
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 a licensed securities dealer or other registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Asia-Pac Financial Investment Company Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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Asia-Pac Financial Investment Company Limited

亞太金融投資有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 8193)

**PROPOSED ADOPTION OF NEW SHARE OPTION SCHEME,
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

Capitalised terms used in the lower portion of this cover page and the inside cover and the first page of this circular shall have the same respective meanings as those defined in the section headed “Definitions” of this circular.

A notice convening the EGM to be held at Portion 2, 12th Floor, The Center, 99 Queen’s Road Central, Central, Hong Kong on Thursday, 30 September 2021 at 11:30 a.m. is set out on pages 21 to 23 of this circular.

If you are not able to attend and vote at the EGM, you are requested to complete and sign the accompanying form of proxy in accordance with the instructions printed thereon and deposit the same at the office of the Company’s Hong Kong branch share registrar, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong as soon as possible and in any event, not later than 48 hours before the time appointed for holding the EGM (i.e. by 11:30 a.m. on 28 September 2021) or its adjournment. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or its adjournment should you so wish and in such event, the instrument appointing the proxy shall be deemed to be revoked.

In view of the ongoing Novel Coronavirus (COVID-19) epidemic, the Company strongly recommends Shareholders to exercise their voting rights by appointing the chairman of the EGM as their proxy to vote on the relevant resolutions at the EGM as an alternative to attending the EGM in person.

This circular with a form of proxy will remain on the “Latest Listed Company Information” page of the GEM website at www.hkgem.com for at least 7 days from the date of its posting and on the website of the Company at www.gca.com.hk.

All times and dates specified herein refer to Hong Kong local times and dates.

14 September 2021

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.

PRECAUTIONARY MEASURES FOR THE EGM

The Company will implement the following measures at the EGM, including:

- compulsory body temperature checks
- refusal of entry of those with a high temperature
- wearing of face masks throughout the meeting
- no distribution of corporate gifts and refreshments

Any person who does not comply with the precautionary measures will be denied entry into the EGM venue.

DEFINITIONS

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

“Adoption Date”	the date on which the New Share Option Scheme was conditionally adopted by a resolution of the Shareholders
“Articles”	the articles of association of the Company as amended from time to time
“Board”	the board of Directors
“close associate(s)”	having the meaning ascribed thereto under the GEM Listing Rules
“Company”	Asia-Pac Financial Investment Company Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed and traded on GEM
“controlling shareholder(s)”	having the meaning ascribed thereto under the GEM Listing Rules
“core connected person(s)”	having the meaning ascribed thereto under the GEM Listing Rules
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be held at Portion 2, 12th Floor, The Center, 99 Queen’s Road Central, Central, Hong Kong on Thursday, 30 September 2021 at 11:30 a.m. or its adjournment
“EGM Notice”	the notice convening the EGM set out on pages 21 to 23 of this circular
“Eligible Participant(s)”	any full-time or part-time employees of the Company or its subsidiaries (including any executive, independent non-executive directors of the Company and/or any of its subsidiaries), adviser, consultant, service provider, agent, customer, partner or joint-venture partner to the Group who, in the absolute discretion of the Board, have contributed or may contribute to the Group
“GEM”	the GEM operated by the Stock Exchange

DEFINITIONS

“GEM Listing Committee”	the GEM listing sub-committee of the board of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM, as amended, supplemented or otherwise modified from time to time
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Latest Practicable Date”	8 September 2021, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information in this circular
“New Share Option Scheme”	the share option scheme proposed to be adopted by the Company at the EGM, a summary of principal terms of which is set out in Appendix to this circular
“Old Share Option Scheme”	the share option scheme adopted by the Company on 18 May 2011
“Option(s)”	the option(s) granted or to be granted under the New Share Option Scheme or the Old Share Option Scheme to subscribe for Shares
“Share(s)”	ordinary share(s) of nominal value of HK\$0.02 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	having the meaning ascribed thereto under the GEM Listing Rules
“substantial shareholder(s)”	having the meaning ascribed thereto under the GEM Listing Rules
“%”	per cent.

LETTER FROM THE BOARD

Asia-Pac Financial Investment Company Limited

亞太金融投資有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 8193)

Executive Directors:

Mr. Ip Kwok Kwong (*Managing Director*)

Mr. Wu Di

Independent non-executive Directors:

Mr. Sek Wai Kit

Mr. So Kwok Yun

Mr. Tang Wai Kee

Registered Office:

Cricket Square, Hutchins Drive

P.O. Box 2681, Grand Cayman

KY1-1111, Cayman Islands

Head Office and Principal Place of

Business in Hong Kong:

Room 304, 3rd Floor

Shui On Centre

6-8 Harbour Road

Wanchai

Hong Kong

14 September 2021

To the Shareholders, and for information only, the holders of options of the Company

Dear Sir or Madam,

**PROPOSED ADOPTION OF NEW SHARE OPTION SCHEME,
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to provide you with (a) the EGM Notice and (b) information in respect of the resolution to be proposed at the EGM for the adoption of New Share Option Scheme.

