
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in China Demeter Financial Investments Limited (“**Company**”), you should at once hand this circular and the accompanying form of proxy to the purchaser, the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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)

**(1) PROPOSED GRANT OF GENERAL MANDATES
TO REPURCHASE SHARES AND ISSUE SHARES;
(2) PROPOSED RE-ELECTION OF DIRECTORS;
(3) PROPOSED TERMINATION OF THE EXISTING SHARE OPTION
SCHEME AND ADOPTION OF THE NEW SHARE OPTION SCHEME; AND
(4) NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the annual general meeting of the Company to be held at 2:00 p.m. on Thursday, 15 June 2023 at 22/F., Euro Trade Centre, 13-14 Connaught Road Central, Central, Hong Kong is set out on pages AGM-1 to AGM-6 of this circular. A form of proxy for use by the shareholders at the annual general meeting is sent to you with this circular.

Whether or not you are able to attend such meeting, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return them to the branch share registrar and transfer office of the Company in Hong Kong, Tricor Tengis Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible and in any event by 2:00 p.m. on Tuesday, 13 June 2023 or not less than 48 hours before the time appointed for the holding of the adjourned annual general meeting (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting or any adjournment thereof should you so wish, and in such case, the form of proxy previously submitted shall be deemed to be revoked.

This circular 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).

18 May 2023

CHARACTERISTICS OF GEM

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:

“2022 AGM”	the annual general meeting of the Company held on 30 June 2022
“Adoption Date”	the date on which the New Share Option Scheme is conditionally adopted by an ordinary resolution to be passed by the Shareholders at the AGM
“AGM”	the annual general meeting of the Company to be held at 2:00 p.m. on Thursday, 15 June 2023 at 22/F., Euro Trade Centre, 13-14 Connaught Road Central, Central, Hong Kong, the notice of which is set out on pages AGM-1 to AGM-6 of this circular
“associate”	has the meaning ascribed thereto in the GEM Listing Rules
“Audit Committee”	the audit committee of the Board
“Board”	the board of Directors
“Business Day”	any day on which the Stock Exchange is open for the business of dealing in securities
“Bye-laws”	the bye-laws of the Company as amended from time to time
“close associate”	has the meaning ascribed thereto in the GEM Listing Rules
“Companies Act”	the Companies Act 1981 of Bermuda
“Company”	China Demeter Financial Investments Limited, a company incorporated in the Cayman Islands and continued in Bermuda with limited liability, the Shares of which are listed on GEM
“connected person(s)”	has the meaning ascribed thereto in the GEM Listing Rules
“controlling shareholder(s)”	has the meaning ascribed thereto in the GEM Listing Rules
“core connected person(s)”	has the meaning ascribed thereto in the GEM Listing Rules
“Director(s)”	the director(s) of the Company

DEFINITIONS

“Eligible Participant(s)”	means: (a) the Employee Participant(s); (b) the Related Entity Participant(s); and (c) the Service Provider(s)
“Employee Participant(s)”	director(s) and employee(s) (whether full-time or part-time) of the Company or any of its subsidiaries (including persons who are granted Options under the New Share Option Scheme as an inducement to enter into employment contracts with such companies)
“Existing Share Option Scheme”	the share option scheme as adopted by the Company on 30 September 2013
“Extension Mandate”	a general and unconditional mandate proposed to be granted to the Directors at the AGM to the effect that any Shares repurchased under the Repurchase Mandate will be added to the total number of Shares which may be allotted and issued under the General Mandate
“GEM”	GEM operated by the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM as may be amended from time to time
“General Mandate”	a general and unconditional mandate proposed to be granted to the Directors at the AGM to exercise all powers of the Company to allot, issue or otherwise deal with Shares up to a maximum of 20% of the number of issued Shares as at the date of granting of the General Mandate
“Grantee”	any Eligible Participant who accepts the Offer in accordance with the rules of the New Share Option Scheme
“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 People’s Republic of China
“Latest Practicable Date”	12 May 2023, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein

DEFINITIONS

“New Share Option Scheme”	the new share option scheme proposed to be adopted by the Company at the AGM
“Nomination Committee”	the nomination committee of the Board
“Offer”	an offer for the grant of an Option made in accordance with the New Share Option Scheme
“Offer Date”	the date, which must be a Business Day, on which an Offer is made to an Eligible Participant
“Option(s)”	any option(s) to be granted to Eligible Participant(s) to subscribe for new Share(s) under the New Share Option Scheme
“Option Period”	in respect of any particular Option, the period to be determined and notified by the Directors to the Grantee thereof at the time of making an Offer provided that such period shall not exceed the period of 10 years from the Offer Date of the particular Option
“Personal Representative(s)”	the person or persons who, in accordance with the laws of succession applicable in respect of the death of a Grantee, is or are entitled to exercise the Option granted to such Grantee (to the extent not already exercised)
“PRC”	the People’s Republic of China
“Related Entity Participant(s)”	director(s) and employee(s) (whether full-time or part-time) of the holding companies, fellow subsidiaries or associated companies of the Company
“Remuneration Committee”	the remuneration committee of the Board
“Repurchase Mandate”	a general and unconditional mandate proposed to be granted to the Directors at the AGM to exercise all powers of the Company to repurchase up to 10% of the number of issued Shares as at the date of granting of the Repurchase Mandate

DEFINITIONS

“Service Provider(s)”	person(s) who provide services to any member of the Group on a continuing or recurring basis in its ordinary and usual course of business which are in the interests of the long-term growth of the Group, which include any independent distributor, contractor, supplier, agent, consultant or adviser to any area of business or business development of the Group, but exclude any placing agent or financial adviser providing advisory services for fundraising, mergers or acquisitions, and other professional services provider such as auditor or valuer who provides assurance, or is required to perform its services with impartiality and objectivity
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong, as amended, supplemented or otherwise modified from time to time
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company, or if there has been a sub-division, consolidation, reclassification or reconstruction or reduction or reorganisation of the share capital of the Company, share(s) forming part of the ordinary equity share capital of the Company as shall result from any of such sub-division, consolidation, re-classification or re-construction or reduction or reorganisation
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	the price per Share at which a Grantee may subscribe for Shares on the exercise of an Option as determined in accordance with the New Share Option Scheme
“substantial shareholder(s)”	has the meaning ascribed thereto in the GEM Listing Rules
“Takeovers Code”	the Code on Takeovers and Mergers issued by the Securities and Futures Commission in Hong Kong
“Termination Date”	close of business of the Company on the date which falls 10 years after the Adoption Date
“%”	per cent.

LETTER FROM THE BOARD



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)

Executive Directors:

Mr. Ng Man Chun Paul (*Chairman*)
Mr. Ng Ting Ho (*Chief Executive Officer*)
Mr. Chan Chi Fung

Independent non-executive Directors:

Mr. Chan Hin Hang
Mr. Yum Edward Liang Hsien
Mr. Hung Kenneth

Registered office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

***Principal place of business
in Hong Kong:***

Office A01, 35/F
United Centre
No. 95 Queensway
Admiralty, Hong Kong

18 May 2023

To the Shareholders

Dear Sir or Madam

**(1) PROPOSED GRANT OF GENERAL MANDATES
TO REPURCHASE SHARES AND ISSUE SHARES;
(2) PROPOSED RE-ELECTION OF DIRECTORS; AND
(3) PROPOSED TERMINATION OF THE EXISTING SHARE OPTION
SCHEME AND ADOPTION OF THE NEW SHARE OPTION SCHEME**

1. INTRODUCTION

The purposes of this circular are to provide you with information regarding the resolutions to be proposed at the AGM and to give you notice of the AGM. At the AGM, resolutions relating to, among other matters, (i) the grant of the Repurchase Mandate, the General Mandate and the Extension Mandate; (ii) the re-election of Directors; and (iii) the termination of the Existing Share Option Scheme and adoption of the New Share Option Scheme, will be proposed.

LETTER FROM THE BOARD

2. GENERAL MANDATES TO REPURCHASE AND ISSUE SHARES

At the 2022 AGM, the Directors were granted (a) a general unconditional mandate to exercise all the powers of the Company to repurchase Shares with a total number of not more than 10% of the total issued Shares on the date of the passing of the resolution; (b) a general unconditional mandate to allot, issue and deal with Shares not exceeding 20% of the aggregate number of Shares in issue on the date of the passing of the resolution; and (c) the power to extend the general mandate mentioned in (b) above by an amount representing the aggregate number of Shares repurchased by the Company pursuant to the mandate to repurchase Shares referred to in (a) above, each of which will expire at the conclusion of the AGM.

In order to give the Company the flexibility to repurchase and issue Shares if and when appropriate, the following ordinary resolutions will be proposed at the AGM to approve the grant of new general mandates to the Directors:

- (a) the Repurchase Mandate – a general and unconditional mandate to exercise all the power of the Company to repurchase Shares on the Stock Exchange of an aggregate number of Shares of up to 10% of the issued Shares on the date of passing such resolution;
- (b) the General Mandate – a general unconditional mandate to allot, issue or deal with Shares of an aggregate number of Shares of up to 20% of the issued Shares on the date of passing such resolution; and
- (c) the Extension of Mandate – the power to extend the General Mandate by an amount representing the aggregate number of Shares repurchased by the Company pursuant to and in accordance with the Repurchase Mandate.

As at the Latest Practicable Date, the number of Shares in issue were 752,901,672 Shares. Assuming that there will be no change in the number of Shares in issue between the Latest Practicable Date and the date of the AGM, subject to the passing of the relevant resolutions, the maximum number of Shares to be issued under the proposed General Mandate is 150,580,334 Shares, and the Company will be allowed under the Repurchase Mandate to repurchase a maximum of 75,290,167 Shares.

The General Mandate and the Repurchase Mandate will continue in force until the conclusion of the next annual general meeting of the Company held after the AGM or any earlier date as referred to in the proposed ordinary resolutions numbered 4 and 5 respectively in the notice of the AGM as set out on pages AGM-1 to AGM-6 of this circular.

