
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in doubt as to any aspect of this circular, you should consult your stockbroker or other registered dealer 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, you should at once hand this circular and the accompanying proxy form to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the 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 CAPITAL REORGANISATION;
(2) PROPOSED CHANGE IN BOARD LOT SIZE;
AND
(3) NOTICE OF SPECIAL GENERAL MEETING**

A notice convening a special general meeting of the Company to be held at Vip room III, Level P6, Nina Hotel Island South, 55 Wong Chuk Hang Road, Hong Kong on Wednesday, 13 November 2024 at 10:00 a.m. is set out on pages SGM-1 to SGM-4 of this circular. Whether or not you are able to attend the special general meeting, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the office of the Hong Kong branch share registrar and transfer office of the Company, Tricor Tengis Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible and in any event not less than 48 hours (i.e. 10:00 a.m. on Monday, 11 November 2024) before the time appointed for holding the special general meeting. Completion and return of the form of proxy shall not preclude you from attending and voting in person at the special general meeting or any adjourned meeting thereof should you so desire.

25 October 2024

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 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, the following expressions have the following meanings unless the context otherwise requires:

“Board”	the board of the Directors
“Business Day(s)”	a day (other than a Saturday, Sunday and any day on which a tropical cyclone warning no. 8 or above is hoisted or on which a “black” rainstorm warning is hoisted between 9:00 a.m. and 5:00 p.m.) on which licensed banks are generally open for business in Hong Kong throughout their normal business hours
“Bye-laws”	the bye-laws for the time being adopted by the Company and as amended from time to time
“Capital Reduction”	the proposed reduction of the issued share capital of the Company whereby (a) any fractional Consolidated Share in the issued share capital of the Company arising from the Share Consolidation will be cancelled; and (b) the par value of each issued Consolidated Share will be reduced from HK\$0.10 to HK\$0.01 by cancelling the paid-up share capital to the extent of HK\$0.09 per issued Consolidated Share
“Capital Reorganisation”	collectively, the Share Consolidation, the Capital Reduction and the Sub-division
“CCASS”	the Central Clearing and Settlement System operated by HKSCC
“CCASS Operational Procedures”	the Operational Procedures of HKSCC in relation to CCASS, containing the practices, procedures and administrative requirements relating to operations and functions of CCASS, as from time to time
“Change in Board Lot Size”	the proposed change in board lot size of the Shares for trading on GEM from 10,000 Existing Shares to 5,000 New Shares conditional upon the Capital Reorganisation becoming effective
“Companies Act”	the Companies Act 1981 of Bermuda (as amended)
“Company”	China Demeter Financial Investments Limited, a company incorporated in the Cayman Islands and continued in Bermuda with limited liability, the issued shares of which are listed on GEM of the Stock Exchange (stock code: 8120)

DEFINITIONS

“Consolidated Share(s)”	ordinary Share(s) of HK\$0.10 each in the share capital of the Company immediately after the Share Consolidation but before the Capital Reduction and the Sub-division
“Directors”	the directors of the Company
“Effective Date”	the effective date of the Capital Reorganisation
“Existing Share(s)”	ordinary Share(s) of HK\$0.01 each in the issued share capital of the Company prior to the Capital Reorganisation becoming effective
“GEM”	GEM operated by the Stock Exchange
“GEM Listing Committee”	has the meaning as ascribed thereto under the GEM Listing Rules
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM of the Stock Exchange
“Group”	the Company and its subsidiaries
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	22 October 2024, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“New Share(s)”	the ordinary Share(s) of par value HK\$0.01 each in the share capital of the Company immediately upon the Capital Reorganisation becoming effective
“SGM”	the special general meeting of the Company to be convened to consider and, if thought fit, approve the Capital Reorganisation
“Share Consolidation”	the proposed consolidation of every ten (10) Existing Shares of par value of HK\$0.01 each in the issued share capital of the Company into one (1) Consolidated Share of par value of HK\$0.10
“Share Option(s)”	share option(s) granted or to be granted under the share option scheme of the Company adopted on 15 June 2023

