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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)**

## **DISCLOSEABLE TRANSACTION – THE LEASES FOR THE RESTAURANTS**

The Board announces that on 27 May 2022, the Tenants, each an indirect wholly-owned subsidiary of the Company, entered into the Tenancy Agreements with the Landlord in respect of the Leases of the Premises (a) for Lease A, a term of three years commencing on 26 July 2022 and ending on 25 July 2025 (both days inclusive); and (b) for Lease B, a term of three years commencing on 26 August 2022 and ending on 25 August 2025 (both days inclusive), which are for the operation of two of the Group's restaurants.

Given the highest applicable percentage ratio (as defined under the GEM Listing Rules) in respect of the Leases (on an aggregated basis) is more than 5% but less than 25%, the Leases (on an aggregated basis) constitute a discloseable transaction of the Company under the GEM Listing Rules and is subject to the reporting and announcement requirements of Chapter 19 of the GEM Listing Rules.

### **INTRODUCTION**

On 27 May 2022, the Tenants, each an indirect wholly-owned subsidiary of the Company, entered into Tenancy Agreement A and Tenancy Agreement B with the Landlord in respect of the Leases of the Premises. The Premises have been used for the operation of two restaurants under the Group's food and beverage business.

## THE LEASES

### (1) Tenancy Agreement A

Principal terms of Lease A under Tenancy Agreement A are set out below:

- Date : 27 May 2022
- Parties : (1) The Landlord  
(2) Tenant A
- Premises A : Shop No. G-19 on the ground floor of the commercial accommodation known as “V Walk” of the development erected on New Kowloon Inland Lot No. 6333.
- Use : For operation of Restaurant A.
- Term : Three years commencing on 26 July 2022 and ending on 25 July 2025 (both days inclusive).
- Total aggregated value of consideration payment : Approximately HK\$5.20 million in aggregate (exclusive of rates, air-conditioning and management charges, and promotion levy) during the term, subject to additional turnover rent being an amount by which 12% of monthly gross receipts of the business at Premises A during the term exceeds the basic rental.
- Tenant A is responsible for rates, air-conditioning and management charges, and promotion levy during the term.
- The rent was determined after arm’s length negotiations between the Landlord and Tenant A, taking into consideration of the prevailing market price of comparable premises in the vicinity of Premises A.
- Rental deposit : A rental deposit of approximately HK\$0.43 million, under Tenancy Agreement A in respect of Lease A.

## (2) Tenancy Agreement B

Principal terms of Lease B under Tenancy Agreement B are set out below:

- Date : 27 May 2022
- Parties : (1) The Landlord  
(2) Tenant B
- Premises B : Shop No. L2-147 on level two of the commercial accommodation known as “V Walk” of the development erected on New Kowloon Inland Lot No. 6333.
- Use : For operation of Restaurant B.
- Term : Three years commencing on 26 August 2022 and ending on 25 August 2025 (both days inclusive).
- Total aggregated value of consideration payment : Approximately HK\$1.94 million in aggregate (exclusive of rates, air-conditioning and management charges, and promotion levy) during the term, subject to additional turnover rent being an amount by which 12% of monthly gross receipts of the business at Premises B during the term exceeds the basic rental.
- Tenant B is responsible for rates, air-conditioning and management charges, and promotion levy during the term.
- The rent was determined after arm’s length negotiations between the Landlord and Tenant B, taking into consideration of the prevailing market price of comparable premises in the vicinity of Premises B.
- Rental deposit : A rental deposit of approximately HK\$0.16 million, under Tenancy Agreement B in respect of Lease B.

The payment of the rent for the Leases will be funded by the internal resources of the Group.

## **RIGHT-OF-USE ASSETS**

The value of the right-of-use assets recognised by the Company under the Leases (on an aggregated basis) is amounted to approximately HK\$6.52 million, calculated with reference to the present value of the aggregated lease payments to be made under the Leases in accordance with HKFRS 16 *Leases*.

Since the turnover rent under each of the Leases can only be reliably estimated according to the monthly gross receipts generated from the operation of the relevant Restaurant, such amount constitutes variable lease payments and were not included in the measurement of the lease liability at initial recognition under HKFRS 16 *Leases*. Therefore, no right-of-use asset related to the turnover rent is recognised, and the turnover rent will be charged to the profit or loss of the Group in accordance with HKFRS 16 *Leases*.