LETTER FROM THE BOARD

PROPOSED ADOPTION OF NEW SHARE OPTION SCHEME

The Old Share Option Scheme was adopted by the Company on 18 May 2011 and was expired on 17 May 2021. The Board considers to adopt the New Share Option Scheme so that the Company can continue to provide incentives and/or rewards to the Eligible Participants, by way of granting options, after the expiry of the Old Share Option Scheme. According to the terms of the Old Share Option Scheme, no further options shall be offered thereunder upon termination of the Old Share Option Scheme. However, the outstanding Options granted prior to such termination shall continue to be valid and exercisable during the prescribed exercisable period in accordance with the Old Share Option Scheme. As at the Latest Practicable Date, a total of 108,390,884 Options granted under the Old Share Option Scheme remained outstanding. Details of the 108,390,884 outstanding Options are set out below:

Date of grant	Eligible participants	Number of Options	Exercise price per Share HK\$	Exercise period
18.4.2019	Ip Kwok Kwong, Executive Director	4,402,438	0.369	18.4.2019-17.4.2022 (both dates inclusive)
	Wu Di, Executive Director	4,402,438	0.369	18.4.2019-17.4.2022 (both dates inclusive)
	Service providers (<i>note 1</i>)	17,609,752	0.369	18.4.2019-17.4.2022 (both dates inclusive)
	Employees	13,207,314	0.369	18.4.2019-17.4.2022 (both dates inclusive)
31.3.2020	So Kwok Yun, Independent non-executive Director	4,402,438	0.151	31.3.2020-30.3.2023 (both dates inclusive)
	Tang Wai Kee, Independent non-executive Director	4,402,438	0.151	31.3.2020-30.3.2023 (both dates inclusive)
	Employees	30,817,066	0.151	31.3.2020-30.3.2023 (both dates inclusive)
10.5.2021	Employees	29,147,000	0.117	10.5.2021-9.5.2023 (both dates inclusive)

Note 1: 4,402,438 Options were granted to each of the four business advisory service providers who provide advisory services on sales, operation and business development to the Group, granting the Options to them provided incentive for their commitment to continue to serve the Group by aligning their interest with the Company. Also, the grant of non-cash based Options was more suitable as it did not affect the cash flow of the Group.

Note 2: All granted options shall vest immediately upon date of grant.

LETTER FROM THE BOARD

There is no material difference on the terms between the Old Share Option Scheme and the New Share Option Scheme. The purpose of the New Share Option Scheme is to enable the Group to grant Options to Eligible Participants as incentives or rewards for their contribution to the Group.

In addition to Directors and employees of the Group, the Eligible Participants also include adviser, consultant, service provider, agent, customer, partner or joint-venture partner to the Group. The Board considers that the inclusion of persons other than Director and employees of the Group as the Eligible Participants is appropriate, because the success of the Group could not be achieved solely by Directors and employees of the Company, it also depends on the sustainable relationship with the abovementioned parties as they play various different and vital roles in the business of the members of the Group and invested entities as (i) those agents, partner or joint-venture partners may provide valuable business referrals and partnership introduction as well as introduce business opportunities and/or partners to the Group which in turn support the growth and business development of the Group, (ii) the advisers or consultants may provide recommendations and/or advice to the Group in matters including but not limited to strategic management, business research and development, technological support and professional consulting services, so as to contribute to assist the Group in achieving the operational competitiveness and business sustainability, (iii) the service providers who provide services including but not limited to advisory services on sales, operation and business development to the Group, which may assist the Group in reducing operational costs and increasing sales efficiency, which in turn help maintaining and enhancing the Group's competitive advantages, and (iv) the customers who have shown high degree of loyalty to the Group, in which a continuous significant revenue could be attributable to these customers. It is therefore desirable for the Company to motivate and align the interests of these parties towards the Group. The grant of Options to these parties is an appropriate means of achieving the Group's goal. The Options will offer incentives for these external parties to provide continuing efforts as mentioned above to promote the interests of the Group and benefits the long-term growth of the Group, which eventually generate more profit for the Shareholders. Furthermore, in the event that the Company engages external advisors, consultants, service providers, agents and partners or joint-venture partners to provide professional services to the Group, including these external parties as Eligible Participants will allow the Company to pay the external advisors, consultants, service providers, agents and partners or joint-venture partners a consideration comprising service fee and/or share based consideration, leveraging on which, the Company may be able to avoid expensive one-off short-term transaction costs that might affect the cash flow of the Group. Therefore, the Company considers that the adoption of the New Share Option Scheme is in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE BOARD

