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JIN MI FANG GROUP HOLDINGS LIMITED

今米房集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8300)

CONTINUING CONNECTED TRANSACTIONS IN RELATION TO THE FRAMEWORK AGREEMENT

THE TRANSACTIONS

On 1 November 2024, the Company and Zerui Longxiang entered into the Framework Agreement in relation to the provision of Platform Services (such as information technology services, related software and technical support services, payment and collection services and logistics information services) by Zerui Longxiang to the Group in connection with the sales and distribution of the Group's products on the Platform.

GEM LISTING RULES IMPLICATIONS

Zerui Longxiang is ultimately beneficially owned as to approximately 65.46% by Ms. Zhang, approximately 33.88% by Mr. Qu and approximately 0.66% by Mr. Zhang. Ms. Zhang is an executive Director and a controlling shareholder of the Company. Mr. Qu is a son of Ms. Zhang. Mr. Zhang is a nephew of Ms. Zhang. As such, Ms. Zhang, Mr. Qu and Mr. Zhang are connected persons of the Company pursuant to Chapter 20 of the GEM Listing Rules. Accordingly, Zerui Longxiang is a connected person of the Company, and the Transactions constitute continuing connected transactions for the Company under Chapter 20 of the GEM Listing Rules.

As the highest of the applicable percentage ratios in respect of the largest Annual Cap for the Framework Agreement is less than 25% and the total consideration is less than HK\$10,000,000 and the terms of the Transactions are on normal commercial terms or better, the Framework Agreement and the Transactions are subject to the reporting, announcement and annual review requirements but are exempt from the circular, independent financial advice and independent shareholders' approval requirements under Rule 20.74(2) of the GEM Listing Rules.

THE FRAMEWORK AGREEMENT

On 1 November 2024, the Company and Zerui Longxiang entered into the Framework Agreement in relation to the provision of Platform Services by Zerui Longxiang to the Group in connection with the sales and distribution of the Group's products on the Platform.

The principal terms of the Framework Agreement are set out below:

Date	:	1 November 2024
Parties	:	(1) the Company; and (2) Zerui Longxiang
Provision of Platform Services	:	Zerui Longxiang shall provide Platform Services (such as information technology services, related software and technical support services, payment and collection services and logistics information services) to the Group in connection with the sales and distribution of the Group's products through the Platform, allowing display of the Group's products to end customers on the Platform and providing transaction channels between the Group and the end customers.
Term	:	Commencing from the date of the Framework Agreement and expiring on 31 March 2027 unless terminated earlier in accordance with the terms of the Framework Agreement.

Either party may terminate the Framework Agreement by giving the other party at least one month's written notice of termination.

Service Fees : Zerui Longxiang will charge the Group Service Fees of 5% of the total transaction amount of the Group's products sold through the Platform on a monthly basis, which shall be settled by the Group on a quarterly basis.

The Service Fees are determined after arm's length negotiations between the parties to the Framework Agreement with reference to the scope of services to be provided by Zerui Longxiang, the market rate charged by third-party e-commerce platforms and the platform maintenance costs of Zerui Longxiang. The rate is generally in line with service fees charged by other third-party e-commerce platforms and is the same as the rate charged by Zerui Longxiang to other distributors on the Platform. Based on the above, the Directors are of the view that the pricing is fair and reasonable.

Definitive Agreements : The parties and/or their subsidiaries will enter into individual definitive agreements setting out specific terms such as basis of determining the transaction amount, settlement method, payment terms and timing of payment. Such terms will be consistent with the principles and the terms of the Framework Agreement. If there is any discrepancy between the terms of an individual definitive agreement and the Framework Agreement, the latter shall prevail.

The shopping procedures and payment method for the Transactions conducted through the Platform are as follows.

The end customer will place an order on the Platform for the purchase of the Group's products and pay the selling prices of such products to Zerui Longxiang on the Platform. Upon receiving an order and relevant payment from the end customer on the Platform, Zerui Longxiang will notify the Group of such order information. Upon receiving such notification, the Group will deliver the relevant products to the end customer. Zerui Longxiang will settle the selling prices of the products with the Group which is equivalent to the total transaction amount of products sold by Zerui Longxiang on behalf of the Group through the Platform. After the selling prices are settled by Zerui Longxiang, the Group will pay Zerui Longxiang the Service Fees.

HISTORICAL TRANSACTION AMOUNTS

During the year ended 31 March 2024, the Group has developed its wine business in the PRC and commenced its business of sales and distribution of food products in July 2024. The Group began its cooperation with Zerui Longxiang in July 2024 on a trial run basis without charge.