In accordance with the requirements of the GEM Listing Rules, the Company is required to send to the Shareholders an explanatory statement containing all the information reasonably necessary to enable them to make an informed decision on whether to vote for or against the grant of the Repurchase Mandate. The explanatory statement for such purpose is set out in Appendix I to this circular.

3. RE-ELECTION OF DIRECTORS

As at the Latest Practicable Date, 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.

LETTER FROM THE BOARD

In accordance with 84(1) and 84(2) of the Bye-Laws, each of Mr. Chan Hin Hang and Mr. Yum Edward Liang Hsien will retire from the office of Director by rotation and each of them, being eligible, will offer himself for re-election at the AGM.

The Nomination Committee has considered the working experience of each of Mr. Chan Hin Hang and Mr. Yum Edward Liang Hsien and other perspectives, skills and experience as set out in Appendix II to this circular. The Nomination Committee is satisfied that each of Mr. Chan Hin Hang and Mr. Yum Edward Liang Hsien has the required character, integrity and experience to continuously perform their role as an independent non-executive Director effectively and possesses the perspective, skill and experience that can bring to the Board and ensure diversity in the composition of the Board.

The Nomination Committee has also assessed and reviewed, among other things, the written confirmation of independence from each of Mr. Chan Hin Hang and Mr. Yum Edward Liang Hsien based on the independence criteria as set out in the GEM Listing Rules. Each of Mr. Chan Hin Hang and Mr. Yum Edward Liang Hsien was appointed as an independent non-executive Director which could help enhance the diversity of the Board, with Mr. Chan Hin Hang's accounting background and Mr. Yum Edward Liang Hsien's corporate and financial industry background respectively. The Board is of the view that there is nothing that would affect the exercise of independent judgement by Mr. Chan Hin Hang or Mr. Yum Edward Liang Hsien. Accordingly, with the recommendation of the Nomination Committee, the Board believes the re-election of each of Mr. Chan Hin Hang and Mr. Yum Edward Liang Hsien as an independent non-executive Director would be in the best interests of the Company and the Shareholders as a whole and has proposed that all the above retiring Directors to stand for re-election as Directors at the AGM.

Particulars of Mr. Chan Hin Hang and Mr. Yum Edward Liang Hsien are set out in Appendix II to this circular.

4. TERMINATION OF THE EXISTING SHARE OPTION SCHEME AND ADOPTION OF THE NEW SHARE OPTION SCHEME

The Existing Share Option Scheme

The Existing Share Option Scheme was adopted by the Company on 30 September 2013, under which the Board may offer options to the eligible participants prescribed in the Existing Share Option Scheme in its discretion.

Pursuant to the GEM Listing Rules and the Existing Share Option Scheme, the existing maximum number of Shares which may fall to be issued upon exercise of all share options to be granted under the Existing Share Option Scheme and any other share schemes for the time being of the Company is 62,741,806, representing 10% of the total number of issued Shares as at 30 June 2022, being the date of approval of the refreshed limit by the Shareholders at the 2022 AGM.

As at the Latest Practicable Date, there were no share options granted under the Existing Share Option Scheme which remain outstanding or unexercised, and the total number of share options available for issue under the Existing Share Option Scheme was 62,741,806 Shares, representing approximately 8.33% of the issued shares of the Company as at such date.

LETTER FROM THE BOARD

Adoption of the New Share Option Scheme

Considering that the Existing Share Option Scheme adopted on 30 September 2013 will soon expire on 29 September 2023, and in view of the latest amendments to Chapter 23 of the GEM Listing Rules which took effect on 1 January 2023, the Directors proposed the termination of the Existing Share Option Scheme and the adoption of the New Share Option Scheme. The Directors considered that the adoption of the New Share Option Scheme, which will be valid for 10 years from the Adoption Date, can provide the Company with more flexibility in long term planning of granting of the Options to Eligible Participants and provide appropriate incentives or rewards to suitable and eligible persons for their contributions or potential contributions to the Group.

Purpose

The purpose of the New Share Option Scheme is to enable the Group to grant Options to the Eligible Participants as incentives and rewards for their contribution to the Group and/or to enable the Group to attract, recruit and retain high-calibre personnel that are valuable to the Group and whose contributions are important to the long-term growth and profitability of the Group.

Eligible Participants

The rules of the New Share Option Scheme will enable the Company to grant Options to the Eligible Participants including (a) the Employee Participants; (b) the Related Entity Participants; and (c) the Service Providers.

The basis of eligibility of the Eligible Participants will be determined in accordance with all relevant factors, a summary of which is set out in paragraph 3 of Appendix III to this circular:

- (1) to determine the eligibility of the Employee Participants, the Board will consider all relevant factors as appropriate as referred to in the factors set out in the sub-paragraph headed “Employee Participants” in paragraph 3 of Appendix III to this circular;
- (2) to determine the eligibility of the Related Entity Participants, the Board will take into account all relevant factors and criteria based on the nature of the contributions made by such parties, as referred to in the factors and criteria set out in the sub-paragraph headed “Related Entity Participants” in paragraph 3 of Appendix III to this circular; and
- (3) to determine the eligibility of the Service Providers, the Board will take into account all relevant factors and criteria based on the nature of the contributions made by such parties, as referred to in the factors and criteria set out in the sub-paragraph headed “Service Providers” in paragraph 3 of Appendix III to this circular.

LETTER FROM THE BOARD

The Directors (including the independent non-executive Directors) are of the view that the adoption of the New Share Option Scheme aligns with the market practice of providing incentives to the Employee Participants to work towards enhancing the enterprise value and achieving the long-term objectives for the benefit of the Group as a whole. The Directors (including the independent non-executive Directors) are of the view that the eligibility of the Related Entity Participants and the Service Providers to participate in the New Share Option Scheme is consistent with the purposes of the New Share Option Scheme, which allows the Group to use Options as incentives and rewards instead of cash incentives to encourage personnel both inside and outside of the Group to contribute to the Group, which can mutually benefit from the long-term growth of the Group. The grant of Options to the Related Entity Participants and the Service Providers would not only align the interest of the Group with such Grantees, but would also strengthen their relationship with the Group and can promote a higher degree of their participation and involvement in promoting the business of the Group and be conducive to maintaining a stable long-term relationship with the Group.

Based on the above, the Directors (including the independent non-executive Directors) are of the view that the proposed categories of the Related Entity Participants and the Service Providers in the New Share Option Scheme are in line with the Company's business needs or the industry norm, and that the criteria for selection of the Related Entity Participants and the Service Providers and the proposed terms of the grants (such as, if any, vesting requirements and performance targets) under the New Share Option Scheme are in line with the purpose of the New Share Option Scheme, are fair and reasonable and in the interests of the Company and the Shareholders as a whole because this gives the Company the flexibility to grant options and awards (instead of cash reward or other settlement) to the Related Entity Participants and the Service Providers when necessary.

Performance targets and clawback

The rules of the New Share Option Scheme will not prescribe specific performance targets that must be met before an Option can be exercised or clawback mechanism to recover or withhold the Options to be granted. However, the rules of the New Share Option Scheme will give the Board discretion to impose such conditions on the Options or prescribe such clawback mechanism where appropriate. The Directors consider that it may not always be appropriate to impose such conditions or prescribe such clawback mechanism particularly when the purpose of granting the Options is to remunerate or compensate Eligible Participants for past contributions, and for the avoidance of doubt, Option(s) will not be granted to Eligible Participants solely based on past contributions; therefore consider it more beneficial to the Company to retain the flexibility to determine whether such conditions or clawback mechanism are appropriate in light of the particular circumstances of each grant. Where Options were granted to the Directors or senior management of the Company without performance targets and/or clawback mechanism, the Company will comply with the requirements under Rule 23.06B(8) of the GEM Listing Rules that the relevant announcement will include the views of the Remuneration Committee on why performance targets and/or a clawback mechanism is/are not necessary and how the grants would align with the purpose of the New Share Option Scheme.

LETTER FROM THE BOARD

Subscription Price

The Subscription Price in respect of any particular Option will be such price as determined by the Board in its discretion at the time of the grant of the relevant Option but in any event the Subscription Price shall be at least the highest of (i) the closing price of the Shares as stated in the daily quotations sheet issued by the Stock Exchange on the Offer Date; (ii) the average of the closing price of the Shares as stated in the daily quotations sheets issued by the Stock Exchange for the 5 consecutive Business Days immediately preceding the Offer Date; and (iii) the nominal value of the Shares on the Offer Date.

Vesting period

The vesting period of the Options granted under the New Share Option Scheme shall be determined by the Board subject to a minimum period of no less than 12 months. However, the Board (or the Remuneration Committee where it relates to grants of Options to an Employee Participant who is a Director and/or senior manager of the Company) will have a discretion in allowing a shorter vesting period to an Employee Participant in the following circumstances:

- (1) grants of “make-whole” Options to new joiners of the Group to replace the share options such person forfeited when leaving the previous employer;
- (2) grants to a participant whose employment is terminated due to death or disability or occurrence of any out-of-control event;
- (3) grants with performance-based vesting conditions in lieu of time-based vesting criteria;
- (4) grants that are made in batches during a year for administrative and compliance reasons, which include Options that should have been granted earlier if not for such administrative or compliance reasons but had to wait for subsequent batch. In such case, the vesting period may be shorter to reflect the time from which the Option would have been granted; or
- (5) grants of Options with a mixed or accelerated vesting schedule such as where the Options may vest evenly over a period of 12 months.

To ensure the practicability in fully achieving the purpose of the New Share Option Scheme, the Board and the Remuneration Committee consider that (i) there are certain instances where a strict 12-month vesting requirement may not work or would be unfair to holder(s) of the Options; (ii) there is a need for the Company to retain flexibility to reward exceptional performers with accelerated vesting or in exceptional circumstances where justified; and (iii) the Company should be allowed discretions to formulate its own talent recruitment and retention strategies in response to changing market conditions and industry competition; and (iv) the Company should have flexibility to impose vesting conditions such as performance-based vesting conditions in lieu of time-based vesting criteria depending on individual circumstances. As such, the Board and the Remuneration Committee are of the view that the shorter vesting period as described above and also set out in paragraph 6 of Appendix III to this circular is appropriate and aligns with the purpose of the New Share Option Scheme.