## **INFORMATION OF THE PARTIES**

### **The Company and the Tenants**

The Company is an investment holding company. The Group principally engages in (i) money lending business; (ii) financial services business; (iii) securities investment business; (iv) food and beverage business; (v) alcoholic beverage distribution and miscellaneous business; and (vi) provision of children education services.

Each of Tenant A and Tenant B is a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company principally engaged in investment holding.

### **The Landlord**

The Landlord is a company incorporated in Hong Kong with limited liability. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries and public available information, (a) the Landlord is principally engaged in property development and investment and a wholly-owned subsidiary of Sun Hung Kai Properties Limited (stock code: 16), a company whose shares are listed on the Main Board of the Stock Exchange; and (b) each of the Landlord and its ultimate beneficial owner(s) is an Independent Third Party.

## **REASONS FOR AND BENEFITS OF THE LEASES**

Food and beverage business is one of the Group's principal business segment. The Group has been operating the Restaurants at the Premises and the respective tenancy agreements of the particular Premises will soon expire. The management of the Group believes that the continuation of operating the Restaurants at the Premises, located in a good consumer traffic shopping mall, is in line with the business strategy of the Group's food and beverage business segment. The terms of the Leases were determined after arm's length negotiations between the parties and with reference to the prevailing market price of comparable premises in the vicinity of the Premises.

In light of the above, the Board considers that the terms of the Leases are on normal commercial terms and fair and reasonable and the Leases is in the interests of the Company and the Shareholders as a whole.

## **IMPLICATIONS UNDER THE GEM LISTING RULES**

As the Tenancy Agreements were entered into with the same landlord and the Premises are located in the same shopping mall, the Leases shall be aggregated as if they were one transaction pursuant to Rules 19.22 and 19.23 of the GEM Listing Rules.

Given the highest applicable percentage ratio (as defined under the GEM Listing Rules) in respect of the Leases (on an aggregated basis) is more than 5% but less than 25%, the Leases (on an aggregated basis) constitute a discloseable transaction of the Company under the GEM Listing Rules and is subject to the reporting and announcement requirements of Chapter 19 of the GEM Listing Rules.

## **DEFINITIONS**

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“Board”	the board of Directors of the Company
“Company”	China Demeter Financial Investments Limited, a company incorporated in the Cayman Islands and continued in Bermuda with limited liability, the issued shares of which are listed on GEM
“connected person”	has the meaning ascribed to it in the GEM Listing Rules
“Director(s)”	the director(s) of the Company

“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
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKFRS”	Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party”	a third party independent of the Company and the connected persons of the Company
“Landlord”	Joinyield Limited
“Lease A”	the lease of Premises A under Tenancy Agreement A
“Lease B”	the lease of Premises B under Tenancy Agreement B
“Leases”	Lease A and Lease B
“Premises”	Premises A and Premises B
“Premises A”	Shop No. G-19 on the ground floor of the commercial accommodation known as “V Walk” of the development erected on New Kowloon Inland Lot No. 6333
“Premises B”	Shop No. L2-147 on level two of the commercial accommodation known as “V Walk” of the development erected on New Kowloon Inland Lot No. 6333
“Restaurant A”	the restaurant of the Group at Premises A under the brand “漁釧 (Isana Kushiro)”
“Restaurant B”	the restaurant of the Group at Premises B under the brand “Tuk Tuk Boat Noodle 篤篤船麵”
“Restaurants”	Restaurant A and Restaurant B, and a “Restaurant” may mean any one of them

“Shareholder(s)”	the shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tenancy Agreement A”	the tenancy agreement entered into by the Landlord and Tenant A on 27 May 2022 in respect of Lease A
“Tenancy Agreement B”	the tenancy agreement entered into by the Landlord and Tenant B on 27 May 2022 in respect of Lease B
“Tenancy Agreements”	Tenancy Agreement A and Tenancy Agreement B
“Tenant A”	Silver Grace Holdings Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
“Tenant B”	Jumbo Happy Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
“Tenants”	Tenant A and Tenant B

On behalf of the Board  
**China Demeter Financial Investments Limited**  
**Ng Man Chun Paul**  
*Chairman*

Hong Kong, 27 May 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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