DEFINITIONS

“Share Registrar”	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
“Share(s)”	Existing Share(s), Consolidated Share(s) and/or New Share(s), as the case may be
“Shareholder(s)”	the holder(s) of the issued Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Sub-division”	the proposed sub-division of each authorised but unissued Consolidated Share (including the authorised unissued Consolidated Share arising from the Capital Reduction) of HK\$0.10 into ten (10) New Shares of HK\$0.01 each
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

EXPECTED TIMETABLE

The expected timetable for the Capital Reorganisation is set out below. The expected timetable is subject to the results of the SGM and is therefore for indicative purpose only. Any change to the expected timetable will be announced in a separate announcement by the Company as and when appropriate. All times and dates in this circular refer to Hong Kong local times and dates.

<i>Event</i>	<i>2024 (Hong Kong time and date)</i>
Latest date and time for lodging transfer documents in order to qualify for attending and voting at the SGM	4:30 p.m. on Thursday, 7 November 2024
Closure of the register of members of the Company to determine the entitlement to attend and vote at the SGM (both days inclusive)	Friday, 8 November 2024 to Wednesday, 13 November 2024
Latest date and time for lodging the proxy forms for the SGM	10:00 a.m. on Monday, 11 November 2024
Expected date and time of the SGM	10:00 a.m. on Wednesday, 13 November 2024
Publication of announcement of poll results of SGM	Wednesday, 13 November 2024
<i>The following events are conditional on the fulfilment of the conditions for the implementation of the Capital Reorganisation:</i>	
Expected Effective Date of the Capital Reorganisation	Friday, 15 November 2024
First day for free exchange of existing share certificates for new share certificates for New Shares.	Friday, 15 November 2024
Commencement of dealings in New Shares	9:00 a.m. on Friday, 15 November 2024
Original counter for trading in Existing Shares in board lots of 10,000 Existing Shares (in the form of existing share certificates) temporarily closes.	9:00 a.m. on Friday, 15 November 2024
Temporary counter for trading in New Shares in board lots of 1,000 New Shares (in the form of existing share certificates) opens	9:00 a.m. on Friday, 15 November 2024

EXPECTED TIMETABLE

Original counter for trading in New Shares in board lots of 5,000 New Shares (in the form of new share certificates) re-opens	9:00 a.m. on Friday, 29 November 2024
Parallel trading in New Shares (in the form of new share certificates in board lots of 5,000 New Shares and existing share certificates in board lots of 1,000 New Shares) commences	9:00 a.m. on Friday, 29 November 2024
Designated broker starts to stand in the market to provide matching services for odd lots of New Shares	9:00 a.m. on Friday, 29 November 2024
Designated broker ceases to stand in the market to provide matching services for the sale and purchase of odd lots of the New Shares	4:00 p.m. on Thursday, 19 December 2024
Temporary counter for trading in New Shares in board lots of 1,000 New Shares (in the form of existing share certificates) closes	4:10 p.m. on Thursday, 19 December 2024
Parallel trading in New Shares (in the form of new share certificates in board lots of 5,000 New Shares and the existing share certificates in board lots of 1,000 New Shares) ends	4:10 p.m. on Thursday, 19 December 2024
Last day for free exchange of existing share certificates for the share certificates for New Shares	Monday, 23 December 2024

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
Mr. Ng Ting Ho
Mr. Chan Chi Fung

Registered office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Independent non-executive Directors:

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

Principal place of business in Hong Kong:

Office A01, 35/F
United Centre
95 Queensway
Admiralty
Hong Kong

25 October 2024

To the Shareholders

Dear Sir or Madam,

**(1) PROPOSED CAPITAL REORGANISATION;
(2) PROPOSED CHANGE IN BOARD LOT SIZE;
AND
(3) NOTICE OF SPECIAL GENERAL MEETING**

INTRODUCTION

Reference is made to the announcement of the Company dated 7 October 2024 in relation to, among other things, the proposed Capital Reorganisation and Change in Board Lot Size. The purpose of this circular is to provide you among other things, details of the proposed (i) Capital Reorganisation; (ii) Change in Board Lot Size; and (iii) the notice of the SGM to be convened.