LETTER FROM THE BOARD

Scheme Mandate Limit and Service Provider Sublimit

The maximum number of Shares which may be allotted and issued upon exercise of all Options to be granted under the New Share Option Scheme and any other schemes shall not in aggregate exceed 10% of the Shares in issue as at the Adoption Date (“**Scheme Mandate Limit**”). Based on the 752,901,672 Shares in issue as at the Latest Practicable Date and assuming no further Shares will be issued or repurchased during the period from the Latest Practicable Date to the date of the AGM, the maximum number of Shares which may be issued upon exercise of all Options to be granted under the New Share Option Scheme and any other schemes would be 75,290,167 Shares, representing 10% of the total number of Shares in issue.

Within the Scheme Mandate Limit, the Board has also set the maximum number of Shares which may be allotted and issued in respect of all Options to be granted to the Service Providers under the New Share Option Scheme to being 1% of the total number of Shares in issue on the Adoption Date (“**Service Provider Sublimit**”).

The basis for determining the Service Provider Sublimit includes the contribution in the Group’s turnover or profits attributable to the Service Providers, and the nature of the contributions by the Service Provider to the Group’s business and operations, the potential dilution effect arising from such grants to the Service Providers, the need to strike a balance between achieving the purpose of the New Share Option Scheme and protecting Shareholders from the said dilution effect. Taking into account the fact that (i) the individual limit under Chapter 23 of the GEM Listing Rules is also 1%; (ii) the Service Provider Sublimit would not lead to excessive dilution effect on existing Shareholders’ shareholdings; and (iii) that the New Share Option Scheme could motivate Service Providers to provide reliable and high-quality services to the Group, the Board is of the view the Service Provider Sublimit is appropriate and reasonable.

The Service Provider Sublimit is subject to separate approval by the Shareholders at the AGM.

Administration and general

The Board will be responsible for administering the New Share Option Scheme. There are no trustees appointed for the purposes of the New Share Option Scheme.

The Company will comply with any applicable requirements under Chapter 23 of the GEM Listing Rules in respect of the operation and administration of the New Share Option Scheme.

A summary of the rules of the New Share Option Scheme is set out in Appendix III to this circular.

LETTER FROM THE BOARD

Value of the Options

The Board considers that it is not possible to state the value of all Options that can be granted under the New Share Option Scheme as if they had been granted on the Latest Practicable Date as a number of variables which are crucial for the calculation of the option value have not been determined. Such variables include the subscription price, exercise period, interest rates, expected volatility, vesting period, performance targets set (if any) and other relevant variables. As Options have not yet been granted under the New Share Option Scheme, certain variables are not available for calculating the value of the Options. The Board believes that any calculation of the value of any option which might have been granted on the Latest Practicable Date would be based on a number of speculative assumptions and would therefore not be meaningful to the Shareholders.

Conditions of the New Share Option Scheme

The adoption of the New Share Option Scheme is conditional upon:

- (a) the Stock Exchange granting approval for the listing of and permission to deal in such number of Shares representing the Scheme Mandate Limit to be allotted and issued by the Company upon the exercise of the Options that may be granted under the New Share Option Scheme; and
- (b) the passing of the necessary resolutions at the AGM to approve the termination of the Existing Share Option Scheme, the adoption of the New Share Option Scheme and to authorise the Directors to grant Options under the New Share Option Scheme and to allot and issue Shares pursuant to the exercise of any Options granted.

Application for listing

Application will be made to the Stock Exchange for the listing of and permission to deal in such number of Shares representing the Scheme Mandate Limit to be allotted and issued by the Company upon the exercise of the Options that may be granted under the New Share Option Scheme.

Document on display

A copy of the New Share Option Scheme will be published on the websites of the Stock Exchange at www.hkexnews.hk and the Company at www.chinademeter.com. for a period of not less than 14 days before the date of the AGM and is also made available for inspection at the AGM.

5. ANNUAL GENERAL MEETING

The notice of the AGM is set out on pages AGM-1 to AGM-6 of this circular. At the AGM, resolutions will be proposed to approve, inter alia, (i) the grant of the Repurchase Mandate, the General Mandate and the Extension Mandate; (ii) the re-election of the Directors; and (iii) the termination of the Existing Share Option Scheme and adoption of the New Share Option Scheme.

LETTER FROM THE BOARD

Pursuant to Rule 17.47(4) of the GEM Listing Rules, any vote of shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. As such, all resolutions set out in the notice of AGM will be voted on by way of poll.

A form of proxy for use at the AGM is sent to you with this circular. Whether or not you are able to attend the AGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the branch share registrar and transfer office of the Company in Hong Kong, Tricor Tengis Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible and in any event by 2:00 p.m., on Tuesday, 13 June 2023 or not less than 48 hours before the time appointed for the holding of the adjourned AGM (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or the adjourned AGM should you so wish, and in such case, the form of proxy previously submitted shall be deemed to be revoked.

To determine the entitlement of the Shareholders to attend and vote at the AGM to be held on Thursday, 15 June 2023, the register of members of the Company will be closed from Monday, 12 June 2023 to Thursday, 15 June 2023, both days inclusive, during which period no transfer of Shares will be registered. In order to qualify for the entitlement to attend and vote at the AGM, all transfers of shares of the Company accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration no later than 4:30 p.m. on Friday, 9 June 2023.

To the best of the Directors' knowledge, information and belief, having made reasonable enquiries, the Directors confirm that no Shareholder is required to abstain from voting on the resolutions to be proposed at the AGM.

6. COMPETING INTERESTS

Mr. Ng Ting Ho, an executive Director, is a non-executive director of Hang Tai Yue Group Holdings Limited (stock code: 8081) and Mr. Hung Kenneth, an independent non-executive Director, is an executive director of Smart City Development Holdings Limited (stock code: 8268), each of which is a company listed on GEM whose principal businesses include money lending business in Hong Kong, which may compete with the Group's money lending business.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or controlling Shareholders or any of their respective close associates has any interest in business which competes with or may compete with the business of the Group or has any other conflict of interests which any person has or may have with the Group.

LETTER FROM THE BOARD

7. RESPONSIBILITY STATEMENT

This circular, 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 circular 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 circular misleading.

8. RECOMMENDATION

The Directors consider that (i) the grant of the Repurchase Mandate, the General Mandate and the Extension Mandate; (ii) the re-election of the Directors; and (iii) the termination of the Existing Share Option Scheme and adoption of the New Share Option Scheme are in the best interests of the Company and the Shareholders. Accordingly, the Directors recommend the Shareholders to vote in favour of the relevant resolutions set out in the notice of the AGM.

9. GENERAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this circular.

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

APPENDIX I EXPLANATORY STATEMENT ON THE REPURCHASE MANDATE

The following is an explanatory statement required by the GEM Listing Rules to be sent to the Shareholders to enable them to make an informed decision on whether to vote for or against the ordinary resolution to be proposed at the AGM in relation to the grant of the Repurchase Mandate.

1. REASONS FOR REPURCHASE OF SHARES

The Directors believe that the grant of the Repurchase Mandate is in the best interests of the Company and the Shareholders.

Repurchases of Shares may, depending on the market conditions and funding arrangements at the time, result in an enhancement of the net asset value per Share and/or earnings per Share. The Directors are seeking the grant of the Repurchase Mandate to give the Company the flexibility to do so if and when appropriate. The number of Shares to be repurchased on any occasion and the price and other terms upon which the same are repurchased will be decided by the Directors at the relevant time, having regard to the circumstances then pertaining.

2. SHARE CAPITAL

As at the Latest Practicable Date, there were 752,901,672 Shares in issue. Subject to the passing of the ordinary resolution numbered 4 of the notice of the AGM in respect of the grant of the Repurchase Mandate and on the basis that there is no change in the number of issued Shares from the Latest Practicable Date to the date of the AGM, the Directors would be authorised under the Repurchase Mandate to repurchase a maximum of 75,290,167 Shares.

3. FUNDING OF REPURCHASES

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with its memorandum of continuance and the Bye-laws, the laws of Bermuda and/or any other applicable laws, as the case may be.

4. IMPACT OF REPURCHASES

There might be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited accounts contained in the annual report of the Company for the year ended 31 December 2022) in the event that the Repurchase Mandate was to be carried out in full at any time during the proposed repurchase period. However, the Directors do not intend to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

5. TAKEOVERS CODE

If a Shareholder's proportionate interest in the voting rights of the Company increases when the Company exercises its powers to repurchase Shares pursuant to the Repurchase Mandate, such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code. As a result, a Shareholder or group of Shareholders acting in concert could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 or Rule 32 of the Takeovers Code.

APPENDIX I EXPLANATORY STATEMENT ON THE REPURCHASE MANDATE

As at the Latest Practicable Date, to the best of the knowledge and belief of the Directors, the following Shareholder, through himself and company wholly-owned by him, was interested in more than 10% of the Shares then in issue:

Name	Number of Shares	Percentage holding
Mr. Ng Ting Kit	249,633,946	33.16%

In the event the Directors exercise in full the power to repurchase Shares in accordance with the Repurchase Mandate, the total interests of the above shareholders in the issued shares of the Company would be increased to:

Name	Percentage holding
Mr. Ng Ting Kit	36.84%

In the opinion of the Directors, on the basis of the shareholding of Mr. Ng Ting Kit in the Company as at the Latest Practicable Date, an exercise of the Repurchase Mandate in full may result in Mr. Ng Ting Kit to becoming obliged to make a mandatory offer under rule 26 of the Takeovers Code.

Save as disclosed above, to the best of the Directors' knowledge and belief, having made all reasonable enquiries, they are not aware of any consequence which would arise under the Takeovers Code as a consequence of any repurchases pursuant to the Repurchase Mandate.

