registrar before the close of the Share Offer, a cheque for the amount (rounding up to the nearest cent) due to each of the Independent Shareholders who accepts the Share Offer less seller's ad valorem stamp duty in respect of the Shares tendered by him/her/it under the Share Offer will be despatched to such Independent Shareholder by ordinary post at his/her/its own risk as soon as possible but in any event no later than seven (7) Business Days following the date of receipt by the Registrar of the duly completed acceptances of the Share Offer and all relevant documents of title which render such acceptance complete, valid and in compliance with Note 1 to Rule 30.2 of the Takeovers Code.

Settlement of the consideration to which any accepting Shareholder is entitled under the Share Offer will be implemented in full in accordance with the terms of the Share Offer (save with respect to the payment of seller's ad valorem stamp duty), without regard to any lien, right of set-off, counterclaim or other analogous right to which the Offeror may otherwise be, or claim to be, entitled against such accepting Shareholder.

Cheque(s) not presented for payment within six months from the date of issue of the relevant cheques will not be honoured and be of no further effect, and in such circumstances cheque holders should contact the Offeror for payment.

No fraction of a cent will be payable and the amount of consideration payable to each Independent Shareholder who accepts the Offer will be rounded up to the nearest cent.

Option Offer

Provided that a valid **PINK** Form of Acceptance and the relevant certificate(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) are complete in all respects and have been received by the Company before the close of the Option Offer, a cheque for the amount (rounding up to the nearest cent) due to each of the Optionholders who accepts the Option Offer in respect of the Share Option tendered by him/her/it under the Option Offer will be despatched to the relevant Optionholder by ordinary

post at his/her/its own risks as soon as possible but in any event no later than seven (7) Business Days following the date of receipt by the Company of the duly completed acceptances of the Option Offer and all relevant documents which render such acceptance complete, valid and in compliance with Note 1 to Rule 30.2 of the Takeovers Code.

Settlement of the consideration to which any accepting Optionholder is entitled under the Option Offer will be implemented in full in accordance with the terms of the Option Offer, without regard to any lien, right of set-off, counterclaim or other analogous right to which the Offeror may otherwise be, or claim to be, entitled against such accepting Optionholder.

4. ACCEPTANCE PERIOD AND REVISIONS

The Offers are made on 19 January 2024, being the Despatch Date of this Composite Document, and are capable of acceptance on and from this date until 4:00 p.m. on the Closing Date.

In order to be valid for the Offers, the **WHITE** Form of Acceptance and the **PINK** Form of Acceptance must be received by the Registrar (in respect of the Share Offer) or the Company (in respect of the Option Offer) in accordance with the instructions printed thereon by 4:00 p.m. on the Closing Date, unless the Offers are extended or revised with the consent of the Executive.

The Offeror reserves the right to revise the terms of the Offers after the despatch of this Composite Document until such day as he may determine and in accordance with the Takeovers Code. If the Offeror revises the terms of the Offers, all the Independent Shareholders and the Optionholders, whether or not they have already accepted the Offers, will be entitled to accept the revised Offers under the revised terms.

If the Offers are extended or revised, the announcement of such extension or revision will state the next closing date or the Offers will remain open until further notice. In the latter case, at least 14 days' notice in writing will be given before the Offers are closed to the Independent shareholders and the Optionholders who have not accepted the Offers, and an announcement will be released. The revised Offers will be kept open for at least 14 days thereafter.

If the Closing Date of the Offers is extended, any reference in this Composite Document and in the Form(s) of Acceptance to the Closing Date shall, except where the context otherwise requires, be deemed to refer to the closing date of the Offers as so extended.

5. ANNOUNCEMENTS

By 6:00 p.m. on the Closing Date (or such later time and/or date as the Executive may in exceptional circumstances permit), the Offeror must inform the Executive and the Stock Exchange of their decision in relation to the expiry, revision and extension of the Offers. The Offeror must publish an announcement in accordance with the Takeovers Code on the Stock Exchange's website by 7:00 p.m. on the Closing Date stating the results of the Offers and whether the Offers have been revised, extended or expired, amongst other information required under Rule 19.1 of the Takeovers Code. The announcement must state the following:

- (i) the total number of Shares and Share Options and rights over Shares for which acceptances of the Offers have been received;
- (ii) the total number of Shares and Share Options and rights over Shares and Share Options held, controlled, or directed by the Offeror before the Offer Period;
- (iii) the total number of Shares and rights over Shares acquired/cancelled (as the case may be) or agreed to be acquired/cancelled (as the case may be) during the Offer Period by the Offeror; and
- (iv) details of any relevant securities (as defined in Note 4 to Rule 22 of the Takeover Code) in which any member of the Offeror have borrowed or lent, save for any borrowed Shares which have been either on-lent or sold.

The announcement will specify the percentages of voting rights represented by these numbers of Shares and Share Options.

In computing the total number of Shares and Share Options represented by acceptances, only valid acceptances that are complete, and fulfill the conditions set out in this Appendix, and which have been received by the Registrar (in respect of Share Offer) or the Company (in respect of the Option Offer) no later than 4:00 p.m. on the Closing Date, being the latest time and date for acceptance of the Offers, shall be included.

As required under the Takeovers Code, all announcements in relation to the Offers will be made in accordance with the requirements of the GEM Listing Rules.

6. NOMINEE REGISTRATION

To ensure equality of treatment of all Independent Shareholders, those registered Shareholders who hold Shares as nominees on behalf of more than one beneficial owner should, as far as practicable, treat the holding of each beneficial owner separately. In order for beneficial owners of Shares, whose investments are registered in the names of nominees, to accept the Offers, it is essential that they provide instructions of their intentions with regard to the Offers to their nominees.

7. RIGHT OF WITHDRAWAL

Acceptance of the Share Offer and the Option Offer tendered by Independent Shareholders and Optionholders, respectively, shall be irrevocable and cannot be withdrawn, except in the circumstances set out in below.

In the circumstances set out in Rule 19.2 of the Takeovers Code (which is to the effect that if the Offeror is unable to comply with any of the requirements of making announcements relating to the Offers as described under the paragraph headed “5. Announcements” above), the Executive may require that acceptors be granted a right of withdrawal, on terms acceptable to the Executive, until such requirements can be met.

In such case, the Offeror shall, at the Independent Shareholders and/or the Optionholders’ own risk as soon as possible but in any event no later than 7 Business Days thereof, return by ordinary post the share certificate(s) and/or transfer receipt(s) and/or the relevant certificate(s) of the Share Options (if applicable) and/or other document(s) of title (and/or satisfactory indemnity or indemnities required in respect thereof) lodged with the **WHITE** Form of Acceptance to the relevant Independent Shareholder and/or the **PINK** Form of Acceptance to the relevant Optionholders.

