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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)

PLACING OF NEW SHARES UNDER GENERAL MANDATE

Placing Agent



Minerva Holding Financial Securities Limited
贏控金融證券有限公司

Financial Adviser



Minerva Advisory Global Capital Limited
贏環球融資顧問有限公司
SFC CE No. BF0684

THE PLACING

After trading hours of the Stock Exchange on 20 May 2024, the Company entered into the Placing Agreement with the Placing Agent, pursuant to which the Placing Agent has conditionally agreed, as agent of the Company, to procure, on a best effort basis, not less than six Placees who and whose ultimate beneficial owners shall be Independent Third Parties to subscribe for up to 150,580,334 Placing Shares at the Placing Price of HK\$0.045 per Placing Share.

The Placing Shares represents: (a) approximately 20% of the total existing issued Shares as at the date of this announcement; and (b) approximately 16.67% of the total issued Shares as enlarged by the allotment and issue of the Placing Shares (assuming there will be no change to the total number of Shares in issue from the date of this announcement to the Completion Date other than the issue of the Placing Shares).

The Placing Price of HK\$0.045 per Placing Share represents (i) a discount of 8.16% to the closing price of HK\$0.049 per Share as quoted on the Stock Exchange on the date of the Placing Agreement; and (ii) a discount of approximately 8.54% to the average closing price of HK\$0.0492 per Share as quoted on the Stock Exchange for the five consecutive trading days immediately prior to the date of the Placing Agreement.

Assuming that all Placing Shares are placed, the gross proceeds from the Placing are expected to be approximately HK\$6.78 million, and the net proceeds from the Placing (after deduction of the placing commission in respect of the Placing and other related expenses including, among others, the professional fees) are expected to be approximately HK\$6.48 million, representing a net issue price of approximately HK\$0.043 per Placing Share.

The Company intends to apply the entire net proceeds from the Placing for the settlement of outstanding rental related expenses of the Group, the repayment of outstanding borrowing and interest of the Group, and replenishing general working capital of the Group. Details of which have been set out in the section headed “REASONS FOR THE PLACING AND USE OF PROCEEDS” in this announcement.

WARNING

As Completion is conditional upon fulfilment of the conditions precedent set out in the Placing Agreement, the Placing may or may not proceed. Shareholders and potential investors should exercise caution when dealing in the Shares.

THE PLACING AGREEMENT

On 20 May 2024 (after trading hours of the Stock Exchange), the Company entered into the Placing Agreement with the Placing Agent in relation to the Placing.

The principal terms and conditions of the Placing Agreement are as follows:

Date

20 May 2024 (after trading hours of the Stock Exchange)

Parties

- (1) The Company as issuer; and
- (2) The Placing Agent as placing agent

The Placing Agent

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, the Placing Agent and its ultimate beneficial owners are Independent Third Parties.

Pursuant to the terms of the Placing Agreement, the Placing Agent will charge a placing commission of 2.5% of the aggregate consideration received by the Company from the issuance and allotment of the Placing Shares.

The placing commission was negotiated on arm's length basis between the Company and the Placing Agent, and was determined with reference to, among other things, the prevailing commission rate charged by other placing agents, the size of the Placing and the price performance of the Shares. The Directors consider that the terms of the Placing, including the placing commission, are fair and reasonable based on the current market conditions and the Placing is in the interests of the Company and the Shareholders as a whole.

Number of the Placing Shares

The Placing Agent has conditionally agreed to act as agent of the Company to procure, on a best effort basis, not less than six Placees who and whose ultimate beneficial owners shall be Independent Third Parties to subscribe for up to 150,580,334 new Shares at the Placing Price, upon the terms and subject to the conditions set out in the Placing Agreement.

The Placing Shares represents: (a) approximately 20% of the total existing issued Shares as at the date of this announcement; and (b) approximately 16.67% of the total issued Shares as enlarged by the allotment and issue of the Placing Shares (assuming there will be no change to the total number of Shares in issue from the date of this announcement to the Completion Date other than the issue by the Company of the Placing Shares).

Rights of the Placing Shares

The Placing Shares will rank *pari passu* in all respects among themselves and with the other existing Shares upon issuance.

Placees

The Placing Shares are expected to be placed to not less than six Placees, who and whose respective ultimate beneficial owners are Independent Third Parties.

Placing Price

The Placing Price is HK\$0.045 per Placing Share and represents:

- (i) a discount of approximately 8.16% to the closing price of HK\$0.049 per Share as quoted on the Stock Exchange on the date of the Placing Agreement; and
- (ii) a discount of approximately 8.54% to the average closing price of approximately HK\$0.0492 per Share as quoted on the Stock Exchange for the five consecutive trading days immediately prior to the date of the Placing Agreement.

The net Placing Price (after deducting the costs and expenses of the Placing) is approximately HK\$0.043 per Placing Share. Based on a nominal value of HK\$0.01 per Share, the aggregate nominal value of the Placing Shares is HK\$1,505,803.34.