The Directors have no intention to exercise the Repurchase Mandate to such an extent that will result in the number of Shares in the hands of public falling below the prescribed minimum percentage of 25%.

6. GENERAL

None of the Directors or, to the best of their knowledge after having made all reasonable enquiries, any of their respective close associates have any present intention to sell any Shares to the Company in the event that the grant of the Repurchase Mandate is approved by the Shareholders.

The Company has not been notified by any core connected persons of the Company that they have a present intention to sell any Shares to the Company, or that they have undertaken not to sell any Shares held by them to the Company in the event that the grant of the Repurchase Mandate is approved by the Shareholders.

The Directors have undertaken to the Stock Exchange to exercise the power of the Company to make repurchases of Shares pursuant to the Repurchase Mandate in accordance with the GEM Listing Rules and the applicable laws of Bermuda.

APPENDIX I EXPLANATORY STATEMENT ON THE REPURCHASE MANDATE

7. MARKET PRICES OF SHARES

The highest and lowest prices per share of the Company at which such shares have traded on the Stock Exchange in the last 12 months were as follows:

Month	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2022		
May	0.156	0.117
June	0.173	0.116
July	0.187	0.144
August	0.177	0.133
September	0.169	0.108
October	0.170	0.134
November	0.160	0.111
December	0.164	0.127
2023		
January	0.183	0.124
February	0.149	0.125
March	0.155	0.122
April	0.132	0.118
May (up to the Latest Practicable Date)	0.150	0.114

8. REPURCHASES OF SHARES MADE BY THE COMPANY

No repurchase of the shares of the Company has been made by the Company in the six months preceding the Latest Practicable Date (whether on the Stock Exchange or otherwise).

Pursuant to the GEM Listing Rules, the details of the Directors who will retire at the AGM according to the Bye-laws and will be proposed to be re-elected at the same meeting are provided below.

1. MR. CHAN HIN HANG (“Mr. Chan”)

Mr. Chan, aged 36, was appointed as an independent non-executive Director with effect from 13 November 2017. He is also the chairman of the Remuneration Committee and the Audit Committee, and a member of the Nomination Committee. Mr. Chan has over 9 years of accounting experience. He worked at Deloitte Touche Tohmatsu from September 2010 to June 2015 and is a member of CPA Australia. Mr. Chan obtained a Bachelor Degree in Business (Banking and Finance) from the Queensland University of Technology in 2009. Mr. Chan was an independent non-executive director of Millennium Pacific Group Holdings Limited (stock code: 8147) from July 2017 to July 2018 which is a company listed on GEM of the Stock Exchange. He was an independent non-executive director of Huisheng International Holdings Limited (stock code: 1340) from 22 March 2019 to 30 June 2022, a company listed on Main Board of the Stock Exchange. On 9 January 2020, he was appointed as the company secretary of Sau San Tong Holdings Limited (stock code: 8200), a company listed on GEM of the Stock Exchange.

As at Latest Practicable Date, (i) save as disclosed above, Mr. Chan had not held any other major appointment or qualifications or directorship in other listed company in the last three years, and (ii) nor does he have any relationship with any Director, senior management, substantial shareholders or controlling shareholders of the Company. Save as mentioned above, Mr. Chan did not hold other positions with the Company or other members of the Group.

As at the Latest Practicable Date, Mr. Chan was not interested in any shares of the Company within the meaning of Part XV of the SFO.

Mr. Chan has entered into a letter of appointment with the Company for a term of one year commencing from 13 November 2022, subject to rotation and re-election at general meeting of the Company in accordance with the Bye-laws. Mr. Chan is entitled to an annual director’s fee of HK\$120,000, which was determined with reference to his experience, duties, responsibilities, the Company’s remuneration policy and the prevailing market conditions.

Save as disclosed above, there was no further information to be disclosed pursuant to the requirements of Rule 17.50(2)(h) to (v) of the GEM Listing Rules and there are no other matters relating to the appointment of Mr. Chan that need to be brought to the attention of the Shareholders.

2. MR. YUM EDWARD LIANG HSIEN (“Mr. Yum”)

Mr. Yum, aged 44, was appointed as an independent non-executive Director with effect from 13 November 2017. He is also the chairman of the Nomination Committee and a member of the Audit Committee and the Remuneration Committee. Mr. Yum has more than 10 years of management experience in the corporate and financial industry. He has served as a director in several financial institutions from 2008 to present. Currently, he serves as a managing director of Ayasa Globo Financial Services Limited, principally engaged in providing financial services and as a director of Greenpro Trust Limited, a company principally engaged in providing a full range of trust services. Mr. Yum graduated with a Bachelor of Science in Finance degree from the University of Illinois at Urbana-Champaign in 2001.

As at Latest Practicable Date, (i) save as disclosed above, Mr. Yum had not held any other major appointment or qualifications or directorship in other listed company in the last three years, and (ii) nor does he have any relationship with any Director, senior management, substantial shareholders or controlling shareholders of the Company. Save as mentioned above, Mr. Yum did not hold other positions with the Company or other members of the Group.

As at the Latest Practicable Date, Mr. Yum was not interested in any shares of the Company within the meaning of Part XV of the SFO.

Mr. Yum has entered into a letter of appointment with the Company for a term of one year commencing from 13 November 2022, subject to rotation and re-election at general meeting of the Company in accordance with the Bye-laws. Mr. Yum is entitled to an annual director’s fee of HK\$120,000, which was determined with reference to his experience, duties, responsibilities, the Company’s remuneration policy and the prevailing market conditions.

Save as disclosed above, there was no further information to be disclosed pursuant to the requirements of Rule 17.50(2)(h) to (v) of the GEM Listing Rules and there are no other matters relating to the appointment of Mr. Yum that need to be brought to the attention of the Shareholders.

The following is a summary of the rules of the New Share Option Scheme to be approved and adopted at the AGM. It does not form part of, nor was it intended to be, part of the New Share Option Scheme, nor should it be taken as affecting the interpretation of the rules of the New Share Option Scheme.

1. PURPOSE

The purpose of the New Share Option Scheme is to enable the Group to grant Options to the Eligible Participants as incentives or rewards for their contribution to the Group and/or to enable the Group to attract, recruit and retain high-calibre personnel that are valuable to the Group and whose contributions are important to the long-term growth and profitability of the Group.

2. ADMINISTRATION OF THE NEW SHARE OPTION SCHEME

The New Share Option Scheme shall be subject to the administration of the Board whose decision on all matters arising in relation to the New Share Option Scheme or its interpretation or application or effect shall be final and binding on all persons who may be affected thereby, subject to compliance with the requirements of the GEM Listing Rules and the provisions of the New Share Option Scheme.

3. ELIGIBLE PARTICIPANTS AND THE BASIS OF ELIGIBILITY OF THE PARTICIPANTS OF THE NEW SHARE OPTION SCHEME

Eligible Participants for the New Share Option Scheme include:

1. Employee Participant(s), i.e. director(s) and employee(s) (whether full-time or part-time) of the Company or any of its subsidiaries (including persons who are granted Options under the New Share Option Scheme as an inducement to enter into employment contracts with such companies);
2. Related Entity Participant(s), i.e. director(s) and employee(s) (whether full-time or part-time) of the holding companies, fellow subsidiaries or associated companies of the Company; and
3. Service Provider(s), i.e. person(s) who provide services to any member of the Group on a continuing or recurring basis in its ordinary and usual course of business which are in the interests of the long-term growth of the Group, which include any independent distributor, contractor, supplier, agent, consultant or adviser to any area of business or business development of the Group, but exclude any placing agent or financial adviser providing advisory services for fundraising, mergers or acquisitions, and other professional services provider such as auditor or valuer who provides assurance, or is required to perform its services with impartiality and objectivity,

provided that the Board may have absolute discretion to determine whether or not one falls within the above categories.

In determining the basis of eligibility of each Eligible Participant, the Board would take into account (i) the experience of the Eligible Participant on the Group's business; (ii) the length of service of the Eligible Participant with the Group (if the Eligible Participant is an Employee Participant); (iii) the actual degree of involvement in and/or cooperation with the Group and length of collaborative relationship the Eligible Participant has established with the Group (if the Eligible Participant is a Service Provider); and (iv) the amount of support, assistance, guidance, advice, efforts and contributions the Eligible Participant has exerted and given towards the success of the Group and the amount of potential support, assistance, guidance, advice, efforts and contributions the Eligible Participant is likely to be able to give or make towards the success of the Group in the future.

Employee Participants

For Employee Participants, the factors in assessing whether any individual is eligible to participate in the New Share Option Scheme include: (i) the individual's skills, knowledge, experience, expertise and other relevant personal qualities; (ii) the individual performance; (iii) time commitment, responsibilities or employment conditions according to the prevailing market practice and industry standard; (iv) the length of engagement with the Group; and (v) the individual contribution and potential contribution to the development and growth of the Group.

Related Entity Participants

For Related Entity Participants, the factors in assessing whether any individual is eligible to participate in the New Share Option Scheme include: (i) the positive impacts brought by, or expected from, the Related Entity Participant on the Group's business development in terms of an increase in turnover or profits and/or an addition of expertise to the Group; (ii) the period of engagement or employment of the Related Entity Participant by the Group; (iii) the number, scale and nature of the projects in which the Related Entity Participant is involved; (iv) whether the Related Entity Participant has referred or introduced opportunities to the Group which have materialised into further business relationships; (v) whether the Related Entity Participant has assisted the Group in tapping into new markets and/or increased its market share; and (vi) the nature of the business relation of the holding companies, fellow subsidiaries or associated companies with the Group and the Related Entity Participant's contribution in such holding companies, fellow subsidiaries or associated companies which may benefit the core business of the Group through a collaborative relationship.

