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國農金融投資有限公司  
China Demeter Financial Investments Limited

*(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)*

**(Stock Code: 8120)**

## **CHANGE IN USE OF PROCEEDS**

Reference is made to the prospectus issued by China Demeter Financial Investments Limited (“**Company**”, together with its subsidiaries, the “**Group**”) dated 6 July 2021 (“**Prospectus**”) in relation to rights issue of the Company on the basis of three rights shares for every one share held on the record date pursuant to the Prospectus and related documents. Unless otherwise defined herein, capitalised terms used in this announcement shall have the same meanings as those defined in the Prospectus.

### **USE OF PROCEEDS**

As stated in the section headed “Use of proceeds” in the Letter from the Board of the Prospectus, the Company intended to apply the net proceeds from the Rights Issue of approximately HK\$43.5 million, among other things, as to approximately HK\$9.0 million to capital expenditure and related expenses on expanding the restaurants of the Group’s food and beverage business segment (“**Net Proceeds for F&B Business**”), of which (i) approximately HK\$4 to HK\$5 million will be used for investment costs in opening a new restaurant, the operation of which was expected to commence around August to September 2021; and (ii) approximately HK\$4 to HK\$5 million will be used for the replacement for its existing facilities, procurement of machinery and equipment, installing systems for accounting and customer relationship management and exploring opportunities for opening new restaurants.

As at the date of this announcement, with regard to the Net Proceeds for F&B Business, the Group has utilised approximately HK\$4 million in investments cost in the opening of the Group’s new Japanese Shabu Shabu restaurant in Landmark North, Sheung Shui, New Territories which has commenced operations in October 2021, and the unutilised Net Proceeds for F&B Business amounted to approximately HK\$5 million.

## **CHANGE IN USE OF PROCEEDS**

The onset of the unprecedented and protracted COVID-19 pandemic has put unrelenting pressure on the operation of the Group's food and beverage business segment. In light of the above, the Board has resolved to change the allocation of the unutilised Net Proceeds for F&B Business of approximately HK\$5 million intended for the replacement for its existing facilities, procurement of machinery and equipment, installing systems for accounting and customer relationship management and exploring opportunities for opening new restaurants, to general working capital for the Group's food and beverage business segment.

## **REASONS FOR AND BENEFITS OF THE CHANGE IN USE OF PROCEEDS**

Having monitored and assessed the impact brought by the COVID-19 pandemic on the food and beverage industry in Hong Kong in general, the Board considers that a more cautious approach in relation to the execution of the Group's plan of its food and beverage business segment should be adopted, and that the reallocation of the unutilised Net Proceeds for F&B Business from the original purpose of replacing existing facilities and expansion of new restaurants to the purpose as stated above would allow the Group to deploy its financial resources in a more flexible, beneficial and effective manner. The Board is also of the view that the reallocation will allow the Group to meet with the operational and business needs of its food and beverage business segment and to cope with the economic uncertainties in the future.

The Board is of the view that the change in use of the unutilised Net Proceeds for F&B Business will not have any material adverse impact on the existing business and operations of the Group and is in the best interest of the Group and its Shareholders as a whole. Save as disclosed in this announcement, the Board confirms that there are no other changes to the use of the other net proceeds from the Rights Issue.

The Board will continuously assess the plan for the use of the unutilised net proceeds from the Rights Issue and may revise or amend such plan when necessary to cope with the changing market conditions, and strive for better business performance of the Group.

On behalf of the Board

**China Demeter Financial Investments Limited**

**Ng Man Chun Paul**

*Chairman*

Hong Kong, 11 February 2022

*As at the date of this announcement, the Board comprises two executive Directors, namely Mr. Ng Ting Ho and Mr. Chan Chi Fung; one non-executive Director, namely Mr. Ng Man Chun Paul; and three independent non-executive Directors, namely Mr. Chan Hin Hang, Mr. Yum Edward Liang Hsien and Mr. Hung Kenneth.*

*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.*

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