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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)

PROFIT WARNING

This announcement is made by China Demeter Financial Investments Limited (“**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 17.10 of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (“**GEM Listing Rules**”) and the Inside Information Provisions (as defined under the GEM Listing Rules).

The board (“**Board**”) of directors of the Company wishes to inform the shareholders and potential investors of the Company that, based on the currently available information, the Company is expected to record a loss for the year ended 31 December 2023 (“**FY2023**”) of no less than HK\$40.0 million when compared with the loss of approximately HK\$20.0 million from continuing operations for the year ended 31 December 2022.

Based on the Board’s preliminary assessment of the unaudited consolidated management accounts of the Company and the information currently available to the Group, such increase in loss for FY2023 was principally attributable to the combined effect of:

- (i) the absence of government grant in respect of COVID-19-related subsidies for FY2023 (2022: total government grant in respect of COVID-19-related subsidies of approximately HK\$6.6 million);

- (ii) an expected substantial increase in loss in the food and beverage business segment, the largest revenue contributor of the Group, for FY2023 (2022: loss of approximately HK\$0.2 million) mainly due to the absence of COVID-19-related subsidies received as mentioned above attributable to the food and beverage business segment, a change in consumer habit in the post-pandemic era, with people spending more money abroad which have affected the impairment assessment of property, plant and equipment and right-of-use assets, and more competitive food and beverage market environment in Hong Kong in FY2023;
- (iii) a record in loss from the changes in fair value of financial assets through profit or loss of approximately HK\$12.3 million for FY2023 (2022: fair value gain of approximately HK\$3.3 million). Such financial assets through profit or loss are mainly composed of listed equity securities in Hong Kong whose fair values were determined with reference to the quoted market prices in the market and/or the realised gain/loss of the Group's investments, and thus was affected by the unsatisfactory stock price performance in the general Hong Kong market in FY2023;
- (iv) an expected increase in impairment loss on loans and interest receivables related to the money lending business for FY2023 (2022: impairment loss of approximately HK\$2.0 million) due to an increase in loans receivables which have past due during FY2023; and
- (v) a decrease in revenue of the financial services business segment to approximately HK\$9.2 million for FY2023 with an expected loss for FY2023 (2022: revenue of approximately HK\$15.2 million and profit of approximately HK\$0.1 million) as a result of the economic market performance in Hong Kong being worse than anticipated.

The Company is still in the process of finalising its consolidated financial results for FY2023, in particular, the impairment assessment of property, plant and equipment and right-of-use assets in relation to the food and beverage business segment as mentioned above to be conducted. The information contained in this announcement is only based on the preliminary assessment made by the Board with reference to the unaudited consolidated management accounts of the Company and information currently available to the Board and may be subject to adjustment or change. Shareholders and potential investors of the Company are advised to read the information on the financial results for FY2023 when it is published.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

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

Hong Kong, 9 January 2024

As at the date of this announcement, the Board comprises three executive directors, namely 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).