Service Providers

For Service Providers, their eligibility will be considered on a case by case basis and the factors in assessing whether such Service Provider is eligible to participate in the New Share Option Scheme include, in particular: (i) the individual performance of relevant Service Providers; (ii) the length of business relationship with the Group; (iii) the nature of the business relationship with the Group (such as whether they relate to the core business of the Group and whether such business dealings could be readily replaced by third parties); (iv) the background, reputation and track record of the relevant Service Providers; (v) the scale of business dealings with the Group, in particular, whether such Service Providers could bring positive impacts to the Group's business with regard to factors such as the actual and expected increase in the Group's revenue or profits or reduction in costs which is or may be attributable to the Service Provider; and (vi) the Group's future business plans in relation to further collaboration with such Service Providers and the long-term support that the Group may receive accordingly.

Further, with respect to the eligibility of each category of the Service Providers, the Board will, on a case by case basis, specifically consider the following factors:

(a) Distributor

Service Providers under this category include distributors who/which support the Group's business in (i) food and beverage business; and (ii) alcoholic beverage distribution and miscellaneous business and/or other business(es) that may be carried out by the Group from time to time.

The Board will take into account, amongst others, (i) the number and value of the products distributed by the relevant distributor; (ii) the distribution network of the relevant distributor; (iii) the frequency of collaboration and length of business relationship with the Group; (iv) the nature of the business relationship with the Group (such as whether they relate to the core business of the Group and whether such business dealings could be readily replaced by third parties); (v) the background, reputation and track record of the relevant distributor; and (vi) the potential and actual contribution to the business affairs of the Group, in particular, whether such distributor could bring positive impacts to the Group's business.

(b) Supplier

Service Providers under this category are mainly suppliers who/which support the Group's business in (i) food and beverage business; (ii) alcoholic beverage distribution and miscellaneous business; and (iii) provision of children education services and/or other business(es) that may be carried out by the Group from time to time.

The Board will take into account, amongst others, (i) the nature, reliability and quality of the raw materials, goods, or services supplied; (ii) the value of the raw materials, goods, or services provided by the relevant supplier; (iii) the frequency of collaboration and length of business relationship with the Group; (iv) the nature of the business relationship with the Group (such as whether they relate to the core business of the Group and whether such business dealings could be readily replaced by third parties); (v) the background, reputation and track record of the relevant supplier; and (vi) the potential and actual contribution to the business affairs of the Group, in particular, whether such supplier could bring positive impacts to the Group's business.

(c) Contractor, agent, consultant and advisor

Service Providers under this category are mainly independent contractors, agents, consultants and advisers who provided advisory services, consultancy services, and/or other professional services to the Group on areas relating to the Group's business 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 and/or other business(es) that may be carried out by the Group from time to time, or on areas that are desirable and necessary from a commercial perspective and help maintain or enhance the competitiveness of the Group by way of introducing new customers or business opportunities to the Group and/or applying their specialised skills and/or knowledge in the abovementioned fields.

The Board will take into account, amongst others, (i) individual performance of the relevant contractor, agent, consultant and adviser; (ii) their knowledge, experience and network in the relevant industry; (iii) the frequency of collaboration and length of business relationship with the Group; (iv) the nature of the business relationship with the Group (such as whether they relate to the core business of the Group and whether such business dealings could be readily replaced by third parties); (v) the background, reputation and track record of the relevant contractor, agent, consultant and adviser; (vi) the potential and actual contribution to the business affairs of the Group, in particular, whether such contractor, agent, consultant and adviser could bring positive impacts to the Group's business; and (vii) other factors, including but not limited to the capability, expertise, technical know-how and/or business connections of the relevant contractor, agent, consultant and adviser, and/or the synergy between the relevant contractor, agent, consultant and adviser and the Group.

In assessing whether the Service Provider provides services to the Group on a continuing and recurring basis and in its ordinary and usual course of business, the Board will take into consideration (i) the length and type of services provided and the recurrences and regularity of such services; (ii) the nature of the services provided to the Group by the Service Provider; and (iii) whether such services form part of or are directly ancillary to the businesses conducted by the Group.

4. GRANT AND ACCEPTANCE OF OPTIONS

The Board shall, subject to and in accordance with the provisions of the New Share Option Scheme and the GEM Listing Rules, be entitled (but shall not be bound) at any time and from time to time on any Business Day within a period of ten (10) years commencing on the Adoption Date to make an Offer to such Eligible Participant as it may in its absolute discretion select, to take up options to subscribe for such number of Shares as the Board may determine at the Subscription Price. For the avoidance of doubt, the grant of any options by the Company for the subscription of Shares or other securities of the Group to any Eligible Participant shall not, by itself, unless the Directors otherwise determine, be construed as a grant of Option under the New Share Option Scheme.

The making of an Offer to any connected person of the Company, or any of their respective associates must be approved by the independent non-executive Directors (excluding any independent non-executive Director who or whose associate is the proposed Grantee of an Option).

An Offer shall be made to an Eligible Participant in writing (and unless so made shall be invalid) in such form as the Board may from time to time determine, either generally or on a case-by-case basis, specifying the number of Shares under the Option and the Option Period in respect of which the Offer is made and further requiring the Eligible Participant to undertake to hold the Option on the terms on which it is to be granted and to be bound by the provisions of the New Share Option Scheme and shall remain open for acceptance by the Eligible Participant concerned for a period of up to twenty-one (21) days inclusive of, and from the Offer Date provided that no such Offer shall be open for acceptance after the earlier of the Termination Date or the termination of the New Share Option Scheme.

An Offer shall be deemed to have been accepted by an Eligible Participant concerned in respect of all Shares under the Option which are offered to such Eligible Participant when the duplicate letter comprising acceptance of the Offer duly signed by the Eligible Participant with the number of Shares in respect of which the Offer is accepted as stated therein, together with a remittance in favour of the Company of HK\$1.00 by way of consideration for the grant thereof is received by the Company within such time as may be specified in the Offer (which shall not be later than twenty-one (21) days from the Offer Date). Such remittance shall in no circumstances be refundable.

Any Offer may be accepted, in accordance with the provisions of the New Share Option Scheme, by an Eligible Participant in respect of less than the number of Shares which are offered.

5. RESTRICTIONS ON THE TIME OF GRANT OF OPTIONS

For so long as the Shares are listed on the Stock Exchange, no Option shall be granted by the Company:

1. after inside information has come to its knowledge until (and including) the trading day after such inside information has been announced by the Company pursuant to the requirements of the GEM Listing Rules;

2. during the period commencing from one (1) month immediately preceding the earlier of:
 - (a) the date of the meeting of the Board (as such date is first notified to the Stock Exchange in accordance with the GEM Listing Rules) for approving the Company's results for any year, half-year or quarter-year period or any other interim period (whether or not required under the GEM Listing Rules); and
 - (b) the deadline for the Company to publish its results for any year, half-year or quarter-year period under the GEM Listing Rules, or any other interim period (whether or not required under the GEM Listing Rules),

and ending on the date of the results announcements (or during any period of delay in publishing results announcements); and

3. to an Eligible Participant who is a Director during the periods or times in which the Directors are prohibited from dealing in Shares pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers prescribed by the GEM Listing Rules or any corresponding code or securities dealing restrictions adopted by the Company.

6. VESTING PERIOD

Subject to the circumstances prescribed below, an Option must be held by the Grantee for at least twelve (12) months ("**Vesting Period**") before the Option can be exercised.

The Board may at its absolute discretion grant a shorter Vesting Period to an Employee Participant in the following circumstances:

1. grants of "make-whole" Options to new joiners of the Group to replace the share options such person forfeited when leaving the previous employer;
2. grants to a participant whose employment is terminated due to death or disability or occurrence of any out-of-control event;
3. grants with performance-based vesting conditions in lieu of time-based vesting criteria;
4. grants that are made in batches during a year for administrative and compliance reasons, which include Options that should have been granted earlier if not for such administrative or compliance reasons but had to wait for subsequent batch. In such case, the Vesting Period may be shorter to reflect the time from which the Option would have been granted; or
5. grants of Options with a mixed or accelerated vesting schedule such as where the Options may vest evenly over a period of twelve (12) months.

7. EXERCISE OF OPTIONS

Subject to the provisions of the New Share Option Scheme and the fulfillment of all terms and conditions set out in the Offer, an Option shall be exercisable in whole or in part at any time during the Option Period by the Grantee giving notice in writing to the Company stating that the Option is thereby exercised and the number of Shares in respect of which it is so exercised. Each of such notice must be accompanied by a remittance for the full amount of the Subscription Price for Shares in respect of which the notice is given. Within twenty-one (21) days after receipt of the notice and the remittance, the Company shall accordingly allot and issue the relevant number of Shares to the Grantee credited as fully paid and instruct the share registrar to issue to the Grantee a share certificate for the Shares so allotted and issued.

The Board may at its discretion specify any condition in the offer letter at the grant of the relevant Option which must be satisfied before an Option may be exercised. Save as determined by the Board and provided in the offer of the grant of the relevant Option, there is no performance target which must be achieved before an Option can be exercised under the rules of the New Share Option Scheme nor any clawback mechanism for the Company to recover or withhold any Options granted to any Eligible Participant.

Holders of the Options are not entitled to voting, dividend, transfer or other rights of the holders of the Shares, including those arising on a liquidation of the Company, save as otherwise provided in the New Share Option Scheme or under the relevant laws or the Bye-laws in effect from time to time.

8. SUBSCRIPTION PRICE OF SHARES

The Subscription Price in respect of any Option shall, subject to any adjustments made pursuant to paragraph 9, be determined by the Board at its absolute discretion, provided that it shall be not less than the highest of:

1. the closing price of the Shares as shown in the daily quotations sheet of the Stock Exchange on the Offer Date, which must be a Business Day;
2. the average of the closing prices of the Shares as shown in the daily quotations sheets of the Stock Exchange for the five (5) consecutive Business Days immediately preceding the Offer Date; and
3. the nominal value of the Share on the Offer Date.

The Directors may grant Options in respect of which the Subscription Price is fixed at different prices for different periods during the Option Period provided that the Subscription Price for Shares for each of the different periods shall not be less than the Subscription Price determined in the manner set out above.

9. MAXIMUM NUMBER OF SHARES AVAILABLE FOR SUBSCRIPTION

1. No options may be granted under the New Share Option Scheme or any other share option schemes adopted by the Group if the grant of such option will result in the limit described below being exceeded.