In respect of these external parties, their eligibility will be determined by the Board based on their potential and/or actual contribution to the operation and business of the Group and/or their potential and/or actual participation and involvement in promoting the business of the Group with regard to factors such as the actual or expected change in the Group's revenue or profits which is or may be attributable to these external parties as well as the number, scale and nature of the projects and the period of their engagement and/or business relationship with the Group. In particular,

- (a) as for advisers, consultants and service providers, the Company may consider factors including but not limited to: (i) their length of providing relevant advising and consulting services to the Group, (ii) the materiality and nature of their advices and/or services, (iii) their track record in the quality of advices and/or services, and (iv) whether the transaction amount is significant relative to the costs of the Group;
- (b) as for agents and partners or joint-venture partners, the Company may consider factors including but not limited to: (i) the actual or expected impact on the Group's revenue and profits, (ii) the number, scale and nature of the projects and the period of their engagement and/or business relationship with the Group, and (iii) whether the transaction amount is significant relative to the revenue of the Group; and
- (c) as for customers, the Company may consider factors including but not limited to: (i) the actual or expected change in the Group's revenue or profits which is or may be attributable by these customers, (ii) quantity and frequency of the business transactions, (iii) whether the transaction amount is significant relative to the revenue of the Group, and (iv) any potential business development opportunities.

Unless the Board otherwise determined and stated in the offer of an Option to an Eligible Participant, there is no performance target that has to be achieved or minimum period in which an Option must be held before the exercise of any Option. The Board will consider the merits of each grant and may in its absolute discretion, set vesting period and/or vesting conditions such as any performance targets on a case-by-case basis.

LETTER FROM THE BOARD

The Directors may grant Options subject to such terms and conditions in relation to the minimum period of the Options to be held and/or the performance criteria to be achieved before such Options can be exercised as the Directors may determine in their absolute discretion. The Board will also have discretion in determining the subscription price in respect of any Option subject to the requirements of the GEM Listing Rules. The Board is of the view that such flexibility given to the Directors will place the Group in a better position to provide appropriate incentives and rewards to Eligible Participants to contribute to the Group and to attract and retain human resources that are valuable to the long-term growth and development of the Group. It is also expected that the Eligible Participants will make an effort to contribute to the development of the Group so as to bring about an increased market price of the Shares in order to capitalise on the benefits of the options granted.

Assuming that there is no change in the issued Shares between the Latest Practicable Date and the Adoption Date, the maximum number of Shares which may be allotted and issued upon exercise in full of the Options that may be granted under the New Share Option Scheme is 116,591,172 (representing 10% of the issued Shares as at the Adoption Date) and the total number of Shares which may be allotted and issued upon exercise of all outstanding Options granted and yet to be exercised under the Old Share Option Scheme is 108,390,884 (representing approximately 9.30% of the issued Shares as at the Adoption Date). The total number of Shares which may be issued upon exercise of all options granted and yet to be exercised under the New Share Option Scheme, the Old Share Option Scheme and any other schemes will not exceed 30% of the issued Shares as at the Adoption Date.

The Board considers that it is not appropriate to state the value of all the Options that can be granted under the New Share Option Scheme as if they had been granted as at the Latest Practicable Date given that the variables which are crucial for the calculation of the value of such Options cannot be determined. These variables include the subscription price, exercise period, vesting period (if any), and other relevant factors (if any). The Board believes that any calculation of the value of the Options as at the Latest Practicable Date based on a number of speculative assumptions would not be meaningful and would be misleading to the Shareholders.

None of the Directors is and will be trustee of the New Share Option Scheme or has a direct or indirect interest in the trustee. With respect to the operation of the New Share Option Scheme, the Company will, where applicable, comply with the relevant requirements under Chapter 23 of the GEM Listing Rules.

LETTER FROM THE BOARD

As at the Latest Practicable Date, the Company had no plan or intention to grant any Options under the New Share Option Scheme in the next 12-month period after the date of adoption of the New Share Option Scheme.

A summary of the principal terms of the New Share Option Scheme is set out in Appendix to this circular. A copy of the New Share Option Scheme will be available for inspection at the Company's principal place of business in Hong Kong at Room 304, 3rd Floor, Shui On Centre, 6-8 Harbour Road, Wanchai, Hong Kong for a period of 14 days before the date of EGM and at the EGM.

Conditions Precedent of the New Share Option Scheme

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

1. the passing of an ordinary resolution to approve and adopt the New Share Option Scheme by the Shareholders at the EGM; and
2. the GEM Listing Committee granting approval for the listing of, and permission to deal in, any Shares which may be issued by the Company pursuant to the exercise of Options in accordance with the terms and conditions of the New Share Option Scheme.

Application will be made to the Stock Exchange for the approval of the listing of, and permission to deal in, the Shares which may fall to be issued pursuant to the exercise of the Options granted under the New Share Option Scheme.