8. WARRANTY

Acceptance of the Offers by Independent Shareholders and Optionholders will be deemed to constitute a warranty by such person(s) to the Offeror that such Shares and Share Options acquired under the Offers are sold or tendered by the Independent Shareholders or Optionholders free from all third party rights and together with all rights accruing and attached to them on the date of this Composite Document or subsequently becoming attached to it, including the rights to receive all dividends and distributions declared, made or paid, on or after the date of this Composite Document. The Company confirms that as at the Latest Practicable Date, (a) it has not declared any dividend which is outstanding and not yet paid and (b) it does not have any intention to make, declare or pay any future dividend or make other distributions or any return of capital prior to and including the Closing Date.

Acceptance of the Option Offer by the Optionholders will result in the cancellation of those outstanding Share Options, together with all rights attaching thereto.

9. HONG KONG STAMP DUTY

Hong Kong seller’s ad valorem stamp duty arising in connection with acceptance of the Share Offer at a rate of 0.1% of the consideration payable in respect of the relevant acceptances, or (if higher) the value of the Shares as determined by the Collector of Stamp Revenue under the Stamp Duty Ordinance (Chapter 117 of the laws of Hong Kong), will be deducted from the cash amount payable to the Independent Shareholders who accept the Share Offer (where the amount of stamp duty is a fraction of a dollar, the stamp duty will be rounded up to the nearest dollar). The Offeror will then arrange for payment of the seller’s ad valorem

stamp duty on behalf of those Independent Shareholders who accepted the Share Offer. The Offeror will bear buyer's ad valorem stamp duty in connection with the acceptance of the Share Offer and the transfer of the Offer Shares.

No stamp duty will be payable in connection with the Option Offer.

10. GENERAL

- (a) All communications, notices, the Form(s) of Acceptance, share certificates, transfer receipts, other documents of title (and/or any satisfactory indemnity or indemnities required in respect thereof) and remittances to be delivered by or sent to or from Shareholders and Optionholders will be delivered by or sent to or from them, or their designated agents, through post at their own risk, and none of the Offeror, the Company, BOCOM (Asia), BOCOM Securities, the Registrar or parties acting in concert with any of them or any of their respective ultimate beneficial owners, directors, officers, agents, associates or any other person involved in the Offers accepts any liability for any loss in postage or any other liabilities that may arise as a result thereof.
- (b) The provisions set out in the Form(s) of Acceptance form part of the terms of the Offers.
- (c) Due execution of the Form(s) of Acceptance will constitute an irrevocable authority to the Offeror and/or BOCOM Securities (or any of their respective ultimate beneficial owners, directors, officers, agents or associates) to complete, and execute any document on behalf of the accepting Independent Shareholder or accepting Optionholder and to do any other act that may be necessary or expedient for the purposes of vesting in the Offeror (or such person or persons as it may direct) the Offer Shares or cancelling the Share Options in respect of which such person has accepted the Offers.
- (d) The accidental omission to despatch this Composite Document and/or the Form(s) of Acceptance or any of them to any person to whom the Offers are made will not invalidate the Offers in any way.
- (e) The Offers and all acceptances thereof will be governed by and construed in accordance with the laws of Hong Kong.
- (f) The settlement of the consideration to which any Independent Shareholder or Optionholder is entitled under the Offers will be implemented in full in accordance with the terms of the Offers without regard to any lien, right of set-off, counterclaim or other analogous right to which the Offeror may otherwise be, or claim to be, entitled against such Independent Shareholder or Optionholder.

- (g) Any Independent Shareholders or Optionholders accepting the Offers will be responsible for payment of any transfer or cancellation or other taxes or duties payable in respect of the relevant jurisdiction due by such persons.
- (h) In making their decision, Independent Shareholders and Optionholders must rely on their own examination of the Group and the terms of the Offers, including the merits and risks involved. The contents of this Composite Document, including any general advice or recommendation contained herein together with the Form(s) of Acceptance, shall not be construed as any legal or business advice on the part of the Offeror, the Company, BOCOM (Asia), BOCOM Securities, or their respective professional advisers. Independent Shareholders and Optionholders should consult their own professional advisers for professional advice.
- (i) References to the Offers in this Composite Document and in the Form(s) of Acceptance shall include any extension and/or revision thereof.
- (j) This Composite Document has been prepared for the purposes of compliance with the legislative and regulatory requirements applicable in respect of the Offers in Hong Kong and the operating rules of the Stock Exchange.

I. SUMMARY OF FINANCIAL INFORMATION OF THE COMPANY

The following is a summary of the audited financial information of the Company for the years ended 31 December 2020, 2021 and 2022, the unaudited financial information of the Company for the six months ended 30 June 2022 and 2023, and the unaudited financial information of the Company for the nine months ended 30 September 2022 and 2023 as extracted from the annual reports of the Company for the years ended 31 December 2020, 2021 and 2022, the interim report of the Company for the six months ended 30 June 2022 and 2023, and the third quarterly report of the Company for the nine months ended 30 September 2022 and 2023, respectively.

	For the nine months ended 30 September 2023 HK\$'000 (unaudited)	For the nine months ended 30 September 2022 HK\$'000 (unaudited)	For the six months ended 30 June 2023 HK\$'000 (unaudited)	For the six months ended 30 June 2022 HK\$'000 (unaudited)	For the year ended 31 December 2022 HK\$'000 (audited)	For the year ended 31 December 2021 HK\$'000 (audited)	For the year ended 31 December 2020 HK\$'000 (audited)
Revenue	206,022	154,361	142,769	95,033	217,005	221,344	173,303
Other income	1,702	13,450	1,099	6,362	14,422	4,622	21,282
Other gains and losses	(361)	(741)	-	-	2,163	250	(1,092)
Raw materials and consumables used	(55,279)	(43,824)	(37,900)	(26,673)	(60,672)	(61,950)	(46,458)
Staff costs	(77,343)	(67,353)	(51,322)	(42,985)	(91,866)	(87,104)	(81,127)
Depreciation	(19,953)	(26,290)	(14,389)	(17,643)	(34,250)	(33,212)	(29,658)
Property rentals and related expenses	(16,962)	(7,183)	(11,018)	(4,865)	(10,528)	(8,785)	(10,940)
Utility expenses	(5,939)	(4,374)	(3,890)	(2,728)	(6,037)	(5,651)	(6,354)
Advertising and promotion expenses	(7,423)	(6,432)	(4,923)	(4,229)	(8,705)	(9,238)	(8,045)
Other operating expenses	(21,790)	(22,693)	(14,787)	(13,812)	(30,703)	(28,511)	(24,266)
Finance costs	(1,744)	(1,875)	(1,334)	(1,324)	(3,185)	(3,151)	(2,283)
Share results of associates	(539)	-	(483)	-	(307)	-	-
Gain on disposal of subsidiaries ^(Note)	-	3,664	-	-	-	-	-
Impairment loss of property, plant and equipment	-	-	-	-	(5,314)	(4,961)	(2,326)
Impairment loss of trade and other receivable	-	-	-	-	-	-	(1,565)
Impairment loss of right-of-use assets	-	-	-	-	(3,545)	(2,948)	(208)
Impairment loss on amounts due from related parties	-	-	-	-	(887)	-	-
Profit/(loss) before taxation	391	(9,290)	3,822	(12,864)	(22,409)	(19,295)	(19,737)
Income tax (expense)/credit	(158)	(87)	(134)	(39)	(591)	(1,967)	637
Profit/(loss) and total comprehensive income/(expense) for the year/period	233	(9,377)	3,688	(12,903)	(23,000)	(21,262)	(19,100)