2. In relation to the Scheme Mandate Limit and the Service Provider Sublimit, subject to the GEM Listing Rules:
 - (a) the total number of Shares which may be allotted and issued upon exercise of all Options which may be granted at any time under the New Share Option Scheme together with options and awards which may be granted under any other share schemes for the time being of the Company shall not in aggregate exceed such number of Shares as equals 10% of the Shares in issue as at the Adoption Date (i.e. the Scheme Mandate Limit). Options lapsed in accordance with the rules of the New Share Option Scheme will not be regarded as utilised for the purpose of calculating the Scheme Mandate Limit and the Service Provider Sublimit;

 - (b) subject to sub-paragraph 2(a) above, within the Scheme Mandate Limit, the total number of Shares which may be issued in respect of all Options which may be granted at any time under the New Share Option Scheme together with options and awards which may be granted under any other share schemes for the time being of the Company to Service Providers shall not exceed such number of Shares as equals 1% of the Shares in issue as at the Adoption Date (i.e. the Service Provider Sublimit);

 - (c) the Company may seek approval of the Shareholders in general meeting to refresh the Scheme Mandate Limit and/or the Service Provider Sublimit under the New Share Option Scheme after three (3) years from the Adoption Date (or the date of Shareholders' approval for the last refreshment). However, the total number of Shares which may be allotted and issued upon exercise of all options and awards to be granted under the New Share Option Scheme and any other schemes of the Company under the limit as "refreshed" must not exceed 10% of the relevant class of Shares in issue as at the date of approval of the refreshed Scheme Mandate Limit and/or the Service Provider Sublimit. For the purpose of calculating the refreshed Scheme Mandate Limit and/or the Service Provider Sublimit, options (including those outstanding, cancelled, lapsed or exercised in accordance with the New Share Option Scheme and any other share schemes of the Group) previously granted under the New Share Option Scheme and any other share schemes of the Group will not be counted. For the purpose of seeking approval of Shareholders under this sub-paragraph, the Company must send a circular to its Shareholders containing the information required under the GEM Listing Rules;

- (d) any refreshment of the Scheme Mandate Limit and/or the Service Provider Sublimit to be made within any three-year period must be approved by the Shareholders, where any controlling Shareholders and their associates (or if there is no controlling Shareholder, Directors (excluding independent non-executive Directors) and the chief executive of Company and their respective associates) must abstain from voting in favour of the relevant resolution at the general meeting and in accordance with the requirements under the GEM Listing Rules; and
 - (e) the requirements under sub-paragraph 2(d) above do not apply if the refreshment is made immediately after an issue of securities by the Company to the Shareholders on a pro rata basis as set out in Rule 17.41(1) of the GEM Listing Rules such that the unused part of the Scheme Mandate Limit (as a percentage of the total number of Shares in issue) upon refreshment is the same as the unused part of the Scheme Mandate Limit immediately before the issue of securities, rounded to the nearest whole Share.
- 3. Without prejudice to sub-paragraph 2 above, the Company may seek separate approval of the Shareholders in general meeting for granting Options beyond the Scheme Mandate Limit (or the Service Provider Sublimit) provided that the Options in excess of the Scheme Mandate Limit (or the Service Provider Sublimit) are granted only to Eligible Participants specifically identified by the Company before such approval is sought. The Company must send a circular to the Shareholders containing the name of each Eligible Participant who may be granted such Options, the number and terms of the Options to be granted to each Eligible Participant, and the purpose of granting Options to the specified Eligible Participants with an explanation as to how the terms of the Options serve such purpose. The number and terms (including the Subscription Price) of Options to be granted to such Eligible Participant must be fixed before Shareholders' approval.
- 4. As regards the maximum entitlement of each Eligible Participant, subject to sub-paragraph 5(a) below, where any grant of Options to an Eligible Participant would result in the Shares issued and which may fall to be issued upon exercise of the Options and the options and awards granted to such Eligible Participant under any other share schemes of the Group (including both exercised or outstanding options, and excluding any options and awards lapsed in accordance with the rules of the relevant schemes) in the twelve (12)-month period up to and including the date of such grant representing in aggregate over 1% of the Shares in issue, such grant must be separately approved by the Shareholders in general meeting with such Eligible Participant and his close associates (or associates if the Eligible Participant is a connected person) abstaining from voting. The Company must send a circular to the Shareholders containing the name of each Eligible Participant who may be granted such Options, the number and terms of the Options to be granted to each Eligible Participant, and the purpose of granting Options to the specified Eligible Participants with an explanation as to how the terms of the Options serve such purpose. The number and terms (including the Subscription Price) of Options to be granted to such Eligible Participant must be fixed before Shareholders' approval.

5. In relation to grant of options to a Director, chief executive or substantial Shareholder of the Company or any of their associates:
 - (a) without prejudice to the provision that making of an Offer to any connected person of the Company, or any of their respective associates must be approved by the independent non-executive Directors (excluding any independent non-executive Director who or whose associate is the proposed Grantee of an Option), where any grant of Options to an independent non-executive Director or a substantial Shareholder or any of their respective associates would result in the Shares issued and to be issued in respect of all options and awards granted (excluding any options and awards lapsed in accordance with the rules of the relevant schemes) to such person in the twelve (12)-month period up to and including the date of such grant representing in aggregate over 0.1% of the total issued Shares, such further grant of Options must be approved by the Shareholders in a general meeting of the Company where the Grantee, his associates and all core connected persons of the Company must abstain from voting in favour of the proposed grant at such general meeting. The Company must send a circular to the Shareholders containing (a) details of the number and terms of the Options to be granted to each Eligible Participant, which must be fixed before the Shareholders' meeting; (b) the views of the independent non-executive Directors (excluding any independent non-executive Director who is the Grantee) as to whether the terms of the grant are fair and reasonable and whether such grant is in the interests of the Company and the Shareholders as a whole, and their recommendation to the independent Shareholders as to voting; (c) the information required under Rule 23.02(2)(c) of the GEM Listing Rules; and (d) the information required under Rule 2.28 of the GEM Listing Rules; and
 - (b) any change in the terms of Options granted to an Eligible Participant who is an independent non-executive Director or a substantial Shareholder or any of their respective associates pursuant to sub-paragraph 5(a) above must be approved by the Shareholders if the initial grant of such Options requires such approval (except where the changes take effect automatically under the existing rules of the New Share Option Scheme).
6. For the purpose of seeking the approval of the Shareholders under this paragraph 9, the Company must send a circular to the Shareholders containing the information required under the GEM Listing Rules and where the GEM Listing Rules shall so require, the vote at the Shareholders' meeting convened to obtain the requisite approval shall be taken on a poll with those persons required under the GEM Listing Rules abstaining from voting.

10. RIGHTS ARE PERSONAL TO GRANTEES

An Option shall be personal to the Grantee and shall not be transferable or assignable and no Grantee shall in any way sell, transfer, charge, mortgage, encumber or otherwise dispose of or create any interest whatsoever in favour of any third party over or in relation to any Option or enter into any agreement so to do. Any breach of the foregoing by a Grantee shall entitle the Company to cancel any Option or any part thereof granted to such Grantee to the extent not already exercised.

11. RIGHTS ON DEATH

If the Grantee is an Employee Participant and in the event of his ceasing to be an Employee Participant by reason of his death before exercising the Option in full, his Personal Representative(s) may exercise the Option (to the extent not already exercised) in whole or in part in accordance with the provisions of the New Share Option Scheme within a period of six (6) months following the date of death.

12. RIGHTS ON ILL-HEALTH OR RETIREMENT

If the Grantee is an Employee Participant and in the event of his ceasing to be an Employee Participant by reason of ill-health or retirement as an employee in accordance with his contract of employment before exercising the Option in full, he may exercise the Option (to the extent not already exercised) in whole or in part in accordance with the provisions of the New Share Option Scheme within a period of six (6) months following the date of such cessation.

13. RIGHTS ON CESSATION FOR OTHER REASONS

If the Grantee is an Employee Participant and in the event of his ceasing to be an Employee Participant for any reason other than the reasons specified in paragraphs 11 and 12 before exercising the Option in full, his Option (to the extent not already exercised) shall lapse on the date of cessation or termination and not be exercisable unless the Directors otherwise determine in which event the Grantee may exercise the Option (to the extent not already exercised) in whole or in part in accordance with the provisions of the New Share Option Scheme within such period as the Directors may determine following the date of such cessation or termination, and any Option exercised (if any) but the Shares of which have not been allotted, shall be deemed not to have so exercised and the amount of the Subscription Price for the Shares in respect of the purported exercise of such Option shall be returned.

14. RIGHTS ON A GENERAL OFFER OR PARTIAL OFFER

If a general or partial offer, whether by way of take-over offer, share re-purchase offer, or scheme of arrangement or otherwise in like manner is made to all the Shareholders, or all such holders other than the offeror and/or any person controlled by the offeror and/or any person acting in association or concert (as defined in the Takeovers Code) with the offeror, and such offer becomes or is declared unconditional or such scheme of arrangement is formally proposed to the Shareholders, the Grantee shall, notwithstanding any other terms on which his Options were granted, be entitled to exercise the Option (to the extent not already exercised) to its full extent or to the extent specified in the Grantee's notice to the Company in accordance with the provisions of the New Share Option Scheme at any time thereafter and up to the close of such offer (or any revised offer) or the record date for entitlements under scheme of arrangement, as the case may be; subject to the above, an Option will lapse automatically (to the extent not exercised) on the date on which such offer (or, as the case may be, revised offer) closes.

