CBK Holdings Limited
國茂控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8428)

SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO THE ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2022

References are made to the annual report of CBK Holdings Limited (the "**Company**", together with its subsidiaries, the "**Group**") for the year ended 31 March 2022 (the "**Annual Report**"). This announcement is supplemental to, and should be read in conjunction with the Annual Report. Unless otherwise defined, capitalised terms used in this announcement, shall have the same meanings as those defined in the Annual Report.

In addition to the information disclosed in the Annual Report, the Board would like to provide the shareholders of the Company and the potential investors with the following supplementary information.

FUNDRAISING

As disclosed in the section headed "Directors' Report" in the Annual Report, the Proceeds from the rights issue as the date of Annual Report have been applied and utilised as follows:

	Actual net proceeds from Rights Issue *HK$'000*	Revised allocation of net proceeds from Rights Issue *HK$'000*	Amount utilised from Rights Issue *HK$'000*	Unused net proceeds from Rights Issue *HK$'000*	Estimated timeline for utilisation of unused net proceeds from Rights Issue
Expansion of food and beverage business					
Food Court	16,920	–	–	–	
– Restaurant A (as defined in the Prospectus)	7,270	–	–	–	
– Restaurant B (as defined in the Prospectus)	6,720	–	–	–	
– Central Restaurant (including a central kitchen)	–	18,700	(18,700)	–	
– Catering Service Operation	–	3,998	(3,998)	–	
General working capital	3,600	11,812	(11,812)	–	
	34,510	34,510	(34,510)	–	

In addition to the information disclosed above, the Company would like to add the following information pursuant to Rule 18.32 of the GEM Listing Rules in relation to the use of net proceeds from the Rights Issue and change in use of net proceeds from the Rights Issue:

(1) Reasons on change in the use of net proceeds from the Rights Issue

In view of the outbreak of novel coronavirus disease ("**COVID-19**") pandemic (the "**Pandemic**") since January 2020, the food and beverage industry in Hong Kong has been seriously affected and since February 2021, the Directors considered it was prudent and competitive to resume and expand the Group's food and beverage business.

In September 2021, the Company was acquainted with a Japanese food operator and proposed a cooperation with the Company on operating a modern Japanese izakaya on the Central Site (the "**Central Restaurant**"). After a series of evaluation and assessments on the Food Court and the Central Restaurant with respect to (i) the guest traffic (which it is believed that the Central Restaurant which located in central district of the Central would have relatively higher guest traffic); (ii) flexibility on opening hours (under which there is more restriction on opening hours on operating the Food Court in the shopping mall); and (iii) the rent affordability (under which there is no turnover rent as compared with operating the Food Court in the shopping mall), the board of directors of the Company ("**Board**"/"**Directors**") considered that the operation of the Central Restaurant was more preferable than the operation of the Food Court and believed that the Central Restaurant was located at a prime location with good customer traffic at favorable rent.

Taking into consideration of above factors, the Board resolved to reallocate the net proceeds from Rights Issue earmarked for the Food Court of approximately HK$16.70 million to the development of the Central Restaurant (including to set up a central kitchen to support the Central Restaurant) and approximately HK$2.0 million from the net proceeds from Rights Issue for expansion of food and beverage business to general working capital of the Group.

Owing to the target restaurant in Causeway Bay was already leased out to another tenant. Hereafter, the indirectly wholly-owned subsidiary of the Company entered a profit-sharing agreement with an independent third party in respect of the catering service operation in Central ("**Catering Service Operation**") at the total cash outflow of approximately HK$4.0 million on 28 December 2021 instead after the Directors assessed on the feasibility of Catering Services Operation.

During the process of applying the food license, there was a requirement from Building Department of Hong Kong on providing additional work on the fire resisting construction and escape arrangement of Central Restaurant received on 22 December 2021. In view of above, the Board further resolved to reallocate HK$2.0 million and approximately HK$4.0 million from the net proceeds from Rights Issue to Central Restaurant and Catering Service Operation respectively.