	For the nine months ended 30 September 2023 HK\$'000 (unaudited)	For the nine months ended 30 September 2022 HK\$'000 (unaudited)	For the six months ended 30 June 2023 HK\$'000 (unaudited)	For the six months ended 30 June 2022 HK\$'000 (unaudited)	For the year ended 31 December 2022 HK\$'000 (audited)	For the year ended 31 December 2021 HK\$'000 (audited)	For the year ended 31 December 2020 HK\$'000 (audited)
Profit/(loss) and total comprehensive income/ (expense) for the year/period attributable to:							
- Owners of the Company	2,030	(8,065)	4,330	(11,709)	(19,744)	(19,476)	(20,407)
- Non-controlling interests	(1,797)	(1,312)	(642)	(1,194)	(3,256)	(1,786)	1,307
	<u>233</u>	<u>(9,377)</u>	<u>3,688</u>	<u>(12,903)</u>	<u>(23,000)</u>	<u>(21,262)</u>	<u>(19,100)</u>
Earning/(Loss) per share							
Basic and diluted (HK cents)	<u>0.18</u>	<u>(0.70)</u>	<u>0.37</u>	<u>(1.01)</u>	<u>(1.70)</u>	<u>(1.77)</u>	<u>(2.25)</u>

Note: Classified as “Other gains and losses” in the 2022 Financial Statements (as defined below).

Save as disclosed above, there were no items of income or expenses which are material in respect of the audited financial information of the Group for each of the three years ended 31 December 2020, 2021 and 2022, the unaudited financial information of the Group for the six months ended 30 June 2022 and 2023, and the unaudited financial information of the Group for the nine months ended 30 September 2022 and 2023.

No dividends had been distributed by the Company during the three years ended 31 December 2020, 2021 and 2022, the six months ended 30 June 2022 and 2023 and the nine months ended 30 September 2022 and 2023.

II. FINANCIAL STATEMENTS

The Company is required to set out or refer to in this Composite Document the statement of profit or loss, statement of financial position, cash flow statement and any other primary statement as shown in (i) the audited financial statements of the Company for the year ended 31 December 2020 (the “**2020 Financial Statements**”); (ii) the audited financial statements of the Company for the year ended 31 December 2021 (the “**2021 Financial Statements**”); (iii) the audited financial statements of the Company for the year ended 31 December 2022 (the “**2022 Financial Statements**”); (iv) the unaudited statements of profit and loss and other comprehensive income of the Company for the six months ended 30 June 2022 (the “**2022 Interim Financial Statements**”); (v) the unaudited statements of profit and loss and other comprehensive income of the Company for the six months ended 30 June 2023 (the “**2023 Interim Financial Statements**”); (vi) the unaudited statements of comprehensive income of the Company for the nine months ended 30 September 2022 (“**2022 Third Quarterly Financial Statements**”); and (vii) the unaudited statements of comprehensive income of the Company for the nine months ended 30 September 2023 (“**2023 Third Quarterly Financial Statements**”); together with the notes to the relevant published accounts which are of major relevance to the appreciation of the above financial information.

The 2020 Financial Statements are set out from page 96 to page 196 in the annual report of the Company for the year ended 31 December 2020, which was published on 24 March 2021. The annual report of the Company for the year ended 31 December 2020 is posted on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<https://www.jiagroup.co/>), and is accessible via the following hyperlink:

<https://www1.hkexnews.hk/listedco/listconews/gem/2021/0324/2021032400119.pdf>

The 2021 Financial Statements are set out from page 109 to page 220 in the annual report of the Company for the year ended 31 December 2021, which was published on 13 May 2022. The annual report of the Company for the year ended 31 December 2021 is posted on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<https://www.jiagroup.co/>), and is accessible via the following hyperlink:

<https://www1.hkexnews.hk/listedco/listconews/gem/2022/0513/2022051300222.pdf>

The 2022 Financial Statements are set out from page 125 to page 241 in the annual report of the Company for the year ended 31 December 2022, which was published on 30 March 2023. The annual report of the Company for the year ended 31 December 2022 is posted on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<https://www.jiagroup.co/>), and is accessible via the following hyperlink:

<https://www1.hkexnews.hk/listedco/listconews/gem/2023/0330/2023033000737.pdf>

The 2022 Interim Financial Statements are set out from page 8 to page 31 in the interim report of the Company for the six months ended 30 June 2022, which was published on 9 August 2022. The interim report of the Company for the six months ended 30 June 2022 is posted on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<https://www.jiagroup.co/>), and is accessible via the following hyperlink:

<https://www1.hkexnews.hk/listedco/listconews/gem/2022/0809/2022080901434.pdf>

The 2023 Interim Financial Statements are set out from page 8 to page 31 in the interim report of the Company for the six months ended 30 June 2023, which was published on 14 August 2023. The interim report of the Company for the six months ended 30 June 2023 is posted on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<https://www.jiagroup.co/>), and is accessible via the following hyperlink:

<https://www1.hkexnews.hk/listedco/listconews/gem/2023/0814/2023081401629.pdf>

The 2022 Third Quarterly Financial Statements are set out from page 3 to page 15 in the third quarterly report of the Company for the nine months ended 30 September 2022, which was published on 14 November 2022. The third quarterly report of the Company for the nine months ended 30 September 2022 is posted on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<https://www.jiagroup.co/>), and is accessible via the following hyperlink:

<https://www1.hkexnews.hk/listedco/listconews/gem/2022/1114/2022111400660.pdf>

The 2023 Third Quarterly Financial Statements are set out from page 3 to page 15 in the third quarterly report of the Company for the nine months ended 30 September 2023, which was published on 13 November 2023. The third quarterly report of the Company for the nine months ended 30 September 2023 is posted on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<https://www.jiagroup.co/>), and is accessible via the following hyperlink:

<https://www1.hkexnews.hk/listedco/listconews/gem/2023/1113/2023111301166.pdf>

The 2020 Financial Statements, the 2021 Financial Statements, the 2022 Financial Statements, the 2022 Interim Financial Statements, the 2023 Interim Financial Statements, the 2022 Third Quarterly Financial Statements, and the 2023 Third Quarterly Financial Statements (but not any other part of the annual, interim or the third quarterly reports of the Company for the years ended 31 December 2020, 2021, and 2022, for the six month period ended 30 June 2022 and 2023 and for the nine months period ended 30 September 2022 and 2023 in which they respectively appear) are incorporated by reference into this Composite Document and form part of this Composite Document.

The auditors of the Company for the three financial years ended 31 December 2020, 2021 and 2022 were BDO Limited. BDO Limited noted in its independent auditors' reports for each of the years ended 31 December 2020, 2021 and 2022 that the 2020 Financial Statement, the 2021 Financial Statement and the 2022 Financial Statement indicated that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. The opinion of BDO Limited in respect of each of the years ended 31 December 2020, 2021 and 2022 is not modified in respect of this matter.

Relevant extracts of the independent auditors' reports for each of the years ended 31 December 2020, 2021 and 2022 are reproduced as follows:

For the year ended 31 December 2020

"We draw attention to Note 3(b) to the consolidated financial statements which indicates that the Group incurred a net loss of HK\$19,100,000 during the financial year ended 31 December 2020. As of that date, the Group's current liabilities exceeded its current assets by HK\$46,004,000. As stated in note 3(b), these conditions, along with other matters as set forth in Note 3(b) to the consolidated financial statements, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter."

For the year ended 31 December 2021

"We draw attention to Note 3(b) to the consolidated financial statements which indicates that the Group incurred a net loss of HK\$21,262,000 during the financial year ended 31 December 2021. As of that date, the Group's current liabilities exceeded its current assets by HK\$38,363,000. These conditions, along with other matters as set forth in Note 3(b) to the consolidated financial statements, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter."

For the year ended 31 December 2022

“We draw attention to Note 3(b) to the consolidated financial statements which indicates that the Group incurred a net loss of HK\$23,000,000 during the financial year ended 31 December 2022. As of that date, the Group’s current liabilities exceeded its current assets by HK\$50,741,000 and the net liabilities was HK\$2,864,000. These conditions, along with other matters as set forth in Note 3(b) to the consolidated financial statements, indicate that a material uncertainty exists that may cast significant doubt on the Group’s ability to continue as a going concern. Our opinion is not modified in respect of this matter.”

Save as disclosed above, no modified opinion, emphasis of matter or material uncertainty related to going concern was contained in the auditor’s reports of the Company issued by BDO Limited for the three years ended 31 December 2020, 2021 and 2022.

III. STATEMENT OF INDEBTEDNESS

As at the close of business on 30 November 2023, being the latest practicable date for the purpose of this statement of indebtedness prior to the publication of this Composite Document, the indebtedness of the Group are as follows:

Bank borrowings

As at 30 November 2023, the Group had secured bank borrowings of approximately HK\$5,000,000 with interest rate at 7.45%. The amounts were secured by bank deposits and guaranteed by the Company and a director of the Company.

Amounts due to related companies

As at 30 November 2023, the Group had unsecured amounts due to related companies of approximately HK\$2,355,000. The amounts were unsecured, unguaranteed and interest-free.

Amounts due to a director

As at 30 November 2023, the Group had unsecured amounts due to a director of approximately HK\$4,502,000. The amounts were unsecured, unguaranteed and interest-free.

Lease liabilities

As at 30 November 2023, the Group had lease liabilities of approximately HK\$39,286,000.

Save as aforesaid, and apart from intra-group liabilities and normal trade payables in the ordinary course of business, the Group did not have any other debt securities issued and outstanding, or authorised or otherwise created but unissued, loans or any term loans (secured, unsecured, guaranteed or otherwise), any other borrowings or indebtedness in the nature of borrowing including bank overdrafts and any liabilities under acceptances (other than normal

trade bills), acceptance credits or hire purchase commitments (guaranteed, unguaranteed, secured or otherwise), mortgages, charges, other material contingent liabilities or guarantees as at the close of business on 30 November 2023.

IV. MATERIAL CHANGES

Save for (i) the change in Controlling Shareholder of the Company as a result of the Transaction; (ii) the Offers; and (iii) the items as disclosed below, the Directors confirm that there has been no material change in the financial or trading position or outlook of the Company subsequent to 31 December 2022, being the date to which the latest published audited financial statements of the Company were made up, up to and including the Latest Practicable Date:

- (i) as disclosed in the Company's interim report for the six months ended 30 June 2023 ("6M2023") and the third quarterly report for the nine months ended 30 September 2023 ("9M2023"), the Group recorded a net profit of approximately HK\$3.7 million for 6M2023 and a net loss of approximately HK\$3.5 million for the three months ended 30 September 2023, resulting in the Group recorded a minimal profit of approximately HK\$0.2 million for 9M2023, representing an increase in profit of approximately HK\$9.6 million as compared with a loss of approximately HK\$9.4 million for the nine months ended 30 September 2022 ("9M2022"). The turnaround was due to the increase in turnover and the improvement in cost margin primarily attributable to:
 - (a) the increase in revenue by approximately 33.5% from approximately HK\$154.4 million for 9M2022 to approximately HK\$206.0 million for 9M2023. Such surge in revenue was mainly attributed to the government relaxation of certain social distancing measures and immigration control policies at the end of 2022 and "Duddell's Hong Kong Airport" has resumed operation since late November 2022 and recorded revenue of approximately HK\$43.8 million for 9M2023; and
 - (b) the improvement of the Group's operating expenses structure as a result of contribution from expenses related to raw materials and consumable as compared to the Group's total revenue has decreased from approximately 28.4% for 9M2022 to approximately 26.8% for 9M2023. Such decrease was mainly due to the cost margin of "Duddell's Hong Kong Airport" being maintained steadily at around 22.6% which is lower than the average compared to the other outlets offering fine dining and mid-market dining;
- (ii) according to the Company's interim report for 6M2023, the Group had net assets of approximately HK\$0.8 million as at 30 June 2023, which represented an improvement as the Group turnaround from net liabilities of approximately HK\$2.9 million as at 31 December 2022. The financial position of the Group improved as the Group's (i) trade receivables from restaurant operations increased from

approximately HK\$1.8 million as at 31 December 2022 to approximately HK\$2.1 million as at 30 June 2023; and (ii) bank borrowings decreased from approximately HK\$8.2 million as at 31 December 2022 to approximately HK\$6.2 million as at 30 June 2023;