ANNUAL CAPS

The maximum annual transaction amount under the Framework Agreement is subject to the Annual Caps as set forth below:

	Annual Caps (RMB)	Annual Caps (approximate equivalent amount in HK\$)
For the year ending 31 March 2025	1,514,000	1,650,000
For the year ending 31 March 2026	3,632,000	3,959,000
For the year ending 31 March 2027	3,632,000	3,959,000

The above Annual Caps are determined with reference to the estimated transaction amounts of the Group's products on the Platform, which are in turn determined based on (i) the historical transaction amounts of the Group's products on the Platform; and (ii) the anticipated increase in demand for the Group's products on the Platform upon the Group's increasing marketing efforts for its e-commerce business following the implementation of the transactions contemplated under the Framework Agreement.

REASONS FOR AND BENEFITS OF THE FRAMEWORK AGREEMENT AND BUSINESS UPDATE

The Group is principally engaged in the provision of casual dining food catering services in Hong Kong and wine business and sales and distribution of food products in the PRC.

As set out in the 2023/24 annual report of the Company, the Group has developed its wine business in the PRC including brand management, customisation, marketing and distribution of premium wines, with a focus on business-to-business sales of Chinese liquor, during the year ended 31 March 2024 and the wine business segment has contributed a considerable part of the Group's sales for the year ended 31 March 2024. In addition to the wine business, the Company has been actively exploring new business opportunities in order to bring higher return to its Shareholders, and has entered into a strategic cooperation agreement in June 2024 to tap into the business segment of sales and distribution of food products to diversify its revenue stream and enhance the Group's financial performance as a whole.

The entering into of the Framework Agreement provides a new platform to enable the Group to further expand its business segment of sales and distribution of food products. While the Group will continue in its sales and distribution of food products through traditional distribution channels, the cooperation with Zerui Longxiang enhances the market outreach of the Group's products through online channels, promotes the Group's development of e-commerce and introduces new revenue sources to the Group. In light of the increasingly vital role e-commerce plays in the sales of consumer goods in the PRC, the Company considers that the entering into of the Framework Agreement provides an invaluable opportunity to the Group to enhance its market penetration for sales and distribution of food products.

Having considered the above reasons, the Directors (including the independent non-executive Directors) are of the view that (i) the Transactions are carried out in the ordinary and usual course of business of the Group; (ii) the terms of the Framework Agreement are fair and reasonable; (iii) the Transactions are on normal commercial terms or better and in the interests of the Company and its Shareholders as a whole; and (iv) the Annual Caps are fair and reasonable.

As Ms. Zhang has controlling interest in Zerui Longxiang and Mr. Zhou is the spouse of Ms. Zhang, both Ms. Zhang and Mr. Zhou have abstained from voting on the relevant Board resolutions to approve the entering into of the Framework Agreement. Save for the above, none of the Directors have a material interest in the Transactions and none of the Directors have abstained from voting on the relevant Board resolutions.

The Group reassesses its strategy in allocation of its resources among different business segments from time to time so as to ensure the interests of the Company and its Shareholders are preserved. Due to the uncertainty of Hong Kong's economy and the instability of the local catering industry since the outbreak of the COVID-19 pandemic, the financial performance and condition of the Group's catering business were adversely affected and the management has been paying careful attention to business trends in the market and taking a conservative and prudent business strategies in the Group's catering business. As the uncertainty in the overall catering market continued in the post-pandemic era and the Group recorded gross loss position in the restaurant operations segment for both the year ended 31 March 2023 and the year ended 31 March 2024, the Group has gradually closed its restaurants and ceased its restaurant operations in Hong Kong by the end of October 2024, so as to focus the Group's resources on the development of its wine business and sales and distribution of food products in the PRC. The Board considers that the above is in the best interest of the Company and its Shareholders as a whole and will not have any material effect on the operations of the Group.

INFORMATION ON THE PARTIES

The Company and the Group

The Company is an investment holding company and the Group is principally engaged in the provision of casual dining food catering services in Hong Kong and wine business and sales and distribution of food products in the PRC.

Zerui Longxiang

Nanjing Zerui Longxiang Supply Chain Management Co., Ltd.* (南京澤瑞龍祥供應鏈管理有限公司) is a limited liability company established in the PRC. As at the date of this announcement, Zerui Longxiang is ultimately beneficially owned as to approximately 65.46% by Ms. Zhang, approximately 33.88% by Mr. Qu and approximately 0.66% by Mr. Zhang.

Zerui Longxiang is principally engaged in Internet cultural management, Internet of Things (IoT) application services, information system integration services, software development and technical services. As at the date of this announcement, Zerui Longxiang operates the Platform which allows suppliers or distributors, through the platform, to directly sell their products (ranging from fresh and live food products, pre-packaged food and beverages (including liquor) to daily necessities and lifestyle products). Three Dwarfs develops and provides technical support for the Platform operated by Zerui Longxiang.

Three Dwarfs

Jiangsu Three Dwarfs Network Technology Co., Ltd.* (江蘇三個小矮人網絡科技有限公司) is a limited liability company established in the PRC and is listed on the Shenzhen Data Exchange. As at the date of this announcement, Three Dwarfs is ultimately beneficially owned as to 80% by Mr. Qu, 10% by Mr. Chen Yongkang (being an independent third party) and 10% by Mr. Jin Liuqi (being an independent third party).