EGM AND PROXY ARRANGEMENT

The EGM Notice is set out on pages 21 to 23 of this circular. At the EGM, an ordinary resolution in respect of the adoption of New Share Option Scheme will be proposed.

LETTER FROM THE BOARD

A form of proxy for use in connection with the EGM is enclosed with this circular. In order to be valid, the form of proxy must be completed and signed in accordance with the instructions printed thereon and deposited at the Company's Hong Kong branch share registrar, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, together with a power of attorney or other authority, if any, under which it is signed or a certified copy of such power or authority, not later than 48 hours before the time appointed for holding the EGM (i.e. by 11:30 a.m. on 28 September 2021) or its adjournment. Completion and return of the form of proxy will not preclude any Shareholder from attending and voting in person at the EGM or its adjournment should he/she/it so wish. In that event, the form of proxy shall be deemed to be revoked.

In view of the ongoing Novel Coronavirus (COVID-19) epidemic, the Company strongly recommends Shareholders to exercise their voting rights by appointing the chairman of the EGM as their proxy to vote on the relevant resolutions at the EGM as an alternative to attending the EGM in person.

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 of the meeting, 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 resolutions as set out in the EGM Notice to be proposed at the EGM shall be voted by poll. An announcement on the results of the vote by poll will be made by the Company after the EGM in the manner prescribed under Rule 17.47(5) of the GEM Listing Rules.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder is required under the GEM Listing Rules to abstain from voting on the resolutions to be proposed at the EGM. The Board confirm that to the best of their knowledge, information and belief having made all reasonable enquiries, as at the Latest Practicable Date, there was no voting trust or other agreement or arrangement or understanding (other than an outright sale) entered into by or binding upon any Shareholder and there was no obligation or entitlement of any Shareholder whereby he or she has or may have temporarily or permanently passed control over the exercise of the voting right in respect of his Shares to a third party, either generally or on a case-by-case basis.

LETTER FROM THE BOARD

RECOMMENDATIONS

The Directors believe that the proposed adoption of New Share Option Scheme is in the interests of the Company and the Shareholders as a whole and therefore recommend the Shareholders to vote in favour of the resolutions to be proposed at the EGM.

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.

Yours faithfully,
For and on behalf of the Board
Asia-Pac Financial Investment Company Limited
Ip Kwok Kwong
Executive Director and Managing Director

The following is a summary of the principal terms of the New Share Option Scheme but does not form part of, nor is 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:

(A) PURPOSE OF THE NEW SHARE OPTION SCHEME

The purpose of the New Share Option Scheme is to enable the Company to grant options to the employee, adviser, consultant, service provider, agent, customer, partner or joint-venture partner of the Company or any subsidiary (including any director of the Company or any subsidiary) who is in full-time or part-time employment with or otherwise engaged by the Company or any subsidiary (the “Eligible Participants”) who, in the absolute discretion of the Board, has contributed or may contribute to the Group as incentive or reward for their contribution to the Group.

(B) GRANT AND ACCEPTANCE OF OPTIONS

Subject to the terms of the New Share Option Scheme, the Directors may, in its absolute discretion, make offer to the Eligible Participants.

An offer shall be made to an Eligible Participant in writing in such form as the Directors may from time to time determine and shall remain open for acceptance by the Eligible Participant concerned for a period of 21 days from the date upon which it is made provided that no such offer shall be open for acceptance after the 10th anniversary of the adoption date of the New Share Option Scheme or the termination of the same.

An offer shall be deemed to have been accepted by an Eligible Participant when the duplicate letter comprising acceptance of the offer duly signed by the Eligible Participant together with a non-refundable consideration of HK\$1.00 are received by the Company.

Any offer may be accepted by an Eligible Participant in respect of less than the total number of Shares which are offered provided that it is accepted in respect of a board lot for dealing in Shares on the Stock Exchange or an integral multiple thereof.

(C) PRICE OF SHARES

The subscription price for Shares under the New Share Option Scheme shall be determined at the discretion of the Directors but in any event will not be less than the highest of (a) the closing price of the Shares on the Stock Exchange as shown in the daily quotations sheet of the Stock Exchange on the date of grant of the particular option, which must be a Business Day; (b) the average of the closing price of the Shares as shown in the daily quotations sheets of the Stock Exchange for the five Business Days immediately preceding the date of grant of that particular option; and (c) the nominal value of a Share on the offer date of the particular option.