- (iii) according to the Company's annual report for the year ended 31 December 2022 ("FY2022"), the Group has breached the covenants of borrowings amounted to approximately HK\$8.2 million as at 31 December 2022 and the lenders had the right to declare the outstanding principal amount, accrued interest and all other sums payable under the loan immediately due and payable. The Group has been communicating with the bank to resolve the breach of the bank covenants in order to maintain the existing banking loan facilities. As at the Latest Practicable Date, the Company confirmed that no lender has made any demand to the Group for immediate loan repayment;
- (iv) according to the Company's annual report for the year ended 31 December 2022, Miss Wong Pui Yain ("**Ms. Wong**"), being the controlling shareholder of the Company prior to the Completion and a director of the Company, has undertaken to provide financial support to the Group to enable the Group to have sufficient working capital to meet its liabilities and obligations as and when they fall due and to continue to carry on its business over a period of 15 months from the end of FY2022. The Company confirmed that financial support undertaking from Ms. Wong has been ceased upon the Completion and the Company has received confirmation from the Offeror that the Offeror has undertaken to continue to provide necessary financial support to enable the Group to have sufficient working capital covering the remaining period of the financial support undertaken to be provided by Ms. Wong if necessary; and
- (v) during the period from 1 January 2023 and up to the Latest Practicable Date, the Group has closed 2 restaurants, namely (i) Agora, a fine dining restaurant closed in October 2023; and (ii) Ramato (formerly known as "208 Duecento Otto"), a mid-market dining restaurant closed in August 2023. The Group did not open any new restaurant during the period from 1 January 2023 and up to the Latest Practicable Date.

1. RESPONSIBILITY STATEMENT

The Directors jointly and severally accept full responsibility for the accuracy of the information relating to the Group contained in this Composite Document (other than any information relating to the Offeror Concert Group) and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed by the Directors in this Composite Document have been arrived at after due and careful consideration and there are no other facts not contained in this Composite Document, the omission of which would make any statement in this Composite Document misleading.

2. SHARE CAPITAL OF THE COMPANY

As at 31 December 2023 and as at the Latest Practicable Date, the authorised and issued share capital of the Company were as follows:

<i>Authorised</i>		<i>HK\$</i>
5,000,000,000	Shares of HK\$0.01 each	50,000,000
<hr/>		
<i>Issued</i>		
1,159,780,000	Shares of HK\$0.01 each	11,597,800
<hr/>		

All the issued Shares rank *pari passu* with each other in all respects including the rights as to voting, dividends and return of capital.

As at the Latest Practicable Date, save for 1,159,780,000 Shares in issue and the 6,050,000 outstanding Share Options, the Company does not have other class of securities, outstanding options, derivatives, warrants or other securities (as defined in Note 4 to Rule 22 of the Takeovers Code) which are convertible or exchangeable into Shares.

Since 31 December 2023 and up to the Latest Practicable Date, no shares had been issued by the Company.

3. MARKET PRICES

The table below shows the closing prices of the Shares as quoted on the Stock Exchange on (i) the last day on which trading took place in each of the calendar months during the Relevant Period; (ii) the Last Trading Day; and (iii) the Latest Practicable Date:

Date	Closing price
	<i>HK\$</i>
30 June 2023	0.078
31 July 2023	0.054
31 August 2023	0.036
29 September 2023	0.036
31 October 2023	0.053
30 November 2023	0.068
4 December 2023 (Last Trading Day)	0.068
29 December 2023	0.145
16 January 2024 (Latest Practicable Date)	0.100

During the Relevant Period, the highest and lowest closing prices of the Shares as quoted on the Stock Exchange were HK\$0.15 per Share on 22 December 2023 and HK\$0.034 per Share on 3 October 2023, 5 October 2023, 6 October 2023 and 9 October 2023, respectively.

4. DISCLOSURE OF INTERESTS

(a) Directors and the chief executives' interests and short positions in Shares, underlying Shares and debentures of the Company and its associated corporations

As at the Latest Practicable Date, the interests and short positions of the Directors and the chief executive of the Company in the Shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which are required (i) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the Directors and chief executives of the Company were taken or deemed to have pursuant to Divisions 7 and 8 of Part XV of the SFO), (ii) pursuant to section 352 of the SFO, to be entered in the register referred to therein, or (iii) to be notified to the Company and the Stock Exchange pursuant to the required standard of dealings by directors of listed issuer as referred to in Rules 5.46 to 5.67 of the GEM Listing Rules, were as follows:

Name of Director	Capacity	Number of Shares	Number of Shares under Share Options	Aggregate interests	Approximate percentage of interest in the issued share capital of the Company (%)
Ms. Wan Suet Yee Cherry	Beneficial owner	–	1,000,000 (L)	1,000,000 (L)	0.09
Mr. Leung Yuk Lun Ulric	Beneficial owner	–	400,000 (L)	400,000 (L)	0.03
Mr. Devin Nijanthan Chanmugam	Beneficial owner	–	400,000 (L)	400,000 (L)	0.03
Mr. Wee Keng Hiong Tony	Beneficial owner	1,000,000 (L)	400,000 (L)	1,400,000 (L)	0.12

Note:

The letter “L” denotes a person’s or a corporation’s long position in the Shares.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors and the chief executives of the Company including their respective associates had any interests or short positions in the Shares, underlying Shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which are required (i) to be notified

to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were deemed or taken to have under the provisions of the SFO); (ii) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) to be notified to the Company and the Stock Exchange pursuant to the required standard of dealings by directors of listed issuer as referred to in Rules 5.46 to 5.67 of the GEM Listing Rules.