LETTER FROM THE BOARD

PROPOSED CAPITAL REORGANISATION

The Board proposes to reorganise the share capital of the Company in the following manner:

(1) Share Consolidation

The proposed Share Consolidation is on the basis that every ten (10) issued and unissued Existing Shares of HK\$0.01 each will be consolidated into one (1) Consolidated Share of HK\$0.10 each. The Share Consolidation is conditional upon, among other things, the approval of the Shareholders at the SGM.

As at the Latest Practicable Date, there are 903,482,006 Existing Shares in issue which are fully paid or credited as fully paid. Assuming no further Shares will be issued or repurchased from the Latest Practicable Date up to the Effective Date of the Share Consolidation, upon the Share Consolidation becoming effective, there will be 90,348,200 Consolidated Shares in issue which are fully paid or credited as fully paid.

(2) Capital Reduction and Sub-division

Immediately upon the Share Consolidation becoming effective:

- (i) the Capital Reduction whereby the issued share capital of the Company will be reduced by (a) rounding down the total number of Consolidated Shares in the issued share capital of the Company to the nearest whole number by eliminating any fraction of a Consolidated Share in the issued share capital of the Company; and (b) cancelling the paid-up capital of the Company to the extent of HK\$0.09 on each of the then issued Consolidated Shares such that the par value of each issued Consolidated Share will be reduced from HK\$0.10 to HK\$0.01;
- (ii) the Sub-division whereby each authorised but unissued Consolidated Share (including the authorised unissued Consolidated Shares arising from the Capital Reduction) will be sub-divided into ten (10) New Shares of HK\$0.01 each so that immediately following the Capital Reorganisation, the authorised share capital of the Company shall be HK\$1,000,000,000 divided into 100,000,000,000 New Shares; and
- (iii) upon the Capital Reorganisation becoming effective, the credit arising from the Capital Reduction in the amount of approximately HK\$8,131,338.06 will be credited to the contributed surplus account (within the meaning of the Companies Act) on the Effective Date for use by the Directors in any manner permitted by the Companies Act and the Bye-laws.

Conditions of the Capital Reorganisation

The Capital Reorganisation is conditional upon:

- (i) the passing of the necessary special resolution by the Shareholders at the SGM to approve the Capital Reorganisation involving the Share Consolidation, the Capital Reduction and the Sub-division;

LETTER FROM THE BOARD

- (ii) the compliance with the relevant procedures and requirements under the Companies Act and applicable laws of Bermuda to effect the Capital Reorganisation, which includes the Directors being satisfied that on the date the Capital Reorganisation is to take effect, there are no reasonable grounds for believing that the Company is, or after the Capital Reduction would be, unable to pay its liabilities as they become due;
- (iii) the GEM Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the New Shares arising from the Capital Reorganisation and the New Shares which may fall to be allotted and issued upon the exercise of the Share Options to be granted under the Share Option Scheme; and
- (iv) the compliance with the relevant procedures and requirements under the Bye-laws, the laws of Bermuda (where applicable) and the GEM Listing Rules to effect the Capital Reorganisation.

As at the Latest Practicable Date, none of the conditions above had been fulfilled.

Subject to the fulfilment of the above conditions, the Capital Reorganisation will become effective on Friday, 15 November 2024, which is the second Business Day immediately after the date of the SGM.

Effects of the Capital Reorganisation and Status of the New Shares

As at the Latest Practicable Date, the authorised share capital of the Company is HK\$1,000,000,000 divided into 100,000,000,000 Existing Shares of par value of HK\$0.01 each, of which 903,482,006 Existing Shares have been issued and fully paid or credited as fully paid.

