
THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

A copy of each of the Prospectus Documents together with the written consent referred to in the section headed “(8) Expert’s Qualification and Consent” in this prospectus, have been registered with the Registrar of Companies in Hong Kong as required by Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong). The Registrar of Companies in Hong Kong, The Stock Exchange of Hong Kong Limited and the Securities and Futures Commission of Hong Kong take no responsibility as to the contents of any of the Prospectus Documents or any other documents referred to above. You should read the whole of the Prospectus Documents including the discussions of certain risks and other factors as set out in the section headed “Warning of the Risks of Dealing in the Shares and the nil-paid Rights Shares” in the “Letter from the Board” in this prospectus.

Subject to the granting of listing of, and permission to deal in the Rights Shares in both nil-paid and fully-paid forms on the Stock Exchange and compliance with the stock admission requirements of HKSCC, the Rights Shares in both nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from their respective commencement dates of dealings on the Stock Exchange or such other date as may be 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 trading day thereafter. All activities under CCASS are subject to the General Rules of HKSCC and HKSCC Operational Procedures in effect from time to time.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company Limited take no responsibility for the contents of this prospectus, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this prospectus. The securities described herein have not been registered under the US Securities Act or the laws of any state in the United States, and may not be offered or sold within the United States, absent registration or an exemption from the registration requirements of the US Securities Act and applicable state laws. There is no intention to register any portion of the Rights Issue or any securities described herein in the United States or to conduct a public offering of securities in the United States. Distribution of this prospectus into jurisdictions other than Hong Kong may be restricted by law. Persons into whose possession this prospectus comes should inform themselves of and observe any such restrictions. This prospectus is not for release, publication or distribution, directly or indirectly, in or into the United States or to US persons (as defined in Regulation S under the US Securities Act).



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 RIGHTS ISSUE OF RIGHTS SHARES ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY TWO (2) EXISTING SHARES AT HK\$0.345 PER RIGHTS SHARE ON A NON-UNDERWRITTEN BASIS

Capitalised terms used in this cover page shall have the same meanings as those defined in the section headed “Definitions” in this prospectus.

The latest time for acceptance of and payment for the Rights Shares is 4:00 p.m. on Friday, 14 February 2025. The procedures for acceptance, application and transfer of Rights Shares are set out on pages 15 to 19 of this prospectus.

The Shares have been dealt in on an ex-rights basis from Tuesday, 7 January 2025. Dealings in the Rights Shares in nil-paid form will take place from Tuesday, 4 February 2025 to Tuesday, 11 February 2025 (both days inclusive). The Rights Issue is on a non-underwritten basis. Pursuant to the Company’s constitutional document, the Companies (Winding Up and Miscellaneous Provisions) Ordinance and the GEM Listing Rules, there is no requirement for a minimum level of subscription in the Rights Issue. The Rights Issue is subject to fulfillment or (where applicable) waiver of the conditions of the Rights Issue as set out in the section headed “Conditions of the Rights Issue” in the “Letter from the Board” on page 24 of this prospectus at or prior to the latest time for the Rights Issue to become unconditional (which is currently expected to be 4:00 p.m. on Monday, 3 March 2025). The conditions include non-occurrence of force majeure events. If the conditions of the Rights Issue are not fulfilled or (where applicable) waived on or prior to the latest time for the Rights Issue to become unconditional, the Rights Issue will not proceed.

Any dealings in the Shares from the date of this prospectus up to the date on which the conditions of the Rights Issue are fulfilled, which is currently expected to be 4:00 p.m. on Monday, 3 March 2025, and any dealings in the Rights Shares in the nil-paid forms from Tuesday, 4 February 2025 to Tuesday, 11 February 2025 (both days inclusive) are accordingly subject to the risk that the Rights Issue may not become unconditional and may not proceed. Shareholders and potential investors should therefore exercise caution when dealing in the Shares and/or the nil-paid Rights Shares, and if they are in any doubt about their position, they are recommended to consult their professional advisers.

28 January 2025

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.

NOTICE

The Rights Issue is on a non-underwritten basis. Pursuant to the Company’s constitutional document, the Companies (Winding Up and Miscellaneous Provisions) Ordinance and the Listing Rules, there is no requirement for a minimum level of subscription in the Rights Issue. The Rights Issue is subject to fulfillment or (where applicable) waiver of the conditions of the Rights Issue as set out in the section headed “Conditions of the Rights Issue” in the “Letter from the Board” on page 24 of this prospectus at or prior to the latest time for the Rights Issue to become unconditional (which is currently expected to be 4:00 p.m. on Monday, 3 March 2025). If the conditions of the Rights Issue are not fulfilled or (where applicable) waived on or prior to the latest time for the Rights Issue to become unconditional, the Rights Issue will not proceed.