(D) MAXIMUM NUMBER OF SHARES

- (i) The maximum number of Shares in respect of which options may be granted under the New Share Option Scheme and any other share option schemes of the Company shall not exceed such number of Shares as equals 10% of the issued share capital of the Company at the date of approval of the New Share Option Scheme. The Company may seek approval by its Shareholders in general meeting to refresh the 10% limit provided that the total number of Shares available for issue under options which may be granted under the New Share Option Scheme and any other schemes of the Company in these circumstances must not exceed 10% of the issued share capital of the Company at the date of approval of refreshing of the limit. Options previously granted under the New Share Option Scheme and any other share option schemes of the Company (including those outstanding, cancelled, lapsed or exercised in accordance with the New Share Option Scheme or any other share option schemes of the Company) will not be counted for the purpose of calculating the limit as refreshed.
- (ii) The Company may seek separate approval by its Shareholders in general meeting for granting options beyond the 10% limit provided the options in excess of the limit are granted only to Eligible Participant specifically identified by the Company before such approval is sought. The Company will send a circular to the Shareholders containing a generic description of the specified Eligible Participant who may be granted such options, the number and terms of the options to be granted, the purpose of granting options to the specified Eligible Participant with an explanation as to how the terms of the options serve such purpose, and such information as may be required under the GEM Listing Rules from time to time.
- (iii) The limit on the number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the New Share Option Scheme and any other options granted and yet to be exercised under any other share option schemes of the Company must not exceed 30% of the Shares in issue from time to time. No options may be granted under the New Share Option Scheme or any other share option schemes of the Company if this will result in the limit being exceeded.
- (iv) If the Company conducts a share consolidation or sub-division after the 10% limit has been approved in general meeting, the maximum number of Shares that may be issued upon exercise of all options to be granted under the New Share Option Scheme or any other share option schemes of the Company under the 10% limit as a percentage of the total number of issued Shares at the date immediately before and after such consolidation or sub-division shall be the same.

- (v) Unless approved by the Shareholders in the manner set out below, the total number of Shares issued and to be issued upon exercise of the options granted to each grantee (including both exercised and outstanding options) in any 12-month period must not exceed 1% of the Shares in issue. Where any further grant of options to an Eligible Participant would result in the Shares issued and to be issued upon exercise of all options granted and to be granted to such person (including exercised, cancelled and outstanding options) in the 12-month period up to and including the date of such further grant representing in aggregate over 1% of the Shares in issue, such further grant must be separately approved by Shareholders in general meeting with such Eligible Participant and his/her/its associates abstaining from voting. The Company must send a circular to its Shareholders and the circular must disclose the identity of the Eligible Participant, the number and terms of the options to be granted (and options previously granted to such Eligible Participant), and such information as may be required under the GEM Listing Rules from time to time. The number and terms (including the subscription price) of options to be granted to such Eligible Participant must be fixed before Shareholders' approval and the date of meeting of the Board for proposing such further grant should be taken as the date of grant for the purpose of calculating the subscription price. The exercise of any option shall be subject to the Shareholders in general meeting approving any necessary increase in the authorised share capital of the Company. Subject thereto, the Directors shall make available sufficient of the then authorised but unissued share capital of the Company to allot the Shares on the exercise of any option.

(E) EXERCISE OF OPTIONS

An option may be exercised at any time during the period to be determined and identified by the Board to each grantee at the time of making an offer for the grant of an option, but in any event no later than 10 years from the date of grant but subject to the early termination of the New Share Option Scheme.

Subject to terms of the New Share Option Scheme, an option shall be exercisable in whole or in part in the circumstances by 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 such notice must be accompanied by a non-refundable remittance for the full amount of the subscription price for Shares in respect of which the notice is given. Within 21 days after receipt of the notice and, where appropriate, receipt of the auditors' certificate, the Company shall accordingly allot the relevant number of Shares to the grantee (or his legal personal representative) credited as fully paid.

Though there is no specified minimum period under the New Share Option Scheme for which an option must be held or the performance target which must be achieved before an option can be exercised under the terms and conditions of the New Share Option Scheme, the Directors may make such grant of options, subject to such terms and conditions in relation to the minimum period of such options to be held and/or the performance targets to be achieved as the Directors may determine in their absolute discretion.

(F) RESTRICTIONS ON THE TIME OF GRANT OF OPTIONS

No option shall be granted by the Directors under the following circumstances:

- (i) after a price sensitive development has occurred or a price sensitive matter has been the subject of a decision until such price sensitive information has been announced pursuant to the requirements of the GEM Listing Rules; and
- (ii) during the period commencing one month immediately preceding the earlier of:
 - (aa) the date of the meeting of the Board for the approval of the annual results, interim results or quarterly results of the Company; and
 - (bb) the deadline for the Company to publish its annual results, interim results or quarterly results announcement under the GEM Listing Rules,

and ending on the date of the results announcements.

(G) RIGHTS ARE PERSONAL TO GRANTEES

An option shall be personal to the grantee and shall not be assignable and no grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest whatsoever in favour of any third party over or in relation to any option or enter into any agreement to do so.

(H) RIGHTS ON CEASING EMPLOYMENT

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 date on which the grantee ceases to be an Eligible Participant by reason of a termination of his/her employment on any one or more of the grounds specified in paragraph (u)(iii).

