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)

PROPOSED CAPITAL REORGANISATION AND CHANGE IN BOARD LOT SIZE

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 date of this announcement, 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 date of this announcement 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, the share capital of the Company will be reduced whereby:

(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 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.

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.

GENERAL

The SGM will be convened and held for the Shareholders to consider and, if thought fit, approve the Capital Reorganisation. A circular containing, among other things, details of the Capital Reorganisation, together with the notice convening the SGM, is expected to be despatched to the Shareholders on or before, Friday, 25 October 2024.

WARNING

Shareholders and potential investors should note that the Capital Reorganisation is conditional upon satisfaction of the conditions set out in the paragraphs headed "Conditions for the Capital Reorganisation" in this announcement. Accordingly, the Capital Reorganisation may or may not proceed.

Shareholders and potential investors are advised to exercise caution when dealing in the Shares. If they are in any doubt, they should consult their professional advisers.

PROPOSED CAPITAL REORGANISATION

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(1) Share Consolidation

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As at the date of this announcement, 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 date of this announcement 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, the share capital of the Company will be reduced whereby:

(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 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;

(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 and the laws of Bermuda (where applicable) and the GEM Listing Rules to effect the Capital Reorganisation.

As at the date of this announcement, 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 date of this announcement, 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 date of this announcement 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 date of this announcement up to the Effective Date).

Based on 903,482,006 Existing Shares in issue as at the date of this announcement, 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.

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 date of this announcement until the Effective Date of the Capital Reorganisation:

	As at the date of this announcement	**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 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.

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 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 at the expense of the Company. The colour of the new share certificates for the New Shares will be announced by the Company in due course.

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 date of this announcement, the total number of shares of the Company issuable pursuant to the Share Option Scheme is 75,290,167 shares of the Company. There is no outstanding share option under the Share Option Scheme as at the date of this announcement. Save as disclosed above, as at the date of this announcement, 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.

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$0.061 per Existing Share (equivalent to the theoretical closing price of HK$0.61 per New Share upon the Capital Reorganisation becoming effective) as at the date of this announcement, (i) the value per board lot of 10,000 Existing Shares is HK$610; and (ii) the theoretical market value per board lot of 5,000 New Shares would be HK$3,050 on the assumption that the Capital Reorganisation becomes effective.

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 date of this announcement, 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 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 will appoint a securities firm 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. Details of the odd lot arrangement will be set out in the circular of the Company to be despatched to the Shareholders.

Shareholders holding odd lots of the New Shares should note that the 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.

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.

GENERAL

The SGM will be convened and held for the Shareholders to consider and, if thought fit, approve the Capital Reorganisation. To the best of the Directors' knowledge, no Shareholder has a material interest in the Capital Reorganisation and is required to abstain from voting at the SGM.

A circular containing, among other things, details of the Capital Reorganisation and the Change in Board Lot Size together with the notice convening the SGM and form of proxy, is expected to be despatched to the Shareholders on or before Friday, 25 October 2024.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as no Shareholder has a material interest in the Capital Reorganisation, no Shareholder will be required to abstain from voting on the special resolution to approve the Capital Reorganisation at the SGM.

EXPECTED TIMETABLE

The expected timetable for the Capital Reorganisation (comprising the Share Consolidation and the Capital Reduction) and the Change in Board Lot Size, is as follows:

Event	*2024 (Hong Kong time and date)*
Date of despatch of circular with notice of SGM and form of proxy	on or before Friday, 25 October 2024
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

The following events are conditional on the fulfilment of the conditions for the implementation of the Capital Reorganisation:

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

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 the of 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

The expected timetable set out above is indicative only and may be subject to change. Further announcement(s) will be made as and when appropriate.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expressions shall have the meaning ascribed to them below:

"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)
"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
"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 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 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$0.10
"Share Option(s)"	share option(s) granted or to be granted under the share option scheme of the Company adopted on 15 June 2023
"Share(s)"	Existing Share(s), Consolidated Share(s) and/or New Share(s), as the case may be
"Shareholder(s)"	the holder(s) of the issued Share(s)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong

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

Hong Kong, 7 October 2024

As at the date of this announcement, the Board comprises three executive Directors, namely Mr. Ng Man Chun Paul, Mr. Ng Ting Ho and Mr. Chan Chi Fung; and three independent non-executive Directors, namely Mr. Chan Hin Hang, Mr. Yum Edward Liang Hsien and Mr. Hung Kenneth.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

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