Assuming there will be no change in the issued and unissued share capital of the Company from the Latest Practicable Date up to the date on which the Capital Reorganisation becomes effective, the authorised share capital of the Company shall remain at HK\$1,000,000,000 divided into 100,000,000,000 New Shares of HK\$0.01 each, of which 90,348,200 New Shares will be in issue. The aggregate par value of issued share capital of the Company will be HK\$903,482 (assuming that there is no change in the issued share capital of the Company from the Latest Practicable Date up to the Effective Date).

Based on 903,482,006 Existing Shares in issue as at the Latest Practicable Date, a credit of approximately HK\$8,131,338.06 will arise as a result of the Capital Reduction. Shareholders and potential investors of the Company should note that the credit arising in the books from the Capital Reorganisation will be subject to change depending on the number of Existing Shares in issue immediately prior to the Capital Reorganisation becoming effective.

It is proposed that the total credit arising in the accounts of the Company from the Capital Reduction to be transferred to the contributed surplus account of the Company. The account will be applied by the Directors for such purposes permitted under the Companies Act and the Bye-laws.

LETTER FROM THE BOARD

Upon the Capital Reorganisation becoming effective, the New Shares shall rank *pari passu* in all respects with each other. The Capital Reorganisation will not result in any change in the relative rights of the Shareholders. Other than the expenses to be incurred by the Company in relation to the Capital Reorganisation, the implementation thereof will not, by itself, affect the consolidated net asset value, nor the underlying assets, business operations, management or financial position of the Group or the proportionate interests or rights of the Shareholders as a whole, save for any fractional New Share which may arise. Any fractional New Share arising from the Share Consolidation will not be allocated to the Shareholders. Any fractional entitlement to the Consolidated Shares will be aggregated, sold and retained for the benefit of the Company.

The following table sets out the effects of the Capital Reorganisation on the authorised and issued share capital of the Company before and after the implementation of the Capital Reorganisation, assuming that there is no change in the issued share capital of the Company from the Latest Practicable Date until the Effective Date of the Capital Reorganisation:

	As at the Latest Practicable Date	Immediately after the Share Consolidation becoming effective but before the Capital Reduction and Sub-division becoming effective	Immediately after the Capital Reorganisation becoming effective
Par value per Share	HK\$0.01 per Existing Share	HK\$0.10 per Consolidated Share	HK\$0.01 per New Share
Authorised share capital	HK\$1,000,000,000 divided into 100,000,000,000 Existing Shares	HK\$1,000,000,000 divided into 10,000,000,000 Consolidated Shares	HK\$1,000,000,000 divided into 100,000,000,000 New Shares
Issued share capital	HK\$9,034,820.06 divided into 903,482,006 Existing Shares	HK\$9,034,820.06 divided into 90,348,200 Consolidated Shares	HK\$903,482 divided into 90,348,200 New Shares

Note:

Based on the above table, there will be no fraction arising from the Capital Reorganisation.

LETTER FROM THE BOARD

Fractional Entitlement to Consolidated Shares

Fractional Consolidated Shares arising from the Share Consolidation to which the Shareholders are respectively entitled, if any, will be disregarded and will not be issued to the Shareholders but all such fractional Consolidated Shares will be aggregated and, if possible, sold for the benefit of the Company. Fractional Consolidated Shares will only arise in respect of the entire shareholding of a holder of the Existing Shares regardless of the number of share certificates held by such holder.

Listing application

Application will be made to the Stock Exchange for the listing of, and permission to deal in, the New Shares to be in issue and the New Shares which may fall to be allotted and issued upon the exercise of the Share Options to be granted under the Share Option Scheme upon the Capital Reorganisation becoming effective.

Subject to the granting of listing of, and permission to deal in, the New Shares on the Stock Exchange, as well as compliance with the stock admission requirement of HKSCC upon the Capital Reorganisation becoming effective, the New Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the New Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. All necessary arrangements will be made for the New Shares to be admitted into CCASS established and operated by HKSCC.

The New Shares will be identical in all respects and rank *pari passu* in all respects with each other in accordance with the Bye-laws as to all future dividends and distributions which are to be declared, made or paid.