(I) RIGHTS ON DEATH

In the event of the grantee ceasing to be an Eligible Participant by reason of his/her death before exercising the option in full and where the grantee is any employee of the Group, none of the events which would be a ground for termination of his employment under paragraph (h) above arises, his/her personal representative(s) may exercise the option (to the extent not already exercised) in whole or in part within a period of 6 months following the date of death, or such longer period as the Directors may determine.

(J) CANCELLATION OF OPTIONS

Where the Company cancels options and offers new options to the same option holder, the offer of such new options may only be made under the New Share Option Scheme with available options (to the extent not yet granted and excluding the cancelled options) within the limit approved by the Shareholders as mentioned in paragraph (d) above.

(K) EFFECT OF ALTERATIONS TO SHARE CAPITAL

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 of profits or reserves, rights issue, consolidation, sub-division or reduction of the share capital of the Company (other than an issue of Shares as consideration in respect of a transaction while any option remains exercisable), the Company shall instruct the auditors or independent financial advisers to certify in writing:

- (A) the adjustment, if any, that ought in their opinion fairly and reasonably to be made either generally or as regards any particular grantee, to:
 - (aa) 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
 - (bb) the subscription price; and/or
 - (cc) the maximum number of Shares referred to in paragraph (d).

and an adjustment as so certified by the auditors or independent financial advisers shall be made, provided that:

- (aa) any such adjustment must give a grantee the same proportion of the equity capital as that to which that person was previously entitled;

- (bb) 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; and
 - (cc) 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.
- (B) in respect of any such adjustment, other than any made on a capitalisation issue, the auditors or independent financial advisers must confirm to the Directors in writing that the adjustment so made satisfies the requirements above.

(L) RIGHTS ON A GENERAL OFFER

If a general or partial offer is made to all the holders of Shares, 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 with the offeror, the Company shall use all its reasonable endeavours to procure that such offer is extended to all the grantees on the same terms, mutatis mutandis, and assuming that they will become, by the exercise in full of the options granted to them, Shareholders. If such offer becomes or is declared unconditional, the grantee shall, notwithstanding any other term 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 at any time thereafter and up to the close of such offer (or any revised offer).

(M) RIGHTS ON WINDING UP

In the event a notice is given by the Company to its members 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 or soon after it despatches such notice to each member of the Company give notice thereof to all grantees (containing an extract of the provisions of this paragraph) and thereupon, each grantee or his/her/its personal representative(s) shall be entitled to exercise all or any of his/her/its options (to the extent not already exercised) at any time not later than two Business Days prior to the proposed general meeting of the Company by giving notice in writing to the Company, 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.

(N) RIGHTS ON A COMPROMISE OR ARRANGEMENT

Other than a general or partial offer or a scheme of arrangement contemplated in paragraph (o) below, in the event of a compromise or arrangement between the Company and its members or 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 its members or creditors to consider such a scheme or arrangement and any grantee or his/her/its personal representative(s) may by notice in writing to the Company accompanied by a remittance of the full amount of the subscription price in respect of which the notice is given (such notice to be received by the Company not later than two Business Days prior to the proposed meeting) exercise the option (to the extent not already exercised) either to its full extent or to the extent specified in such notice.

(O) RIGHTS ON A SCHEME OF ARRANGEMENT

If a general or partial offer by way of scheme of arrangement is made to all the holders of Shares, 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 with the offeror, the Company shall use all its reasonable endeavours to procure that such offer is extended to all the grantees on the same terms, mutatis mutandis, and assuming that they will become, by the exercise in full of the options granted to them, the Shareholders. If such scheme of arrangement is formally proposed to the Shareholders, the grantee shall, notwithstanding any other term on which his/her/its 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 at any time thereafter and the record date for entitlements under the scheme of arrangement.

(P) RANKING OF SHARES

Shares to be allotted and issued upon the exercise of an option will be subject to all the provisions of the Articles for the time being in force and will rank *pari passu* in all respects with the 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 (the "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.

(Q) DURATION AND ADMINISTRATION OF THE SHARE OPTION SCHEME

The New Share Option Scheme shall be valid and effective commencing from the adoption date of the New Share Option Scheme until the termination date as provided therein (which being the close of business of the Company on the date which falls ten years from the date of the adoption of the New Share Option Scheme), 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. The New Share Option Scheme shall be subject to the administration of the Directors whose decision on all matters arising in relation to the New Share Option Scheme or its interpretation or effect shall (save as otherwise provided herein and in the absence of manifest error) be final and binding on all persons who may be affected thereby.