Three Dwarfs is principally engaged in the provision of data asset services to enterprises, including construction of data asset system and data mining. Three Dwarfs' technical capabilities facilitate data integration with real economy on e-commerce platforms (such as the Platform), enabling sellers on such platforms (such as the Group pursuant to the Framework Agreement) to seamlessly interact with end customers and better manage their supply chain. Its double hash right confirmation model can also promote resources flow and help to achieve transformation in terms of digitalisation, artificial intelligence and data asset, thereby forging an ecosystem on e-commerce platform based on data confirmation and digital transformation and conforming to the national data development strategy.

GEM LISTING RULES IMPLICATIONS

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DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meaning:

“Annual Caps”	the maximum aggregate annual Service Fees to be paid by the Group under the Framework Agreement
“Board”	the board of Directors
“Company”	JIN MI FANG GROUP HOLDINGS LIMITED (今米房集團控股有限公司), an exempted company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on GEM (Stock Code: 8300)
“connected person”	has the meaning ascribed thereto under the GEM Listing Rules
“controlling shareholder”	has the meaning ascribed thereto under the GEM Listing Rules
“Director(s)”	director(s) of the Company
“Framework Agreement”	the framework agreement dated 1 November 2024 entered into between the Company and Zerui Longxiang in relation to the provision of Platform Services by Zerui Longxiang to the Group in connection with the sales and distribution of the Group’s products on the Platform
“GEM”	GEM of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“independent third party”	any person or company and its ultimate beneficial owner(s) whom, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, is/are third party(ies) independent of the Company and its connected persons
“Mr. Qu”	Mr. Qu Peng (屈鵬), a son of Ms. Zhang. As at the date of this announcement, Mr. Qu ultimately beneficially owns approximately 33.88% interest in Zerui Longxiang
“Mr. Zhang”	Mr. Zhang Da (張達), a nephew of Ms. Zhang. As at the date of this announcement, Mr. Zhang ultimately beneficially owns approximately 0.66% interest in Zerui Longxiang
“Mr. Zhou”	Mr. Zhou Feng (周峰), an executive Director and a controlling shareholder of the Company and the spouse of Ms. Zhang
“Ms. Zhang”	Ms. Zhang Miao (張苗), an executive Director and a controlling shareholder of the Company. As at the date of this announcement, Ms. Zhang ultimately beneficially owns approximately 65.46% interest in Zerui Longxiang
“Platform”	e-commerce platform (including mobile application (App)) launched by Zerui Longxiang from time to time
“Platform Services”	platform services (such as information technology services, related software and technical support services, payment and collection services and logistics information services) to be provided by Zerui Longxiang to the Group in connection with the sales and distribution of the Group’s products through the Platform, allowing display of the Group’s products to end customers on the Platform and providing transaction channels between the Group and the end customers

“PRC”	the People’s Republic of China, which, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Service Fees”	the service fees payable by the Group to Zerui Longxiang under the Framework Agreement
“Share(s)”	ordinary share(s) with nominal value of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Three Dwarfs”	Jiangsu Three Dwarfs Network Technology Co., Ltd.* (江蘇三個小矮人網絡科技有限公司), a limited liability company established in the PRC. As at the date of this announcement, Three Dwarfs is ultimately beneficially owned as to 80% by Mr. Qu, 10% by Mr. Chen Yongkang (陳永康) (being an independent third party) and 10% by Mr. Jin Liuqi (金柳頤) (being an independent third party)
“Transactions”	the transactions contemplated under the Framework Agreement
“Zerui Longxiang”	Nanjing Zerui Longxiang Supply Chain Management Co., Ltd.* (南京澤瑞龍祥供應鏈管理有限公司), a limited liability company established in the PRC. As at the date of this announcement, Zerui Longxiang is ultimately beneficially owned as to approximately 65.46% by Ms. Zhang, approximately 33.88% by Mr. Qu and approximately 0.66% by Mr. Zhang

“%” per cent.

Note: For the purpose of this announcement, the conversion of RMB into HK\$ is based on the approximate exchange rate from RMB1.00 to HK\$1.09. The exchange rate is adopted for illustration purpose only and does not constitute a representation that any amounts have been, could have been, or may be, exchanged at this rate or any other rate at all.

* *For identification purposes only*

By order of the Board
JIN MI FANG GROUP HOLDINGS LIMITED
今米房集團控股有限公司
Zhou Feng
Chairman and Executive Director

Hong Kong, 1 November 2024

As at the date of this announcement, the executive Directors are Mr. Zhou Feng, Ms. Zhang Miao and Ms. Shen Wenchai and the independent non-executive Directors are Mr. Ho Lik Kwan Luke, Mr. Lam Lap Sing and Ms. Lau Wai Hing.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the website of the Stock Exchange at www.hkexnews.hk on the “Latest Listed Company Information” page for at least 7 days from the date of its posting. This announcement will also be published and remains on the website of the Company at www.jmfghl.com.