None of the Existing Shares are listed or dealt in on another stock exchanges other than the Stock Exchange, and at the time when the Capital Reorganisation becoming effective, the New Shares in issue will not be listed or dealt in on any stock exchange other than the Stock Exchange, and no such listing or permission to deal is being or is proposed to be sought.

OTHER ARRANGEMENTS

Exchange of Certificates for New Shares

Subject to the Capital Reorganisation becoming effective, which is currently expected to be on Friday, 15 November 2024, being the second Business Day immediately after the date of the SGM, the Shareholders may on or after Friday, 15 November 2024 and until Monday, 23 December 2024 (both days inclusive), submit their existing share certificates for the Existing Shares (in the colour of blue) to 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, during business hours to exchange for new share certificates for the New Shares (in the colour of purple) at the expense of the Company.

LETTER FROM THE BOARD

Thereafter, share certificates for the Existing Shares will be accepted for exchange only upon payment of a fee of HK\$2.50 (or such other amount as may from time to time be specified by the Stock Exchange) by the Shareholders for each share certificate for the Existing Shares submitted for cancellation or each new share certificate issued for the New Shares, whichever the number of share certificates cancelled or issued is higher.

Subject to and upon the Capital Reorganisation becoming effective, after trading hours on Thursday, 19 December 2024, trading will only be in the New Shares. Share certificates for the Existing Shares will continue to remain good evidence of legal title and may be exchanged for share certificates for the New Shares at the expense of the Shareholders at any time but will not be accepted for delivery, trading, settlement and registration purposes.

Adjustments in relation to Other Securities of the Company

As at the Latest Practicable Date, the total number of shares of the Company issuable pursuant to the Share Option Scheme is 75,290,167 Existing Shares. There is no outstanding share option under the Share Option Scheme as at the Latest Practicable Date. Save as disclosed above, as at the Latest Practicable Date, the Company does not have any other derivatives, options, warrants, other securities or conversion rights or other similar rights which are convertible or exchangeable into, any Existing Shares, Consolidated Shares or New Shares, as the case may be.

According to the rules of the Share Option Scheme, in the event of any alteration in the capital structure of the Company whilst any Share Option remains exercisable or the 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 Share Option Scheme or any Share Option(s) relates (insofar as it is/they are unexercised); and/or (ii) the subscription prices of any unexercised Share Options; and/or (iii) the number of Shares comprised in a Share Option or which remain comprised in a Share Option. Further announcement will be made by the Company on such adjustment(s) as and when appropriate.

PROPOSED CHANGE IN BOARD LOT SIZE

The Existing Shares are currently traded on the Stock Exchange in board lot size of 10,000 Existing Shares. The Board proposes that upon the Capital Reorganisation becoming effective, the board lot size for trading in the New Shares will be at 5,000 New Shares per board lot.

Based on the closing price of HK\$0.053 per Existing Share (equivalent to the theoretical closing price of HK\$0.53 per New Share upon the Capital Reorganisation becoming effective) as at the Latest Practicable Date, (i) the value per board lot of 10,000 Existing Shares is HK\$530; and (ii) the theoretical market value per board lot of 5,000 New Shares would be HK\$2,650 on the assumption that the Capital Reorganisation becomes effective.