ANY SHAREHOLDER OR OTHER PERSON CONTEMPLATING TRANSFERRING, SELLING OR PURCHASING SHARES AND/OR RIGHTS SHARES IN THEIR NIL-PAID FORM IS ADVISED TO EXERCISE CAUTION WHEN DEALING IN THE SHARES AND/OR NIL-PAID RIGHTS SHARES. ANY PERSON WHO IS IN ANY DOUBT ABOUT HIS/HER/ITS POSITION OR ANY ACTION TO BE TAKEN IS RECOMMENDED TO CONSULT HIS/HER/ITS OWN PROFESSIONAL ADVISER(S). ANY SHAREHOLDER OR OTHER PERSON DEALING IN THE SHARES OR IN THE NIL-PAID RIGHTS SHARES UP TO THE DATE ON WHICH ALL THE CONDITIONS TO WHICH THE RIGHTS ISSUE IS SUBJECT ARE FULFILLED WILL ACCORDINGLY BEAR THE RISK THAT THE RIGHTS ISSUE MAY NOT BECOME UNCONDITIONAL OR MAY NOT PROCEED.

EXCEPT AS OTHERWISE SET OUT HEREIN, THE RIGHTS ISSUE DESCRIBED IN THIS PROSPECTUS IS NOT BEING EXTENDED TO SHAREHOLDERS WITH REGISTERED ADDRESSES IN JURISDICTIONS OUTSIDE HONG KONG AND NEITHER IS THE RIGHTS ISSUE BEING EXTENDED TO INVESTORS WHO ARE LOCATED OR RESIDING IN ANY OF THE JURISDICTIONS OUTSIDE HONG KONG, UNLESS AN OFFER OF THE RIGHTS SHARES IN NIL-PAID AND/OR FULLY-PAID FORMS INTO SUCH JURISDICTIONS COULD LAWFULLY BE EXTENDED WITHOUT COMPLIANCE WITH ANY REGISTRATION OR OTHER LEGAL OR REGULATORY REQUIREMENTS OR THE OFFER IS EXTENDED IN RELIANCE ON ANY EXEMPTION OR WHERE COMPLIANCE IS NOT UNDULY BURDENSOME. This prospectus does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to acquire, the nil-paid Rights Shares or fully-paid Rights Shares or to take up any entitlements to the nil-paid Rights Shares or fully-paid Rights Shares in any jurisdiction in which such an offer, invitation or solicitation is unlawful. None of this prospectus and the Provisional Allotment Letter(s) will be registered or filed under the securities laws of any jurisdiction other than Hong Kong and none of the nil-paid Rights Shares, the fully-paid Rights Shares, this prospectus and the Provisional Allotment Letter(s) will qualify for distribution under any of the relevant securities laws of any of the jurisdictions outside Hong Kong (other than pursuant to any applicable exceptions as agreed by the Company). Accordingly, the nil-paid Rights Shares and the fully-paid Rights Shares may not be offered, sold, pledged, taken up, resold, renounced, transferred or delivered, directly or indirectly, into or within any jurisdictions outside Hong Kong absent registration or qualification under the respective securities laws of such jurisdictions outside Hong Kong, or exemption from the registration or qualification requirement under applicable rules of such jurisdictions.

NOTICE

Each person acquiring the Rights Shares in nil-paid and/or fully-paid forms under the Rights Issue will be required to confirm, or be deemed by his or her or its acquisition of the Rights Shares in nil-paid and/or fully-paid forms to confirm, that he or she or it is aware of the restrictions on offers and sales of the Rights Shares in nil-paid and/or fully-paid forms described in this prospectus.

For a description of certain restrictions regarding the taking up of the nil-paid Rights Shares for, and the offering and sale of, the Rights Shares, see the notices below.

FORWARD-LOOKING STATEMENTS

All statements in this prospectus other than statements of historical fact are forward-looking statements. In some cases, forward-looking statements may be identified by the use of words such as “might”, “may”, “could”, “would”, “will”, “expect”, “intend”, “estimate”, “anticipate”, “believe”, “plan”, “seek”, “continue”, “illustration”, “projection” or similar expressions and the negative thereof. Forward-looking statements in this prospectus include, without limitation, statements in respect of the Group’s business strategies, service offerings, market position, competition, financial prospects, performance, liquidity and capital resources, as well as statements regarding trends in the relevant industries and markets in which the Group operates, technological advances, financial and economic developments, legal and regulatory changes and their interpretation and enforcement.