The Placing Price was negotiated on an arm's length basis between the Company and the Placing Agent after taking into account factors including the recent market price of the Shares and the current market conditions.

Conditions of the Placing

The Placing Completion is conditional upon the satisfaction of the following conditions:

- (i) the GEM Listing Committee of the Stock Exchange granting the approval for the listing of, and permission to deal in, the Placing Shares; and
- (ii) each of the Company and the Placing Agent having obtained all necessary consents and approvals in respect of the Placing Agreement and the transactions contemplated thereunder.

If any of the conditions precedent above is not fulfilled on or before the Long Stop Date, the Placing Agreement will terminate automatically, and all rights, obligations and liabilities of the parties to the Placing Agreement shall cease and terminate and none of the parties shall have any claim against the other in relation thereto.

Application for listing

Application will be made by the Company to the GEM Listing Committee of the Stock Exchange for the grant of the listing of, and the permission to deal in, the Placing Shares.

Completion

Completion of the Placing shall take place on the Completion Date (or such other date as may be agreed between the Company and the Placing Agent in writing) after the fulfilment of the conditions as set out in paragraph headed “Conditions of the Placing” above are satisfied.

Termination

The Placing Agent may, in its reasonable opinion, terminate the Placing Agreement by giving notice in writing to the Company at any time prior to 12:00 noon on the Completion Date if:

- (a) there is any change in national or national financial, political or economic conditions or taxation or exchange controls as world, in the reasonable opinion of the Placing Agent, be likely to prejudice materially the consummation of the Placing; or
- (b) there is any material breach of any of the representations and warranties set out in the Placing Agreement that comes to the knowledge of the Placing Agent or any event occurs or any matter arises prior to the Completion Date which if it had occurred or arisen before the date of the Placing Agreement would have rendered any of such representations and warranties untrue or incorrect in any material respect or there has been a material breach by the Company of any other provisions of the Placing Agreement; or
- (c) any moratorium, suspension or material restriction on trading in shares or securities generally on the Stock Exchange due to exceptional financial circumstances or otherwise.

Upon termination of the Placing Agreement, all obligations of the Company and the Placing Agent under the Placing Agreement shall cease and determine and no party shall have any claim against the other party in respect of any matter or thing arising out of or in connection with the Placing Agreement except for any breach arising prior to such termination.

GENERAL MANDATE TO ISSUE THE PLACING SHARES

The Placing Shares will be allotted and issued under the General Mandate granted to the Directors by resolution of the Shareholders passed at the AGM subject to the limit up to 20% of the total number of issued Shares as at the date of the AGM. Under the General Mandate, the Company is authorised to issue up to 150,580,334 new Shares. Up to the date of this announcement, no new Shares have been issued under the General Mandate. Accordingly, the allotment and issue of the Placing Shares are not subject to the approval of the Shareholders.

REASONS FOR THE PLACING AND USE OF PROCEEDS

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.

Upon Completion, assuming all the Placing Shares are successfully placed, the aggregate gross proceeds from the Placing are expected to be approximately HK\$6.78 million. The net proceeds from the Placing (after deduction of the placing commission in respect of the Placing and other related expenses including, among others, the professional fees) are estimated to be approximately HK\$6.48 million, representing a net issue price of approximately HK\$0.043 per Placing Share. The Group intends to apply (i) approximately HK\$3 million, equivalent to approximately 46.3% of the net proceeds from the Placing for the settlement of outstanding rental related expenses of the Group; and (ii) the remaining proceeds, equivalent to approximately 53.7% of the net proceeds from the Placing, for the repayment of outstanding borrowing and interests and replenishing the general working capital of the Group which shall be applied on, including staff cost, professional fees, and other operating expense of the Group.

The Company considers that the Placing represents a good opportunity to raise fund for working capital by equity financing. The Board is of the view that the Placing will enlarge the shareholder base and the net proceeds of the Placing will strengthen the Group's financial position for its further development and its liquidity. The Company will consider conducting further fund raising activities, including but not limited to rights issue and/or other equity or debt financing, when suitable opportunity arises to enrich the working capital for operation and expansion of existing business, and to meet the repayment obligations of the Group as and when necessary.