LETTER FROM THE BOARD

REASONS FOR AND THE BENEFITS OF THE CAPITAL REORGANISATION AND THE CHANGE IN BOARD LOT SIZE

Pursuant to Rule 17.76 of the GEM Listing Rules, where the market price of the securities of an issuer approaches the extremities of HK\$0.01 or HK\$9,995, the issuer may be required either to change the trading method or to proceed with a consolidation or splitting of its securities. The “Guide on Trading Arrangements for Selected Types of Corporate Actions” issued by the Hong Kong Exchanges and Clearing Limited on 28 November 2008 and updated in September 2024 (the “Guide”) has further stated that market price of the shares at a level less than HK\$0.1 will be considered as trading at extremity as referred to under Rule 17.76 of the GEM Listing Rules. It has also stated in the Guide that taking into account the minimum transaction costs for a securities trade, the expected board lot value should be greater than HK\$2,000. In view of the recent trading price of the Shares, the Board considers that the Capital Reorganisation and Change in Board Lot Size will enable the Company to comply with the trading requirements under the GEM Listing Rules and reduce the overall transaction and handling costs of dealings in the Shares as a proportion of the market value of each board lot, since most of the banks/securities houses will charge a minimum transaction costs for each securities trade. With a corresponding upward adjustment in the trading price of the Consolidated Shares, the Board believes that the Capital Reorganisation and Change in Board Lot Size will make investing in the Shares more attractive to a broader range of investors, and therefore further broaden the shareholder base of the Company.

As at the Latest Practicable Date, the Company has no intention to carry out other corporate actions in the next 12 months which may have an effect of undermining or negating the intended purpose of the Share Consolidation, and the Company does not have any plan, arrangement, understanding, intention, negotiation (either concluded or in process) on any fund raising activities or precise investment opportunities and has no immediate plan for issue of new Shares. However, the Board cannot rule out the possibility that the Company will conduct debt and/or equity fund raising exercises when suitable fund raising and/or investment opportunities arise in order to support future development of the Group. The Company will make further announcement in this regard in accordance with the GEM Listing Rules as and when appropriate.

In view of the above, the Board considers that the Capital Reorganisation and the Change in Board Lot Size are beneficial to and in the interests of the Company and the Shareholders as a whole.

Odd lots trading arrangement

In order to facilitate the trading of odd lots of the New Shares, the Company has appointed Minerva Holding Financial Securities Limited as an agent to provide a matching service, on a best efforts basis, to those Shareholders who wish to acquire odd lots of the New Shares to make up a full board lot, or to dispose of their holding of odd lots of the New Shares from Friday, 29 November 2024 to Thursday, 19 December 2024. Shareholders who wish to take advantage of this facility should contact Mr. Chu Chuang Chieh of Minerva Holding Financial Securities Limited at Unit 1804, 18/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong or at telephone number: (852) 3741 8068 during office hours (i.e. from 9:00 a.m. to 4:00 p.m.) of such period.

Shareholders holding odd lots of the New Shares should note that the successful matching of the sale and purchase of odd lots of the New Shares is not guaranteed. Shareholders who are in any doubt about the odd lots matching arrangement are recommended to consult their own professional advisers.

LETTER FROM THE BOARD

The Shareholders or potential investors of the Company should note that (i) odd lots will be created after the Capital Reorganisation and the Change in Board Lot Size; (ii) odd lots arrangements do not guarantee successful matching of all odd lots at the relevant market price; and (iii) odd lots might be sold below the market price.

SGM

A notice convening the SGM at which a special resolution will be proposed to the Shareholders to consider and, if thought fit, to approve the proposed Capital Reorganisation and the transactions contemplated thereunder is set out on pages SGM-1 to SGM-4 of this circular.

To the best knowledge of the Directors, no Shareholders have a material interest in the Capital Reorganisation and accordingly, no Shareholders will have to abstain from voting at the SGM.

Whether or not you intend to attend the SGM, you are requested to complete and return the form of proxy accompanying this circular in accordance with the instructions printed thereon as soon as possible and in any event at or before 10:00 a.m. on Monday, 11 November 2024 (or not less than 48 hours before the time appointed for holding the SGM or any adjournment thereof). Completion and return of the form of proxy will not preclude you from attending and voting at the SGM or any adjournment thereof in person if you so wish and in such case, the form of proxy previously submitted shall be deemed to be revoked.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining Shareholders' entitlements to attend and vote at the SGM, the transfer books and the register of members of the Company will be closed from Friday, 8 November 2024 to Wednesday, 13 November 2024 (both days inclusive), during which period no transfer of Shares will be effected. In order to establish the right to attend and vote at the SGM, all transfers, accompanied by the relevant share certificates, must be lodged with the Company's Hong Kong branch share registrar and transfer office, Tricor Tengis Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong no later than 4:30 p.m. on Thursday, 7 November 2024.