(b) Substantial shareholders, the Offeror Concert Group and other persons' interests and short positions in Shares, underlying Shares and securities of the Company

As at the Latest Practicable Date, according to the register kept by the Company pursuant to section 336 of the SFO and, so far as was known to the Directors, the persons or entities (other than the Directors, Supervisors and chief executive of the Company) who had an interest or a short position in the Shares or the underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or who were, directly or indirectly, interested in 10% or more of the issued voting Shares of the Company, or in any options in respect of such share capital were as follows:

Name of substantial shareholder	Capacity	Number of Shares¹	Approximate percentage of interest in the issued share capital of the Company
The Offeror	Beneficial owner	702,020,000 (L)	60.53
Peng Ben	Interest in a controlled corporation ⁽²⁾	702,020,000 (L)	60.53
Zhao Hong	Interest in a controlled corporation ⁽²⁾	702,020,000 (L)	60.53

Notes:

1. The letter "L" denotes a person's or a corporation's long position in the Shares.
2. The Offeror is 51% directly owned by Peng Ben and 49% directly owned by Zhao Hong.

Save as disclosed above, so far as was known to the Directors, as at the Latest Practicable Date, no person (other than the Directors and chief executive of the Company) had an interest or a short position in the Shares or the underlying Shares of the Company recorded in the register required to be kept by the Company under section 336 of the SFO or which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or who were, directly or indirectly, interested in 10% or more of the issued voting Shares of the Company, or any options in respect of such share capital.

5. SHAREHOLDINGS, DEALING IN SECURITIES AND OTHER ARRANGEMENTS

The Directors confirm that, during the Relevant Period:

- (i) the Company had not dealt for value and did not hold any interest in the relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Offeror;
- (ii) save for (a) the Share Purchase Agreement, (b) the cancellation of the 1,850,000 and 550,000 Share Options held by Ms. Wong Pui Yain and Mr. Lo Yeung Kit Alan, spouse of Ms. Wong Pui Yain, respectively, by the Company upon Completion pursuant to the Share Purchase Agreement, (c) the purchase of 3,000,000 Shares by Mr. Lo Yeung Kit Alan, spouse of Ms. Wong Pui Yain, on exchange on 5 July 2023 at the average price of HK\$0.069 per Share, and (d) the lapse of 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. Wee Keng Hiong Tony and Mr. Leung Yuk Lun Ulric, respectively, on 10 January 2024, none of the Directors had dealt for value in the relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Offeror and the Company, and there were no dealings in the relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company in which any Director was taken or deemed to be interested (as defined in Part XV of the SFO) during the Relevant Period; and
- (iii) none of the Company or the Directors had owned or controlled, or had dealt for value in the relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Offeror.

During the Offer Period and up to the Latest Practicable Date:

- (i) none of the subsidiaries of the Company, pension funds of the Company or any adviser to the Company or person who is presumed to be acting in concert with the Company by virtue of class (5) of the definition of acting in concert or who is an associate of the Company by virtue of class (2) of the definition of associate under the Takeovers Code but excluding exempt principal traders and exempt fund managers (as defined under the Takeovers Code) had owned or controlled or dealt for value in any of the relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company;
- (ii) no person had any arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code with the Company or with any person who is presumed to be acting in concert with the Company by virtue of classes (1), (2), (3) and (5) of the definition of acting in concert or who is an associate of the Company by virtue of classes (2), (3) and (4) of the definition of associate; and

- (iii) no relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company were managed on a discretionary basis by fund managers (other than exempt fund managers) connected with the Company.

As at the Latest Practicable Date:

- (i) save for Ms. Wan Suet Yee Cherry, Mr. Devin Nijanthan Chanmugam, Mr. Leung Yuk Lam Ulric, and Mr. Wee Keng Hiong Tony, no Directors had a beneficial holding in the Shares or was interested (as defined in Part XV of the SFO) in the relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company; and
- (ii) neither the Company nor any of the Directors had borrowed or lent any of the relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company.

The intentions of the Directors in respect of their own beneficial shareholdings in the Company are as followings:

- (i) Ms. Wan Suet Yee Cherry has indicated her intention to accept the Option Offer in respect of the 1,000,000 Share Options exercisable into 1,000,000 Shares held by her (representing approximately 0.09)% of the total issued Shares as at the Latest Practicable Date), but would monitor the market price of the Shares during the Offer Period before deciding whether to accept or reject the Option Offer;
- (ii) Mr. Devin Nijanthan Chanmugam has indicated his intention to accept the Option Offer in respect of the 400,000 Share Options exercisable into 400,000 Shares held by him (representing approximately 0.03% of the total issued Shares as at the Latest Practicable Date), but would monitor the market price of the Shares during the Offer Period before deciding whether to accept or reject the Option Offer;
- (iii) Mr. Leung Yuk Lam Ulric has indicated his intention to accept the Option Offer in respect of the 400,000 Share Options exercisable into 400,000 Shares held by him (representing approximately 0.03% of the total issued Shares as at the Latest Practicable Date), but would monitor the market price of the Shares during the Offer Period before deciding whether to accept or reject the Option Offer; and
- (iv) Mr. Wee Keng Hiong Tony has indicated his intention to (i) reject the Share Offer in respect of the 1,000,000 Shares held by him (representing approximately 0.09% of the total issued Shares as at the Latest Practicable Date), 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; (ii) accept the Option Offer in respect of the 400,000 Share Options exercisable into 400,000 Shares held by him (representing approximately 0.03% of the total issued Shares as at the Latest Practicable Date), but would monitor the market price of the Shares during the Offer Period before deciding whether to accept or reject the Option Offer.

6. DIRECTORS' SERVICE CONTRACT

As at the Latest Practicable Date, (i) none of the Directors had any service contracts with the Company or any of its subsidiaries or associated companies in force which (a) (including both continuous and fixed term contracts) have been entered into or amended with during the Relevant Period; (b) were continuous contracts with a notice period of 12 months or more; or (c) were fixed term contracts with more than 12 months to run irrespective of the notice period; and (ii) none of the Directors had any existing or proposed service contract with any member of the Group or any associated companies of the Company which does not expire or is not determinable by such member of the Group within one year without payment of compensation (other than statutory compensation).

7. QUALIFICATIONS AND CONSENT OF EXPERT

In addition to the Offeror's expert referred to under the paragraph headed "5. Qualifications and Consent of Expert" of Appendix IV to this Composite Document, the following is the qualification of the expert who has given opinions or advice which is contained or referred to in this Composite Document:

Name	Qualification
Pulun International	a corporation licensed to carry out Type 6 (advising on corporate finance) regulated activities under the SFO

The Independent Financial Adviser has given and has not withdrawn its written consent to the issue of this Composite Document with the inclusion of the text of its letter, report, recommendation, opinion, and/or references to its name in the form and context in which it appears.