The forward-looking statements in this prospectus are based on the present expectations of the management of the Company about future events. The present expectations of the management of the Company reflect numerous assumptions regarding the Group’s strategy, operations, industry, developments in the credit and other financial markets and trading environment. By their nature, they are subject to known and unknown risks and uncertainties, which could cause actual results and future events to differ materially from those implied or expressed by forward-looking statements. Should one or more of these risks or uncertainties materialise, or should any assumptions underlying forward-looking statements prove to be incorrect, the Group’s actual results could differ materially from those expressed or implied by forward-looking statements.

Additional risks not known to the Group or that the Group does not currently consider material could also cause the events and trends discussed in this prospectus not to occur, and the estimates, illustrations and projections of financial performance not to be realised.

Prospective investors are cautioned that forward-looking statements speak only as at the date of publication of this prospectus. Except as required by applicable law, the Group does not undertake, and expressly disclaims, any duty to revise any forward-looking statement in this prospectus, be it as a result of new information, future events or otherwise.

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DEFINITIONS

Unless the context otherwise requires, terms used in this prospectus shall have the following respective meanings:

“Announcement”	the announcement of the Company dated 31 December 2024 in relation to, among other things, the Rights Issue
“Beneficial Owner”	any beneficial owner of Shares whose Shares are registered in the name of a Registered Owner
“Board”	the board of Directors
“Business Day”	any day on which banks are generally open for business in Hong Kong (excluding Saturday and Sunday)
“BVI”	the British Virgin Islands
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“CCASS Clearing Participant”	a person admitted to participate in CCASS as a direct clearing participant or general clearing participant
“CCASS Custodian Participant”	a person admitted to participate in CCASS as a custodian participant
“CCASS Investor Participant”	a person admitted to participate in CCASS as an investor participant who may be an individual or joint individuals or a corporation
“CCASS Participant”	a CCASS Clearing Participant, a CCASS Custodian Participant or a CCASS Investor Participant
“Companies (Winding Up and Miscellaneous Provisions) Ordinance”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong)
“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
“Compensatory Arrangements”	the arrangements involving the placing of the Unsubscribed Rights Shares and NQS Unsold Rights Shares, if any, by the Placing Agent on a best effort basis in accordance with Rule 10.31(1)(b) of the GEM Listing Rules

DEFINITIONS

“connected person(s)”	has the same meaning ascribed to it under the GEM Listing Rules
“Director(s)”	the director(s) of the Company
“GEM”	GEM of the Stock Exchange
“GEM Listing Committee”	has the meaning ascribed to it under the GEM Listing Rules
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company, and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	third party(ies) independent of the Company and any connected person(s) of the Company and not a connected person of the Company
“Intermediary”	in relation to a Beneficial Owner whose Shares are deposited in CCASS and registered in the name of HKSCC Nominees, means the Beneficial Owner’s broker, custodian, nominee or other relevant person who is a CCASS Participant or who has deposited the Beneficial Owner’s Shares with a CCASS Participant
“Last Trading Day”	Tuesday, 31 December 2024 being the last trading day for the Shares immediately before the release of the Announcement
“Latest Acceptance Date”	4:00 p.m. on Friday, 14 February 2025, being the last day for acceptance and payment of the Rights Issue, or such other date as the Company may determine
“Latest Placing Time”	4:00 p.m. on Monday, 3 March 2025, or such other date and time as the Company may announce, being the latest date and time for the Placing Agent to execute the Compensatory Arrangements
“Latest Practicable Date”	23 January 2025, being the latest practicable date prior to the printing of this prospectus for the purpose of ascertaining information contained herein