VOTING BY POLL

Pursuant to Rule 17.47(4) of the GEM Listing Rules, any vote of the 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. Therefore, all resolution(s) as set out in the notice convening the SGM will be voted by poll and, after being verified by the scrutineer, the results of the poll will be published in the manner prescribed under Rule 17.47(5) of the GEM Listing Rules.

LETTER FROM THE BOARD

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.

COMPETING INTEREST

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, controlling Shareholders or substantial 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.

RECOMMENDATION

The Directors consider that the Capital Reorganisation is in the interests of the Company and the Shareholders as a whole and recommend the Shareholders to vote in favour of the relevant resolution at the SGM.

MISCELLANEOUS

The English text of this circular shall prevail over the Chinese text for the purpose of interpretation.

Yours faithfully
By Order of the Board
China Demeter Financial Investments Limited
Ng Man Chun Paul
Chairman

NOTICE OF SGM



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 SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that a special general meeting (the “**Meeting**”) of China Demeter Financial Investments Limited (the “**Company**”) will be held on Wednesday, 13 November 2024 at 10:00 a.m. at Vip room III, Level P6, Nina Hotel Island South, 55 Wong Chuk Hang Road, Hong Kong for considering and, if thought fit, passing, with or without amendments, the following resolutions of the Company:

SPECIAL RESOLUTION

“**THAT** subject to and conditional upon (i) compliance with the relevant procedures and requirements under the laws of Bermuda (where applicable) and the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”); (ii) the GEM Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the New Shares (as defined below); and (iii) the obtaining of all necessary approvals from the regulatory authorities or otherwise as may be required to effect the Capital Reorganisation (as defined below), with effect from Friday, 15 November 2024 on which the aforesaid conditions are fulfilled (the “**Effective Date**”):

- (i) every ten (10) issued and unissued shares of par value of HK\$0.01 each in the issued share capital of the Company be consolidated into one (1) consolidated share (the “**Consolidated Share(s)**”) of par value of HK\$0.10 (the “**Share Consolidation**”), such Consolidated Shares shall rank *pari passu* in all respects with each other and have the rights and privileges and be subject to the restrictions as contained in the memorandum of continuance and bye-laws of the Company (the “**Bye-laws**”);
- (ii) immediately following the Share Consolidation becoming effective, the issued share capital of the Company be reduced by (a) an elimination of any fraction of a Consolidated Share arising from the Share Consolidation in order to round down the total number of the Consolidated Shares to a whole number; and (b) a cancellation of HK\$0.09 of the paid-up capital of the Company on each of the then Consolidated Shares so that each issued Consolidated Share will be treated as one (1) fully paid-up share of par value HK\$0.01 each in the share capital of the Company (the “**New Share(s)**”) (the “**Capital Reduction**”) and the credit arising from the Capital Reduction be transferred to the contributed surplus account of the Company;

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- (iii) immediately following the Share Consolidation and the Capital Reduction becoming effective, each authorised but unissued Consolidated Share be subdivided into 10 authorised but unissued New Shares of HK\$0.01 each (the “**Sub-division**”) so that immediately following the Share Consolidation, the Capital Reduction and the Sub-division, the authorised share capital of the Company shall become HK\$1,000,000,000 divided into 100,000,000,000 New Shares;
- (iv) the New Shares shall rank *pari passu* in all respects with each other and have such rights and be subject to such restrictions as set out in the Bye-laws;
- (v) the entire credit amount arising from the Capital Reduction of HK\$8,131,338.06 be transferred to the contributed surplus account of the Company within the meaning of the Companies Act 1981 (as amended) of Bermuda (the “**Companies Act**”) on the Effective Date for use by the Directors in any manner permitted by the Companies Act and the Bye-laws;
- (vi) the directors (the “**Directors**”) of the Company be authorised to apply the amount standing to the credit of the contributed surplus account of the Company, if any, in such manner as they consider appropriate;
- (vii) all fractional entitlements to the New Shares resulting from the Share Consolidation be disregarded and will not be issued to holders of the same but all such fractional New Shares shall be aggregated and, if possible, sold and the net proceeds shall be retained for the benefit of the Company in such manner and on such terms as the Directors may think fit; and
- (viii) the Directors and each of them be and are fully authorised to take any and all steps, and to do and/or procure to be done any and all acts and things, and to approve, sign and execute any documents which they in their absolute discretion consider necessary, desirable, expedient or appropriate to effect and implement this resolution and to exercise such discretion in connection, relating to or arising from the Share Consolidation, the Sub-division and the Capital Reduction (collectively, the “**Capital Reorganisation**”) and/or the matters contemplated herein, with such modifications thereto (if any) as they or he may from time to time consider necessary, expedient and/or appropriate in order to implement, finalise and give full effect to the Capital Reorganisation.”