The Directors are of the view that the terms of the Placing Agreement are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

Assuming all the Placing Shares are fully placed and there are no other changes in the share capital of the Company from the date of this announcement up to the date of issue of the Placing Shares, to the best knowledge and belief of the Directors and based on the disclosure of interest filed by the substantial shareholder, set out below is the shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately after the issue of the Placing Shares:

Shareholders	As at the date of this announcement		Immediately upon Completion	
	<i>Approximate Number of Shares held</i>	<i>% of total issued Shares (Note 6)</i>	<i>Approximate Number of Shares held</i>	<i>% of total issued Shares (Note 6)</i>
– Ng Ting Kit (<i>Note 1</i>)	103,700,000	13.77	103,700,000	11.48
– Trinity Worldwide Capital Holding Limited (<i>Note 2</i>)	145,933,946	19.38	145,933,946	16.15
– Ng Man Chun Paul (<i>Note 3</i>)	3,845,000	0.51	3,845,000	0.43
– Ng Ting Ho (<i>Note 4</i>)	3,845,000	0.51	3,845,000	0.43
– Chan Chi Fung (<i>Note 5</i>)	21,010,000	2.79	21,010,000	2.33
– Places	–	–	150,580,334	16.67
– Other Public Shareholders	<u>474,567,726</u>	<u>63.03</u>	<u>474,567,726</u>	<u>52.53</u>
Total	<u>752,901,672</u>	<u>100.00</u>	<u>903,482,006</u>	<u>100.00</u>

Notes:

- Mr. Ng Ting Kit (“**Mr. Ng**”) is (i) a cousin of Mr. Ng Man Chun Paul, the chairman of the Board and an executive Director, and (ii) the brother of Mr. Ng Ting Ho, the chief executive officer of the Company and an executive Director.
- Trinity Worldwide Capital Holding Limited is a company incorporated in the British Virgin Islands with limited liability and is owned to 100% by Mr. Ng. Accordingly, Mr. Ng is deemed to be interested in all the Shares held by Trinity Worldwide Capital Holding Limited under the SFO.
- Mr. Ng Man Chun Paul, is the chairman of the Board, an executive Director of the Company, and the cousin of Mr. Ng.
- Mr. Ng Ting Ho, is the chief executive officer of the Company, an executive Director of the Company and the brother of Mr. Ng.
- Mr. Chan Chi Fung, is an executive Director of the Company.
- 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.

EQUITY FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

The Company has not conducted any equity fund raising activities during the 12 months immediately preceding the date of this announcement.

WARNING

As Completion is conditional upon fulfilment of the conditions precedent set out in the Placing Agreement, the Placing may or may not proceed. Shareholders and potential investors should exercise caution when dealing in the Shares.

DEFINITIONS

Unless the context requires otherwise, the capitalised terms used herein shall have the same meanings as set forth below:

“AGM”	the annual general meeting of the Company held on 15 June 2023
“Board”	the board of Directors
“Business Day(s)”	a day (other than a Saturday, Sunday or statutory holiday and days on which a typical cyclone warning signal no. 8 or above or a black rainstorm warning signal is hoisted in Hong Kong at any time between 9:00 a.m. and 12:00 noon) on which licensed banks in Hong Kong are generally open for ordinary banking business throughout their normal business hours
“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
“Completion”	completion of the Placing in accordance with the terms and conditions of the Placing Agreement
“Completion Date”	the day falling on the second Business Day after the fulfillment of the conditions precedent of the Placing Agreement (or such other date as the Company and the Placing Agent may agree in writing)
“connected person(s)”	has the same meaning as ascribed to it under the GEM Listing Rules

“Director(s)”	director(s) of the Company from time to time
“GEM”	GEM of the Stock Exchange
“GEM Listing Committee”	has the meaning ascribed to it under the GEM Listing Rules
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“General Mandate”	the general mandate granted to the Directors pursuant to an ordinary resolution of the Company passed at the AGM to allot, issue and deal with up to 20% of the then issued Shares
“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(ies)”	third party(ies) independent of and not connected with the Company and its connected persons
“Long Stop Date”	7 June 2024 (or such other dates as the Company and the Placing Agent may agree in writing)
“Placee(s)”	any professional, institutional or other investor(s) procured by the Placing Agent or its agent(s) to subscribe for any Placing Shares pursuant to the Placing Agreement
“Placing”	the placing, on a best effort basis, of up to 150,580,334 Placing Shares on and subject to the terms and conditions set out in the Placing Agreement
“Placing Agent”	Minerva Holding Financial Securities Limited, being a corporation licensed to conduct Type 1 (dealing in securities) and Type 4 (advising on securities) regulated activities under the SFO
“Placing Agreement”	the conditional placing agreement dated 20 May 2024 (after trading hours of the Stock Exchange) entered into between the Company and the Placing Agent in relation to the Placing
“Placing Price”	HK\$0.045 per Placing Share

“Placing Share(s)”	up to 150,580,334 new Shares to be placed pursuant to the Placing Agreement and to be issued under the General Mandate, each a “Placing Share”
“PRC”	the People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region and Taiwan
“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 share capital of the Company
“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

By order of the Board
China Demeter Financial Investments Limited
Ng Man Chun Paul
Chairman

Hong Kong, 20 May 2024

As at the date of this announcement, the Board comprises three executive Directors, namely Mr. Ng Man Chun Paul, Mr. Ng Ting Ho and Mr. Chan Chi Fung; 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.

This announcement will remain on the “Latest Listed Company Information” page of the Stock Exchange’s website (www.hkexnews.hk) for a minimum period of seven days from the date of publication and on the Company’s website (www.chinademeter.com).