8. MATERIAL LITIGATION

As at the Latest Practicable Date, the Company was not engaged in any litigation or arbitration of material importance and no litigation or claim of material importance is known to the Directors to be pending or threatened against the Company.

9. MATERIAL CONTRACTS

The following contracts (not being contracts in the ordinary course of business) had been entered into by the Company after the date falling two years before the commencement of the Offer Period up to and including the Latest Practicable Date, which may be material:

- (i) the tenancy agreement dated 20 April 2022 entered into between Kingswide Limited (as tenant) and Pioneer Group Holdings Limited (as landlord), pursuant to which the landlord agreed to lease the premises situated at the cockloft and lower ground floor of No. 206 Hollywood Road, Hong Kong for the term from 22 April 2022 to 21 April 2025 at a monthly rent of HK\$100,000 (exclusive of Government rent, Government rates, management fees and all other outgoings);
- (ii) the share purchase agreement dated 12 August 2022 entered into between Big Team Ventures Limited (as vendor) and Colour Bright Global Limited (as purchaser), pursuant to which Big Team Ventures Limited shall sell and Colour Bright Global Limited shall acquire 41% of the shares in Between Hong Kong Limited at the consideration of approximately HK\$2,721,990;
- (iii) the signed renewal offer to lease signed by all parties on 29 August 2022 in respect of the lease of the premises situated at the fifth floor of 18 On Lan Street, Central, Hong Kong between Loyal Talent International Limited (as tenant) and Smart Ease Development Limited and Gain Sheen Investment Limited (as landlord), pursuant to which the landlord agreed to lease the premises situated at the fifth floor of 18 On Lan Street, Central, Hong Kong for the term from 23 September 2022 to 22 September 2025 at a monthly rent of approximately HK\$160,160 (exclusive of rates and management fee) and additional turnover rent in accordance with the terms thereunder;
- (iv) the signed offer for lease dated 11 April 2023 entered into between Brightsome Investments Limited (as tenant) and The Hongkong Land Property Company (as landlord), pursuant to which the landlord agreed to lease the premises situated at Shop 217A, Second Floor, Landmark Atrium, 15 Queen's Road Central, Hong Kong for the term from 1 May 2023 to 30 June 2024 at a monthly rent of HK\$189,890 (exclusive of rates and charges) or a monthly turnover rent in accordance with the terms thereunder, whichever higher;
- (v) the tenancy agreement dated 21 July 2023 entered into between Champ Winner Limited (as tenant) and Meridian International Holdings Limited (as landlord), pursuant to which the landlord agreed to lease the premises situated at the first floor of Somptueux Central, 52 Welling Street, Central, Hong Kong for the term from 20 April 2023 to 19 April 2026 at a monthly rent of approximately HK\$155,000 (exclusive of management fees, Government rates, utilities and all outgoings);

- (vi) the license agreement dated 26 July 2023 entered into between Profit Holder Limited (as licensee) and PMQ Management Company Limited (as licensor), pursuant to which the licensor agreed to lease the premises situated at Unit No.s G/F & 1/F Restaurant, JPC Building, PMQ, 35 Aberdeen Street, Hong Kong for the term from 1 December 2023 to 30 November 2026 at a monthly rent of HK\$354,800 (exclusive of government rates and management fee) or a monthly turnover rent in accordance with the terms of the license agreement, whichever higher; and
- (vii) the tenancy agreement dated 1 December 2023 entered into between Top Glorification Limited (as tenant) and Hang Lung Real Estate Agency Limited (as landlord), pursuant to which the landlord agreed to lease the premises situated at the Third floor and Fourth floor, 1 Duddell Street, Central, Hong Kong for the term from 1 November 2023 to 30 June 2025 at a monthly rent of HK\$532,000 (exclusive of government rates, management fees and air-conditioning charges, utility and other charges and outgoings) and additional turnover rent in accordance with the terms thereunder.

10. GENERAL

- (i) As at the Latest Practicable Date, no arrangement was in place for any benefit (other than statutory compensation) to be given to any Directors as compensation for loss of office or otherwise in connection with the Offers.
- (ii) As at the Latest Practicable Date, there was no agreement or arrangement between any Directors and any other person which was conditional on or dependent upon the outcome of the Offers or is otherwise connected with the Offers.
- (iii) As at the Latest Practicable Date, save for the Share Purchase Agreement, there was no material contract entered into by the Offeror Concert Group in which any Director has a material personal interest.
- (iv) As at the Latest Practicable Date, there is no understanding, arrangement, agreement or special deal (as defined under Rule 25 of the Takeovers Code) between (1) any Shareholder and (2) the Company, its subsidiaries or associated companies.
- (v) The registered office of the Company is at Windward 3, Regatta Office Park, P.O. Box 1350, Grand Cayman KY1-1108, Cayman Islands.
- (vi) The headquarters, head office and principal place of business of the Company in Hong Kong is at Office No. 5 on 22/F, Universal Trade Centre, No. 3 Arbuthnot Road, Central, Hong Kong.
- (vii) The Company's branch share registrar in Hong Kong is Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.

- (viii) The registered office of the Independent Financial Adviser, Pulun International, is situated at 12/F, Woon Lee Commercial Building, 7-9 Austin Avenue, Tsim Sha Tsui, Hong Kong.
- (ix) The English texts of this Composite Document and the Form(s) of Acceptance shall prevail over the Chinese texts, in the case of any inconsistency.

11. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection during the period from the date of this Composite Document on (a) the website of the SFC (<http://www.sfc.hk>); and (b) the website of the Company at <https://www.jiagroup.co> up to and including the Closing Date:

- (i) the amended and restated memorandum and articles of association of the Company;
- (ii) the annual reports of the Company for the three financial years ended 31 December 2020, 2021 and 2022, the interim reports of the Company for the six months ended 30 June 2022 and 2023 and the third quarterly report of the Company for the nine months ended 30 September 2022 and 2023, respectively;
- (iii) the letter from the Board, the text of which is set out in this Composite Document;
- (iv) the letter from the Independent Board Committee, the text of which is set out in this Composite Document;
- (v) the letter from the Independent Financial Adviser, the text of which is set out in this Composite Document;
- (vi) the written consent referred to under the section headed “7. Qualifications and Consent of Expert” in this Appendix;
- (vii) the Share Purchase Agreement; and
- (viii) the material contracts referred to under the section headed “9. Material Contracts” in this Appendix.

1. RESPONSIBILITY STATEMENT

This Composite Document includes particulars given in compliance with the Takeovers Code for the purpose of providing information to the Shareholders with respect to the Offeror, the Company and the Offers.