15. RIGHTS ON WINDING UP

In the event a notice is given by the Company to its Shareholders to convene a general meeting for the purposes of considering, and if thought fit, approving a resolution to voluntarily wind-up the Company, the Company shall on the same date as it despatches such notice to each Shareholder give notice thereof to all Grantees (containing an extract of the provisions of this paragraph) and thereupon, each Grantee or his Personal Representative(s) shall, subject to the provisions of all applicable laws, be entitled to exercise his Options (to the extent not already exercised) either to its full extent or to the extent specified in such notice in accordance with the provisions of the New Share Option Scheme by giving notice in writing to the Company in accordance with the rules of the New Share Option Scheme (such notice shall be received by the Company no later than two (2) Business Days prior to the general meeting), accompanied by a remittance for the full amount of the aggregate Subscription Price for the Shares in respect of which the notice is given whereupon the Company shall as soon as possible and, in any event, no later than the Business Day immediately prior to the date of the proposed general meeting referred to above, allot and issue the relevant Shares to the Grantee credited as fully paid. Subject thereto, all Options then outstanding shall lapse and determine on the commencement of the winding-up of the Company.

16. RIGHTS ON COMPROMISE OR ARRANGEMENT FOR RECONSTRUCTION

In the event of a compromise or arrangement between the Company and the Shareholders or its creditors being proposed for the purpose of or in connection with a scheme for the reconstruction or amalgamation of the Company, the Company shall give notice thereof to all Grantees on the same date as it gives notice of the meeting to the Shareholders or its creditors to summon a meeting to consider such a scheme or arrangement and the Options (to the extent not already exercised) shall become exercisable in whole or in part on such date until the earlier of (i) two (2) months after that date or (ii) the date of the meeting directed to be convened by the court for the purposes of considering such a scheme or arrangement but the exercise of the Option shall be conditional upon such compromise or arrangement being sanctioned by the Court and becoming effective. Subject thereto, all outstanding Option shall lapse and determine on the date the proposed compromise or arrangement becomes effective.

17. CANCELLATION OF OPTIONS

Subject to the rules of the New Share Option Scheme and Chapter 23 of the GEM Listing Rules, any Option granted may not be cancelled except with the prior written consent of the relevant Grantee and the prior approval of the Directors. Where the Company cancels any Option granted to a Grantee but not exercised and issues new Option(s) to the same Grantee, the issue of such new Option(s) may only be made under the New Share Option Scheme with available unissued Options (excluding, for this purpose, the Options so cancelled) within the limits approved by the Shareholders as set out in paragraph 9. The Options cancelled will be regarded as utilised for the purpose of calculating the Scheme Mandate Limit and the Service Provider Sublimit.

18. ADJUSTMENTS TO THE OUTSTANDING OPTIONS

In the event of any alteration in the capital structure of the Company whilst any Option remains exercisable or the New Share Option Scheme remains in effect, and such event arises from a capitalisation issue, rights issue, consolidation or sub-division of the Shares, or reduction of the share capital of the Company, then, in any such case the Company shall instruct the auditors of the Company or independent financial adviser to certify in writing the adjustment, if any, that ought in their opinion fairly and reasonably to be made either generally or as regards any particular Grantee, to (i) the number or nominal amount of Shares to which the New Share Option Scheme or any Option(s) relates (insofar as it is/they are unexercised); and/or (ii) the Subscription Prices of any unexercised Options; and/or (iii) the number of Shares comprised in an Option or which remain comprised in an Option, provided that:

1. any such adjustment shall be made on the basis that the aggregate Subscription Price payable by a Grantee on the full exercise of any Option shall remain as nearly as possible the same (but shall not be greater than) as it was before such event;
2. no such adjustment shall be made the effect of which would be to enable a Share to be issued at less than its nominal value;
3. any such adjustment shall be made on the basis that a Grantee shall be given the same proportion of the issued share capital of the Company, rounded to the nearest whole Share, for which such Grantee would have been entitled to subscribe had he exercised all the Options held by him immediately prior to such adjustment;
4. the issue of Shares or other securities of the Company for cash or as consideration in a transaction shall not be regarded as a circumstance requiring any such adjustment; and
5. any such adjustment shall be made in compliance with such rules, codes and guidance notes of the Stock Exchange from time to time.

19. RANKING OF SHARES

The Shares to be allotted and issued upon the exercise of an Option will be subject to all the provisions of the Bye-laws for the time being in force and will rank *pari passu* in all respects with the then existing fully paid Shares in issue on the date on which the Option is duly exercised or, if that date falls on a day when the register of members of the Company is closed, the first day of the re-opening of the register of members (“**Exercise Date**”) and accordingly will entitle the holders thereof to participate in all dividends or other distributions paid or made on or after the Exercise Date other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date therefor shall be before the Exercise Date. A Share allotted upon the exercise of an Option shall not carry voting rights until the name of the Grantee has been duly entered onto the register of members of the Company as the holder thereof.

20. DURATION OF THE NEW SHARE OPTION SCHEME

Subject to the provisions for early termination in accordance with the New Share Option Scheme, the New Share Option Scheme shall be valid and effective until the Termination Date, i.e. close of business of the Company on the date which falls ten (10) years after the Adoption Date, after which period no further Options will be granted but the provisions of the New Share Option Scheme shall remain in force to the extent necessary to give effect to the exercise of any Options granted or exercised prior thereto or otherwise as may be required in accordance with the provisions of the New Share Option Scheme.

21. ALTERATION OF THE NEW SHARE OPTION SCHEME

The New Share Option Scheme may be altered in any respect by a resolution of the Board, provided that the following shall not be carried out except with the prior approval of the Shareholders in general meeting:

1. any alterations to the terms and conditions of the New Share Option Scheme which are material in nature or any alterations to the provisions of the New Share Option Scheme in relation to the matters set out in Rule 23.03 of the GEM Listing Rules to the advantage of the Eligible Participants;
2. any change to the authority of the Directors or the administrator of the New Share Option Scheme to alter the rules of the New Share Option Scheme; and
3. any alteration to the aforesaid alteration provisions.

The altered terms of the New Share Option Scheme or the Options shall still comply with the relevant requirements of Chapter 23 of the GEM Listing Rules.

Any change to the terms of Options granted to a selected Eligible Participant shall be approved by the Board, the Remuneration Committee, the independent non-executive Directors and/or the Shareholders (as the case may be) if the initial grant of the Options was approved by the Board, the Remuneration Committee, the independent non-executive Directors and/or the Shareholders (as the case may be), except where the alterations take effect automatically under the existing terms of the New Share Option Scheme.

22. CONDITIONS OF THE NEW SHARE OPTION SCHEME

The adoption of the New Share Option Scheme is conditional upon:

1. the Stock Exchange granting approval for the listing of and permission to deal in such number of Shares representing the Scheme Mandate Limit to be allotted and issued by the Company upon the exercise of the Options that may be granted under the New Share Option Scheme; and

2. the passing of the necessary resolutions at a general meeting of the Company approving the termination of the Existing Share Option Scheme, the adoption of the New Share Option Scheme and authorising the Directors to grant Options and to allot and issue Shares pursuant to the exercise of any Options granted under the New Share Option Scheme.

23. EARLY TERMINATION OF OPTION PERIOD

The Option Period in respect of any Option shall automatically terminate and that Option (to the extent not already exercised) shall automatically lapse on the earliest of:

1. the expiry of the Option Period;
2. the expiry of any of the periods referred to in paragraphs 11 to 16;
3. in respect of a Grantee who is an Employee Participant or a Related Entity Participant, the date on which the Grantee ceases to be an Employee Participant, or as the case may be, a Related Entity Participant by reason of a termination of his employment on the grounds that he has been guilty of persistent or serious misconduct, or has committed any act of bankruptcy or has become insolvent or has made any arrangement or composition with his creditors generally, or has been convicted of any criminal offence (other than an offence which in the opinion of the Directors does not bring the Grantee or the Group into disrepute), or (if so determined by the Directors) on any other ground on which an employer would be entitled to terminate his employment at common law or pursuant to any applicable laws or under the Employee Participant's service contract with the Company or the relevant Subsidiary or the relevant related entity;
4. in respect of a Grantee other than an Employee Participant, the date on which the Directors shall at their absolute discretion determine that (i)(aa) such Grantee or his associate has committed any breach of any contract entered into between the Grantee or his associate on the one part and the Group on the other part; or (bb) that the Grantee has committed any act of bankruptcy or has become insolvent or is subject to any winding-up, liquidation or analogous proceedings or has made any arrangement or composition with his creditors generally; or (cc) such Grantee could no longer make any contribution to the growth and development of the Group by reason of the cessation of its relations with the Group or by any other reason whatsoever; and (ii) the Option shall lapse automatically as a result of any event specified in sub-paragraph (aa), (bb) or (cc) above;
5. the date on which the Directors shall exercise the Company's right to cancel the Option by reason of a breach of paragraph 10 by the Grantee in respect of that or any other Option; and
6. the date of the commencement of the winding-up of the Company.

Transfer of employment of a Grantee who is an Employee Participant from one member of the Group to another member of the Group shall not be considered a cessation of employment for the purpose of the New Share Option Scheme.

24. TERMINATION OF THE NEW SHARE OPTION SCHEME

The Company by an ordinary resolution in general meeting may at any time terminate the operation of the New Share Option Scheme and in such event no further Options will be offered but in all other respects the provisions of the New Share Option Scheme shall remain in force to the extent necessary to give effect to the exercise of any Options (to the extent not already exercised) granted prior thereto or otherwise as may be required in accordance with the provisions of the New Share Option Scheme and Options (to the extent not already exercised) granted prior to such termination shall continue to be valid and exercisable in accordance with the New Share Option Scheme.