(R) ALTERATIONS TO THE TERMS OF THE SHARE OPTION SCHEME

Subject to the GEM Listing Rules, the New Share Option Scheme may be altered from time to time in any respect by a resolution of the Directors except that the following alterations shall require the prior sanction of the Shareholders in general meeting (with all grantees and their associates abstaining from voting and the votes taken by poll):

- (i) alterations of the provisions relating to the matters set out in Rule 23.03 of the GEM Listing Rules cannot be altered to the advantage of Eligible Participant without the prior approval of the Shareholders in general meeting;
- (ii) any alteration to the terms and conditions of the provisions of the New Share Option Scheme which are of a material nature or any change to the terms of options granted must be approved by the Shareholders in general meeting, except where the alterations take effect automatically under the existing terms of the New Share Option Scheme; and
- (iii) any change to the authority of the Directors or administrator of the New Share Option Scheme in relation to any alteration to the terms of the New Share Option Scheme must be approved by the Shareholders in general meeting.

The amended terms of the New Share Option Scheme or the options must still comply with the relevant requirements of the GEM Listing Rules and any guidance/interpretation of the GEM Listing Rules issued by the Stock Exchange from time to time.

(S) CONDITIONS OF THE SHARE OPTION SCHEME

The New Share Option Scheme is conditional upon:

- (i) the GEM Listing Committee granting the listing of, and permission to deal in, any Shares to be issued by the Company pursuant to the exercise of options in accordance with the terms and conditions of the New Share Option Scheme; and
- (ii) the passing of an ordinary resolution to approve and adopt the New Share Option Scheme by the Shareholders at the EGM.

(T) GRANT OF OPTIONS TO CONNECTED PERSONS OR ANY OF THEIR ASSOCIATES

Each grant of options to any of the Directors, chief executive or substantial shareholder of the Company, or any of their respective associates must be approved by the independent non-executive Directors (excluding the independent non-executive Director who is the proposed grantee of the option (if any)). Where any grant of options to a substantial shareholder of the Company or an independent non-executive Director, or any of their respective associates, would result in the Shares issued and to be issued upon exercise of all options already granted and to be granted (including options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant:

- (i) representing in aggregate over 0.1% of the Shares in issue; and
- (ii) having an aggregate value, based on the closing price of the Shares at the date of each grant, in excess of HK\$5 million,

such further grant of options must be approved by Shareholders. The Company must send a circular to its Shareholders. The grantee, his/her/its associates and all core connected persons of the Company must abstain from voting in favour at such general meeting. Any vote taken at the meeting to approve the grant of such options must be taken on a poll. The circular must contain:

- (i) details of the number and terms (including the subscription price) of the options to be granted to each Eligible Participant, which must be fixed before the Shareholders' meeting and the date of the meeting of the Board for proposing such further grant should be taken as the date of grant for the purpose of calculating the subscription price;

- (ii) a recommendation from the independent non-executive Directors to the independent Shareholders as to voting; and
- (iii) the information as may be required under the GEM Listing Rules from time to time.

Shareholders' approval is also required for any change in the terms of options granted to an Eligible Participant who is a substantial shareholder of the Company or an independent non-executive Director, or any of their respective associates.

(U) LAPSE OF OPTION

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:

- (i) the expiry of the option period in respect of such option;
- (ii) the expiry of any of the periods referred to in paragraphs (h), (i), (l), (m), (n) or (o), where applicable;
- (iii) the date on which the grantee of an option ceases to be an Eligible Participant by reason of the termination of his employment or engagement on grounds including, but not limited to, persistent or serious misconduct, bankruptcy, insolvency, making any arrangement or composition with his creditors generally, or conviction of any criminal offence (other than an offence which in the opinion of the Directors does not bring the grantee or any member of the Group into disrepute);
- (iv) the date on which the Directors shall exercise the Company's right to cancel the option by reason of a breach of paragraph (g) by the grantee in respect of that or any other option; or
- (v) the date of the commencement of the winding-up of the Company.

(V) TERMINATION

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 granted prior thereto or otherwise as may be required in accordance with the provisions of the New Share Option Scheme and options granted prior to such termination shall continue to be valid and exercisable in accordance with the New Share Option Scheme.

NOTICE OF EXTRAORDINARY GENERAL MEETING

Asia-Pac Financial Investment Company Limited

亞太金融投資有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 8193)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an extraordinary general meeting of Asia-Pac Financial Investment Company Limited (the “Company” and the “EGM”, respectively) will be held at Portion 2, 12th Floor, The Center, 99 Queen’s Road Central, Central, Hong Kong on Thursday, 30 September 2021 at 11:30 a.m. to consider and, if thought fit, pass the following resolution as an ordinary resolution:

1. **“THAT:**

- (a) conditional upon the Stock Exchange granting the listing of and permission to deal in the Shares’ falling to be allotted and issued pursuant to the new share option scheme (the “New Share Option Scheme”), the terms of which are set out in the document marked “A” which has been produced to this meeting and signed by the chairman of this meeting for the purpose of identification, the rules of the New Share Option Scheme be and are hereby approved and adopted and the Directors be and are hereby authorised to grant options and to allot, issue and deal in the Shares as may be required to be allotted and issued upon the exercise of any option granted thereunder and to take all such steps as they may consider necessary or expedient to implement the New Share Option Scheme; and
- (b) the maximum number of Shares to be allotted and issued pursuant to paragraph (a) above shall not exceed 10% of the aggregate number of the issued Shares as at the date of passing of this resolution.”