The sole director of the Offeror accept full responsibility for the accuracy of the information contained in this Composite Document (other than those relating to the Directors and the Group) and confirm, having made all reasonable enquiries, that to the best of his knowledge, opinions expressed in this Composite Document (other than those expressed by the Directors) have been arrived at after due and careful consideration and there are no other facts not contained in this Composite Document, the omission of which would make any statements in this Composite Document misleading.

2. DISCLOSURE OF INTERESTS

As at the Latest Practicable Date, save for the 702,020,000 Shares held by the Offeror, none of the members of the Offeror Concert Group holds any other interests in the Shares, underlying Shares, debentures or other relevant securities (as defined under Note 4 to Rule 22 of the Takeovers Code) of the Company.

3. INTERESTS IN THE SECURITIES OF THE COMPANY

The Offeror confirms that as at the Latest Practicable Date:

- (i) save for the Transaction, none of the members of the Offeror Concert Group had dealt for value in any Shares, convertible securities, warrants, options and derivatives in respect of any Shares during the Relevant Period (save for the dealings in Shares for non-discretionary clients of BOCOM Securities);
- (ii) there is no arrangement (whether by way of option, indemnity or otherwise) of any kind referred to in Note 8 to Rule 22 of the Takeovers Code between the Offeror or any member of the Offeror Concert Group and any other person;
- (iii) save for the Transaction, there is no agreement or arrangement to which any member of the Offeror Concert Group is a party which relates to circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the Offers;
- (iv) none of the members of the Offeror Concert Group has received any irrevocable commitment to accept or reject any of the Offers;
- (v) save for the 702,020,000 Shares held by the Offeror, representing approximately 60.53% of the total issued share capital of the Company as at the Latest Practicable Date, none of the members of the Offeror Concert Group owns or has control or direction over any voting rights of the Company or rights over the Shares, convertible securities, warrants, options and derivatives in respect of any Shares;

- (vi) none of the members of the Offeror Concert Group has entered into any arrangement or contract in relation to any outstanding derivative in respect of securities in the Company;
- (vii) none of the members of the Offeror Concert Group has borrowed or lent any Shares, convertible securities, warrants, options and derivatives in respect of any Shares;
- (viii) apart from the Consideration paid by the Offeror under the Transaction, no other consideration, compensation or benefit in whatever form was paid by any member of the Offeror Concert Group to the Selling Shareholders in connection with the sale and purchase of such Sale Shares pursuant to the Share Purchase Agreement;
- (ix) other than the Transaction, the material terms of which have been disclosed in the paragraph headed “The Share Purchase Agreement” in the Joint Announcement, there is no understanding, arrangement, agreement or special deal (as defined under Rule 25 of the Takeovers Code) between any member of the Offeror Concert Group on the one hand, and any member of the Selling Shareholders and any party acting in concert with it on the other hand;
- (x) other than the Transaction, the material terms of which have been disclosed in the paragraph headed “The Share Purchase Agreement” in the Joint Announcement, there is no understanding, arrangement or agreement or special deal (as defined under Rule 25 of the Takeovers Code) between (1) any Shareholder; and (2)(a) any member of the Offeror Concert Group or (b) the Company and any subsidiaries or associated companies of the Company;
- (xi) there is no agreement, arrangement or understanding that any securities acquired in pursuance of the Offers would be transferred, charged or pledged to any other persons; and
- (xii) there is no agreement, arrangement or understanding (including any compensation arrangement) between any member of the Offeror Concert Group and any of the Directors, recent directors, Shareholders or recent shareholders of the Company having any connection with or dependence upon the Offers.

4. MATERIAL CONTRACTS

Save for the Share Purchase Agreement and other than contracts entered into in the ordinary course of business carried or intended to be carried on by the Offeror Concert Group, there were no material contracts entered into by the Offeror or any of its subsidiaries after the date which was two years before the commencement of the Offer Period up to and including the Latest Practicable Date.

5. QUALIFICATIONS AND CONSENT OF EXPERT

In addition to those listed in paragraph 7 of Appendix III, the following is the qualification of the expert who has given opinions or advice which is contained or referred to in this Composite Document:

Name	Qualification
BOCOM International (Asia) Limited	Licensed by the SFC to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO
BOCOM International Securities Limited	Licensed by the SFC to carry on Type 1 (dealing in securities), Type 2 (dealing in future contracts), Type 4 (advising on securities) and Type 5 (advising on futures contracts) regulated activities under the SFO

The above expert has given and has not withdrawn its written consent to the issue of this Composite Document with a copy of its letter and the references to its name included herein in the form and context in which it appears.

6. MISCELLANEOUS

- (a) The principal members of the Offeror Concert Group are the Offeror, Mr. Peng Ben, and Mr. Zhao Hong. The sole director of the Offeror is Mr. Peng Ben.
- (b) The registered address of the Offeror is situated at Room 33, 1/F, Peninsula Centre, 67 Mody Road, Tsim Sha Tsui, Kowloon, Hong Kong.
- (c) The address of Mr. Peng Ben is Second Villagers' Group, Tongyue Village, Wushengong Town, Nan County, Hunan Province, the PRC.
- (d) The address of Mr. Zhao Hong is Group 6, Huoju Village, Mawangdui Street, Furong District, Changsha City, the PRC.
- (e) The main business address of BOCOM (Asia) is 9/F Man Yee Building, 68 Des Voeux Road Central, Hong Kong.
- (f) The main business address of BOCOM Securities is 15/F Man Yee Building, 68 Des Voeux Road Central, Hong Kong.
- (g) The English text of this Composite Document and the accompanying Forms of Acceptance shall prevail over their respective Chinese texts, in case of any inconsistency.

7. DOCUMENTS AVAILABLE FOR INSPECTION

In addition to the documents set forth in paragraph 11 of Appendix III to this Composite Document, copies of the following documents are available for inspection during the period from the date of this Composite Document on (a) the website of the SFC (<http://www.sfc.hk>); (b) the website of the Company at <https://www.jiagroup.co/>; and (c) during normal business hours from 9: 00 a.m. to 5: 00 p.m. (other than Saturdays, Sundays and public holidays) at the principal place of business of the Company in Hong Kong at Office No. 5 on 22/F, Universal Trade Centre, No. 3 Arbuthnot Road, Central, Hong Kong up to and including the Closing Date:

- (a) the articles of association of the Offeror;
- (b) the letter dated 19 January 2024 from BOCOM Securities as set out on pages 9 to 23 of this Composite Document; and
- (c) the letter of consent referred to under the paragraph headed “5. Qualifications and Consent of Expert” in this Appendix IV.