DEFINITIONS

“Long Stop Date”	Monday, 31 March 2025 (or such other date as the Company may determine)
“Net Gain”	the aggregate of any premiums (being the aggregate amount paid by the placees after deducting (a) the aggregate amount of the Subscription Price for the Unsubscribed Rights Shares and the NQS Unsold Rights Shares placed by the Placing Agent under the Compensatory Arrangements; and (b) the aggregate amount of the expenses of the Placing Agent and any other related expenses/fees)
“Nil Paid Rights”	rights to subscribe for Rights Shares (in the form of Rights Shares in nil-paid form) before the Subscription Price is paid
“No Action Shareholder(s)”	Qualifying Shareholders who do not subscribe for the Rights Shares (whether partially or fully) under the provisional allotment letters or their renounees, or such persons who hold any Nil Paid Rights at the time such Nil Paid Rights are lapsed
“Non-Qualifying Shareholder(s)”	Overseas Shareholder(s) in respect of whom the Directors, based on legal advice provided by legal advisers in the relevant jurisdictions, consider it necessary or expedient to exclude from the Rights Issue, on account either of the legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place
“NQS Unsold Rights Shares”	the Rights Shares which would otherwise have been provisionally allotted to the Non-Qualifying Shareholders in nil-paid form that have not been sold by the Company
“Overseas Shareholder(s)”	Shareholder(s) whose names appear on the register of members of the Company as at the close of business on the Record Date and whose address(es) as shown on such register is/are outside Hong Kong
“Placing Agent”	Minerva Holding Financial Securities Limited, being a corporation licensed to conduct Type 1 (dealing in securities) and Type 4 (advising on securities) regulated activities under the SFO
“Placing Agreement”	the placing agreement dated 31 December 2024 entered into between the Company and the Placing Agent in relation to the placing of Unsubscribed Rights Shares and the NQS Unsold Rights Shares

DEFINITIONS

“Placing Arrangement”	the placing arrangement for the Unsubscribed Rights Shares and the NQS Unsold Rights Shares as described in the section headed “Placing Arrangement for the Unsubscribed Rights Shares and the NQS Unsold Rights Shares” in this prospectus
“Posting Date”	28 January 2025 or such other date as the Company may determine in writing for the despatch of the Prospectus Document
“PRC”	the People’s Republic of China, which for the purpose of this prospectus, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Prospectus”	the prospectus to be issued by the Company in relation to the Rights Issue
“Prospectus Documents”	the Prospectus and the Provisional Allotment Letter
“Provisional Allotment Letter(s)” or “PAL(s)”	the provisional allotment letter(s) to be issued to the Qualifying Shareholders in connection with the Rights Issue in such form as the Company may approve
“Public Float Requirement”	the public float requirement under Rule 11.23(7) of the GEM Listing Rules
“Qualifying Shareholder(s)”	Shareholder(s), other than the Non-Qualifying Shareholder(s), whose name(s) appear on the register of members of the Company as at the close of business on the Record Date
“Record Date”	15 January 2025, being the date by reference to which entitlements of the shareholders under the Rights Issue are expected to be determined
“Registered Owner”	in respect of a Beneficial Owner, means a nominee, trustee, depository or any other authorised custodian or third party which is the registered holder in the register of members of the Company of the Shares in respect of which the Beneficial Owner is beneficially interested
“Registrar”	the branch share registrar and transfer office of the Company, being Tricor Tengis Limited, 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong
“Rights Shares”	the new Share(s) to be allotted and issued in respect of the Rights Issue
“SFC”	the Securities and Futures Commission of Hong Kong

DEFINITIONS

“SFO”	the Securities and Futures Ordinance
“Share(s)”	ordinary share(s) of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	the subscription price of HK\$0.345 per Rights Share
“subsidiary(ies)”	has the same meaning ascribed to it under the GEM Listing Rules
“substantial shareholder”	has the meaning ascribed to it under the GEM Listing Rules
“Takeovers Code”	the Hong Kong Codes on Takeovers and Mergers and Share Buy-backs
“United States” or “US”	the United States of America (including its territories and dependencies, any state in the US and the District of Columbia)
“Unsubscribed Rights Shares”	the Rights Shares that are not subscribed by the Qualifying Shareholders, or holders of Nil Paid Rights
“US person(s)”	any person(s) or entity(ies) deemed to be a US person for the purposes of Regulation S under the US Securities Act of 1933, as amended
“%”	per cent or percentage

SUMMARY OF THE RIGHTS ISSUE

The following information is derived from, and should be read in conjunction with, the full text of this prospectus:

Basis of the Rights Issue:	One (1) Rights Share for every two (2) existing Shares held on the Record Date
Subscription Price:	HK\$0.345 per Rights Share
Number of the existing Shares in issue as at the Record Date:	90,348,200 Shares
Number of Rights Shares to be issued under the Rights Issue:	Up to 45,174,100 Rights Shares
Aggregate nominal value of the Rights Shares:	Up to HK\$451,741
Maximum enlarged issued share capital upon completion of the Rights Issue:	135,522,300 Shares (assuming no Shares are issued (other than the Rights Shares) or repurchased on or before the completion of the Rights Issue)
Maximum proceeds to be raised under the Rights Issue before expenses:	Up to HK\$15,585,065

As at the Latest Practicable Date, the Company has no other outstanding convertible bonds, options, derivatives, warrants, conversion rights or other similar rights entitling holders thereof to subscribe for or convert into or exchange for new Shares.