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

Hong Kong, 25 October 2024

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Registered office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Principal place of business in Hong Kong:

Office A01, 35/F
United Centre
95 Queensway
Admiralty
Hong Kong

Notes:

1. Any member of the Company entitled to attend and vote at the Meeting shall be entitled to appoint another person as his/her proxy to attend and vote instead of him/her. A member who is the holder of two or more shares may appoint more than one proxy to represent him/her and vote on his/her behalf at the Meeting. A proxy need not be a member of the Company. On a poll, votes may be given either personally or by proxy.
2. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his/her attorney duly authorised in writing or, if the appointer is a corporation, either under its seal or under the hand of an officer, attorney or other person authorised to sign the same.
3. To be valid, the instrument appointing a proxy and (if required by the Board) the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority, shall be delivered to the office of the Hong Kong branch share registrar and transfer office of the Company, Tricor Tengis Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible and in any event not less than 48 hours (i.e. 10:00 a.m. on Monday, 11 November 2024) before the time appointed for holding the Meeting or any adjournment thereof.
4. No instrument appointing a proxy shall be valid after expiration of 12 months from the date named in it as the date of its execution, except at an adjourned meeting or on a poll demanded at the Meeting or any adjournment thereof in cases where the Meeting was originally held within 12 months from such date.
5. Where there are joint holders of any shares, any one of such joint holders may vote at the Meeting, either in person or by proxy, in respect of such share as if he/she were solely entitled thereto, but if more than one of such joint holders be present at the Meeting, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose, seniority shall be determined by the order in which the names stand in the Register of Members of the Company in respect of the joint holding.
6. Completion and delivery of an instrument appointing a proxy shall not preclude a member from attending and voting in person at the Meeting if the member so desire and in such event, the instrument appointing a proxy should be deemed to be revoked.
7. For the purpose of determining shareholders' entitlements to attend and vote at the Meeting, the transfer books and the register of members of the Company will be closed from Friday, 8 November 2024 to Wednesday, 13 November 2024 (both days inclusive), during which period no transfer of shares will be effected. In order to establish the right to attend and vote at the Meeting, all transfers, accompanied by the relevant share certificates, must be lodged with the Company's Hong Kong branch share registrar and transfer office, Tricor Tengis Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong no later than 4:30 p.m. on Thursday, 7 November 2024.
8. If tropical cyclone warning signal no. 8 or above is hoisted or a black rainstorm warning signal is in force at or after 7:00 a.m. on Wednesday, 13 November 2024, the meeting will be postponed and further announcement for details of alternative meeting arrangements will be made. The meeting will be held as scheduled even when tropical cyclone warning signal no. 3 or below is hoisted, or an amber or red rainstorm warning signal is in force. You should make your own decision as to whether you would attend the meeting under bad weather conditions and if you should choose to do so, you are advised to exercise care and caution.
9. In compliance with the Rules (the "**GEM Listing Rules**") Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited, all resolution(s) to be proposed at the Meeting convened by this notice will be voted on by way of poll.

NOTICE OF SGM

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).