By order of the Board

Asia-Pac Financial Investment Company Limited

Ip Kwok Kwong

Executive Director and Managing Director

Hong Kong, 14 September 2021

NOTICE OF EXTRAORDINARY GENERAL MEETING

Head Office and Principal Place of Business

in Hong Kong:
Room 304, 3rd Floor
Shui On Centre
6-8 Harbour Road
Wanchai
Hong Kong

Registered Office:

Cricket Square, Hutchins Drive
P.O. Box 2681, Grand Cayman
KY1-1111, Cayman Islands

Notes:

1. Any member of the Company (the “Member”) entitled to attend and vote at the meeting above (the “EGM”) or its adjourned meeting (as the case may be) is entitled to appoint one (or, if he/she/it holds two or more shares of the Company (the “Shares”), more than one) proxy to attend and, on a poll, vote on his/her/its behalf subject to the provisions of the articles of association. A proxy need not be a Member but must be present in person at the EGM to represent the Member. If more than one proxy is so appointed, the appointment shall specify the number of Shares in respect of which each such proxy is so appointed.
2. A form of proxy for use in connection with the EGM is enclosed. If you are not able to attend and vote at the EGM in person, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon. Completion and return of a form of proxy will not preclude a Member from attending in person and voting at the EGM or its adjournment should he/she/it so wish. In such event, the form of proxy shall be deemed to be revoked.
3. In order to be valid, the form of proxy must be deposited together with a power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority, at the offices of the Company’s branch share registrar in Hong Kong, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong not later than 48 hours before the time appointed for holding the EGM (i.e. by 11:30 a.m. on 28 September 2021) or its adjourned meeting. Completion and return of a form of proxy will not preclude a Member from attending in person and voting at the EGM or its adjournment should he/she/it so wish.

In view of the ongoing Novel Coronavirus (COVID-19) epidemic, the Company strongly recommends Shareholders to exercise their voting rights by appointing the chairman of the EGM as their proxy to vote on the relevant resolutions at the EGM as an alternative to attending the EGM in person.

4. Where there are joint holders of any Share, any one of such joint holders may vote at the EGM, either in person or by proxy, in respect of such Share as if he/she/it were solely entitled thereto; but should more than one of such joint holders be present at the EGM in person or by proxy, that one of the said joint holders so present whose name stands first on the register of Members in respect of such Share(s) shall alone be entitled to vote in respect thereof.
5. For determining Members’ entitlement to attend and vote at the EGM, the register of Members will be closed from Monday, 27 September 2021 to Thursday, 30 September 2021 (both dates inclusive), during which period no transfer of Shares will be effected. In order to qualify for attending and voting at EGM, the non-registered shareholders must lodge all transfer documents, accompanied by the relevant share certificates, must be lodged with the Company’s branch share registrar in Hong Kong, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong for registration not later than 4:30 p.m. on Friday, 24 September 2021.

NOTICE OF EXTRAORDINARY GENERAL MEETING

6. In compliance with Rule 17.47(4) of the GEM Listing Rules, voting on the proposed resolutions set out in the notice of the EGM will be taken by a poll.

7.
 - (a) Subject to paragraph (b) below, if a tropical cyclone warning signal No. 8 or above is expected to be hoisted or a black rainstorm warning signal is expected to be in force at any time on the date of the EGM, the EGM will be postponed and an announcement with details meeting arrangement will be made.

 - (b) If a tropical cyclone warning signal No. 8 or above or a black rainstorm warning signal is lowered or cancelled three hours before the time fixed for the holding of the EGM and where conditions permit, the EGM will be held as scheduled.

 - (c) The EGM will be held as scheduled when a tropical cyclone warning signal No. 3 or below or an amber or red rainstorm warning signal is in force.

 - (d) After considering their own situations, Members should decide on their own whether or not they would attend the EGM under any bad weather condition and if they do so, they are advised to exercise care and caution.

8. All times and dates specified herein refer to Hong Kong local times and dates.

PRECAUTIONARY MEASURES FOR THE EGM

The Company will implement the following measures at the EGM, including:

- compulsory body temperature checks
- refusal of entry of those with a high temperature
- wearing of face masks throughout the meeting
- no distribution of corporate gifts and refreshments

Any person who does not comply with the precautionary measures will be denied entry into the EGM venue.