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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)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting (“**Meeting**”) of China Demeter Financial Investments Limited (“**Company**”) will be held at 2:00 p.m. on Thursday, 15 June 2023 at 22/F., Euro Trade Centre, 13-14 Connaught Road Central, Central, Hong Kong for the following purposes:

1. To receive and consider the audited consolidated financial statements of the Company and its subsidiaries and the reports of the directors (“**Directors**”, each a “**Director**”) and the auditors of the Company for the year ended 31 December 2022.
2. To pass the following resolutions, each as a separate resolution:
 - (a) to re-elect Mr. Chan Hin Hang as an independent non-executive Director;
 - (b) to re-elect Mr. Yum Edward Liang Hsien as an independent non-executive Director; and
 - (c) to authorise the board of Directors (“**Board**”) to fix the respective Directors’ remuneration.
3. To re-appoint Baker Tilly Hong Kong Limited as the auditors of the Company and to authorise the Board to fix their remuneration.
4. To consider and, if thought fit, pass with or without amendments, the following resolutions as an ordinary resolution:

“**THAT:**

- (a) subject to paragraph (b) below, the exercise by the Directors during the Relevant Period (as defined below) of all the powers of the Company to purchase its shares (“**Shares**”) in the capital of the Company on The Stock Exchange of Hong Kong Limited (“**Stock Exchange**”), or any other stock exchange on which the Shares may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for such purpose, and otherwise in accordance with the rules and regulations of the Securities and Futures Commission of Hong Kong, the Stock Exchange, the applicable laws of Bermuda and all other applicable laws in this regard, be and the same is hereby generally and unconditionally approved;

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- (b) the total number of Shares to be purchased pursuant to the approval in paragraph (a) above shall not exceed 10% of the aggregate number of Shares in issue on the date of passing of this resolution and the said approval shall be limited accordingly; and
 - (c) if, after the passing of this resolution, the Company conducts a share consolidation or subdivision, the number of Shares subject to the limit set out in paragraph (b) above shall be adjusted to the effect that the number of Shares subject to the limit set out in paragraph (b) above as a percentage of the total number of issued Shares at the time immediately before and after such consolidation or subdivision shall be the same; and
 - (d) for the purpose of this resolution, “Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:
 - (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the revocation or variation of the authority given under this resolution by ordinary resolution passed by the Company’s shareholders in general meeting; and
 - (iii) the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company or any applicable laws to be held.”
5. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“THAT:

- (a) subject to paragraph (c) below, the exercise by the Directors during the Relevant Period (as defined below) of all the powers of the Company to allot, issue and deal with the authorised and unissued Shares in the capital of the Company and to make or grant offers, agreements or options, including warrants to subscribe for Shares, which might require the exercise of such powers be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall authorise the Directors to make or grant offers, agreements or options, including warrants to subscribe for Shares, during the Relevant Period which would or might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate number of Shares allotted and issued or agreed conditionally or unconditionally to be allotted and issued by the Directors pursuant to the approval in paragraph (a) above, otherwise than pursuant to:
 - (i) a Rights Issue (as defined below);
 - (ii) the exercise of any options granted under a share option scheme of the Company;

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- (iii) any scrip dividend scheme or similar arrangement providing for the allotment and issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the bye-laws of the Company; or
- (iv) any issue of Shares upon the exercise of rights of subscription or conversion under the terms of any warrants of the Company or any securities which are convertible into Shares,

shall not exceed 20% of the aggregate number of Shares in issue on the date of the passing of this resolution and the said approval shall be limited accordingly;

- (d) if, after the passing of this resolution, the Company conducts a share consolidation or subdivision, the number of Shares subject to the limit set out in paragraph (c) above shall be adjusted to the effect that the number of Shares subject to the limit set out in paragraph (c) above as a percentage of the total number of issued Shares at the time immediately before and after such consolidation or subdivision shall be the same; and
- (e) for the purposes of this resolution:

“**Relevant Period**” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the revocation or variation of the authority given under this resolution by ordinary resolution passed by the Company’s shareholders in general meeting; and
- (iii) the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company or any applicable laws to be held;

“**Rights Issue**” means an offer of Shares, or offer on issue of warrants, options or other securities giving rights to subscribe for Shares, open for a period fixed by the Directors to holders of Shares on the register of members of the Company on a fixed record date in proportion to their then holdings of such Shares (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of, or the expense or delay which may be involved in determining the existence or extent of any restrictions or obligations under the laws of, or the requirements of, any jurisdiction outside Hong Kong or any recognised regulatory body or any stock exchange outside Hong Kong).”

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6. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“**THAT** conditional upon the passing of the resolutions numbered 4 and 5 in the notice convening this Meeting (“**Notice**”), the general mandate referred to in the resolution numbered 5 in the Notice be and is hereby extended by the addition to the aggregate number of Shares which may be allotted and issued or agreed conditionally or unconditionally to be allotted and issued by the Directors pursuant to such general mandate of an amount representing the aggregate number of Shares purchased or agreed to be purchased by the Company pursuant to the mandate referred to in the resolution numbered 4 in the Notice, provided that such amount shall not exceed 10% of the aggregate number of Shares in issue on the date of the passing of this resolution.”

- 7A. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“**THAT**

- (a) subject to and conditional upon The Stock Exchange of Hong Kong Limited (“**Stock Exchange**”) granting the listing of and permission to deal in the shares of the Company (“**Shares**”) which may fall to be allotted and issued pursuant to the exercise of the share options which may be granted under the new share option scheme of the Company (“**New Share Option Scheme**”), a copy of which is tabled at the Meeting and signed by the chairman of the Meeting for the purpose of identification, the New Share Option Scheme and the Scheme Mandate Limit (as defined in the New Share Option Scheme) on the total number of Shares that may be issued in respect of all share options or share awards to be granted under the New Share Option Scheme or all other share option schemes or share award schemes of the Company, representing an amount up to 10% of the total number of Shares in issue as at the date of passing of this resolution, be and are hereby approved and adopted and the Directors be and are hereby authorised to grant options and to allot, issue and deal with the Shares pursuant to the exercise of any option granted thereunder and to take all such acts and enter into all such transactions, arrangements and agreements as they may consider necessary or expedient to implement or give full effect to the New Share Option Scheme, including without limitation:
- (i) to administer the New Share Option Scheme at their absolute discretion to grant options to subscribe for Shares in accordance with the rules of the New Share Option Scheme;
- (ii) to modify and/or amend the New Share Option Scheme from time to time provided that such modification and/or amendment is effected in accordance with the provisions of the New Share Option Scheme relating to modification and/or amendment and the requirements of the Rules Governing the Listing of Securities on GEM of the Stock Exchange;

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- (iii) to allot, issue, and deal with from time to time such number of Shares as may be required to be issued pursuant to the exercise of options under the New Share Option Scheme in accordance with the rules of the New Share Option Scheme and subject to the Rules Governing the Listing of Securities on GEM of the Stock Exchange; and
- (iv) to take all such steps as may be necessary, desirable or expedient to carry into effect the New Share Option Scheme; and
- (b) conditional upon the New Share Option Scheme becoming effective, the existing share option scheme of the Company adopted on 30 September 2013 (“**Existing Share Option Scheme**”) be and is hereby terminated upon the New Share Option Scheme coming into effect, without prejudice to the rights and benefits of and attached to any outstanding options which, if any, have been granted under the Existing Share Option Scheme prior to the date of the passing of this resolution.”
- 7B. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“**THAT** conditional upon the passing of resolution numbered 7A above, the Service Provider Sublimit (as defined in the New Share Option Scheme) on the total number of Shares that may be issued in respect of all share options or share awards to be granted to the Service Providers (as defined in the New Share Option Scheme) under the New Share Option Scheme or all other share option schemes or share award schemes of the Company, representing 1% of the Shares in issue as at the date of passing of this resolution, be and is hereby approved and adopted and the Directors be and are hereby authorised to take all such steps and attend all such matters, approve and execute (whether under hand or under seal) such documents and do such other things, for and on behalf of the Company, as the Directors may consider necessary, desirable or expedient to effect and implement the Service Provider Sublimit.”

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

18 May 2023

Registered office:
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Principal place of business in Hong Kong:
Office A01, 35/F
United Centre
No. 95 Queensway
Admiralty, Hong Kong

NOTICE OF AGM

Notes:

1. To determine the entitlement of the members of the Company to attend and vote at the AGM to be held on Thursday, 15 June 2023, the register of members of the Company will be closed from Monday, 12 June 2023 to Thursday, 15 June 2023, both days inclusive, during which period no transfer of Shares will be registered. In order to qualify for the entitlement to attend and vote at the AGM, all transfers of shares of the Company accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration no later than 4:30 p.m. on Friday, 9 June 2023.
2. Any member of the Company entitled to attend and vote at the Meeting shall be entitled to appoint another person (who must be an individual) as his proxy to attend and vote instead of him and a proxy so appointed shall have the same right as the member to speak at the Meeting. A proxy need not be a member of the Company. A member who is the holder of two or more shares may appoint more than one proxy to represent him and to attend and vote in his stead at the Meeting.
3. To be valid, the form of proxy must be duly completed in accordance with the instructions printed thereon and deposited, together with the power of attorney or other authority (if any) under which it is signed or a certified copy of such power of attorney or authority, at the Company's branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited of 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong by 2:00 p.m., on Tuesday, 13 June 2023 or not less than 48 hours before the time appointed for the holding of the adjourned meeting (as the case may be).
4. Completion and delivery of the form of proxy will not preclude a member of the Company from attending and voting in person at the Meeting or any adjournment thereof should such member so wishes, and in such event, the instrument appointing a proxy previously submitted shall be deemed revoked.
5. Where there are joint holders of any share of the Company, any one of such joint holders may vote, either in person or by proxy, in respect of such share as if he was solely entitled to vote, but if more than one of such joint holders are present at the meeting, the most senior holder shall alone be entitled to vote, whether in person or by proxy. For this purpose, seniority shall be determined by reference to the order in which the names of the joint holders stand first on the register of members of the Company in respect of the joint holding.
6. If a typhoon signal no. 8 or above is hoisted, or "extreme conditions" caused by a super typhoon or a black rainstorm warning signal is in force at or at any time after 7:00 a.m. on the date of the meeting, the meeting will be postponed or adjourned. The Company will post an announcement on the Stock Exchange's website (www.hkexnews.hk) and the Company's website (www.chinademeter.com) to notify shareholders of the Company of the date, time and place of the rescheduled meeting.
7. In compliance with the Rules ("**GEM Listing Rules**") Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited, all resolutions to be proposed at the Meeting convened by this notice will be voted on by way of poll.

As at the date of this notice, 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 notice, 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 notice 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 notice misleading.

This notice 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).