As the outbreak of fifth wave of novel COVID-19 and the trend of infected cases of COVID-19 were blowout in January 2022, the Board foresaw that the catering service business environment in Hong Kong was harsh and unpredictable for the coming months. To secure the financial situation and sustain the operation of the Group, the Board also resolved to reallocate HK$3.0 million and approximately HK$3.21 million from the net proceeds from Rights Issue to the general working capital of the Group on 11 February 2022 and 24 March 2022 respectively.

(2) Proceeds from the Placing

On 6 January 2022, a total of 28,800,000 ordinary shares with nominal value of HK$0.1 (equivalent to the total aggregate nominal value of share of HK$2,880,000 was issued) have been successfully placed by the Placing Agent to not less than six Placees at the Placing price of HK$0.12 per Placing Share pursuant to the terms and conditions of the Placing Agreement.

Reasons for the placing completed on 6 January 2022 ("Placing")

In the view that (i) the Placing Agreement is entered into upon normal commercial terms following arm's length negotiations between the Company and the Placing Agent; (ii) net proceeds of the Placing can strengthen the financial position of the Group and provide additional working capital to the Group; and (iii) the Placing also represents good opportunities to broaden the shareholder base and the capital base of the Company. Accordingly, the Board consider that the Placing is in the interests of the Company and the Shareholders as a whole.

Placing Price

The Placing Price of HK$0.12 represents (i) a discount of approximately 12.41% to the closing price of HK$0.1370 per Share as quoted on the Stock Exchange on the date of the Placing Agreement; and (ii) a discount of approximately 13.54% to the average closing price of HK$0.1388 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of the Placing Agreement. The net placing price under the Placing is approximately HK$0.118 per Placing Share.

As at the date of Annual Report, the proceeds from the Placing was fully utilised for general working capital of the Group as intended.

SHARE OPTION SCHEME

In addition to the information disclosed in the section headed "Directors' Report" in the Annual Report, the Company would like to add the following information pursuant to Rule 23.09 of the GEM Listing Rules in relation to the share option schemes:

(1) The Company offered to grant a total of 11,628,000 share options ("**Share Options**") at an exercise price of HK$0.229 per share of the Company on 10 January 2022 ("**Date of Grant**"). The exercise price of share options was determined by the Board but in any event shall not be less than the highest of: (a) the closing price of the shares of the Company as stated in the Stock Exchange's daily quotation sheet on the date of grant (i.e. HK$0.200 per share of the Company on the Date of Grant); and (b) the average of the closing price of the shares of the Company as stated in the Stock Exchange's daily quotation sheet for the five business days immediately preceding the date of grant. (i.e. HK$0.2284 per share of the Company on the Date of Grant).

(2) The closing price of the shares of the Company immediately preceding the Date of Grant is HK$0.199 per share.

(3) As at the date of the Annual Report, the total number of shares available for issue under the share option scheme was 11,628,000, representing approximately 2.99% of the issued shares of the Company as at such date.

(4) Movement of the share options during the year ended 31 March 2022 and outstanding as at 31 March 2021 are set out in note 31 to the consolidated financial statements of the Group in the Annual Report.

(5) There is no vesting period of the Share Options.

(6) The remaining life of the Share Option Scheme as at the date of Annual Report was about 4 years and 7 months.

By order of the Board
CBK Holdings Limited
CHOW Yik
Chairman and Executive Director

Hong Kong, 18 November 2022

As at the date of this announcement, the chairman and an executive Director is Mr. CHOW Yik, the executive Directors are Mr. CHAN Lap Ping, Ms. HO Oi Kwan and Mr. TSUI Wing Tak and the independent non-executive Directors are Mr. CHAN Kwan Yung and Mr. CHONG Alex Tin Yam.

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 "Latest Listed Company Information" page of the website of The Stock Exchange of Hong Kong Limited at www.hkexnews.hk for at least seven days from the date of its publication and on the website of the Company at www.cbk.com.hk.

In the case of inconsistency, the English text of this announcement shall prevail over the Chinese text.