The maximum number of 45,174,100 Rights Shares to be issued pursuant to the terms of the Rights Issue represents 50.0% of the total number of the existing issued Shares as at the Latest Practicable Date and 33.3% of the total number of the issued Shares as enlarged by the allotment and issue of the Rights Shares immediately upon completion of the Rights Issue.

The Company has not conducted any rights issue, open offer and/or specific mandate placing within the 12-month period immediately preceding the date of this prospectus, or prior to such 12-month period where dealing in respect of the Shares issued pursuant thereto commenced within such 12-month period, nor has it issued any bonus securities, warrants or other convertible securities as part of such rights issue, open offers and/or specific mandate placings within such 12-month period. The Rights Issue does not result in a theoretical dilution effect of 25% or more on its own.

EXPECTED TIMETABLE

EXPECTED TIMETABLE FOR THE RIGHTS ISSUE

The expected timetable for the Rights Issue is set out below.

Despatch of Prospectus Documents (in the case of Non-Qualifying Shareholders, the Prospectus only)	Tuesday, 28 January 2025
First day of dealing in Nil Paid Rights	Tuesday, 4 February 2025
Latest time for splitting Provisional Allotment Letters	4:30 p.m., on Thursday, 6 February 2025
Last day of dealing in Nil Paid Rights	Tuesday, 11 February 2025
Latest time for acceptance and payment for the Rights shares	4:00 p.m., on Friday, 14 February 2025
Latest time for lodging transfer documents of nil-paid Rights Shares in order to qualify for the payment of Net Gain.	4:00 p.m., on Friday, 14 February 2025
Announcement of the number of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares subject to the Compensatory Arrangements to be posted on the Stock Exchange's website and the Company's website on or before	Thursday, 20 February 2025
Commencement of placing of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares by the Placing Agent.	Friday, 21 February 2025
Latest time of placing of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares by the Placing Agent	4:00 p.m., on Monday, 3 March 2025
Latest Time for termination of the Placing Agreement and for the Rights Issue to become unconditional	4:00 p.m., on Monday, 3 March 2025
Announcement of the results of the Rights Issue (including results of the placing of Unsubscribed Rights Shares and the NQS Unsold Rights Shares and the amount of the Net Gain per Unsubscribed Rights Share and the NQS Unsold Rights Shares under the Compensatory Arrangements) to be posted on the Stock Exchange's website and the Company's website on or before	Thursday, 6 March 2025
Despatch of Refund cheques (if any).	Friday, 7 March 2025
Despatch of certificates for fully-paid Rights Shares	Friday, 7 March 2025

EXPECTED TIMETABLE

Commencement of dealings in fully-paid Rights Shares 9:00 a.m., on
Monday, 10 March 2025

Payment of the Net Gain (if any) to relevant No Action Shareholders
and Non-Qualifying Shareholders (if any) Tuesday, 1 April 2025

Note: All times and dates in this prospectus refer to Hong Kong local times and dates. Shareholders should note that the dates or deadlines specified in the expected timetable for the Rights Issue as set out above, and in other parts of this prospectus, are indicative only, the Board may extend, or make adjustment to, the timetable if it considers appropriate. Any such extension or adjustment to the expected timetable will be published or notified to the Shareholders and the Stock Exchange as and when appropriate.

EFFECT OF BAD WEATHER ON THE LATEST TIME FOR ACCEPTANCE OF AND PAYMENT FOR THE RIGHTS SHARES

The latest time for acceptance of and payment for Rights Shares will not take place if there is a tropical cyclone warning signal no. 8 or above, or a “black” rainstorm warning and/or “extreme conditions” as announced by the Hong Kong Government:

- (i) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on the Latest Acceptance Date. Instead the latest time for acceptance of and payment for the Rights Shares will be extended to 5:00 p.m. on the same day; and
- (ii) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on the Latest Acceptance Date. Instead the latest time of acceptance of and payment for the Rights Shares will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:00 p.m.

If the latest time for acceptance of and payment for the Rights Shares does not take place on the Latest Acceptance Date, the dates mentioned in the section headed “Expected timetable for the Rights Issue” may be affected. The Company will notify the Shareholders by way of announcement(s) of any change to the expected timetable as soon as practicable.

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. Hung Kenneth
Ms. Ng Ching

Principal place of business in Hong Kong:

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

28 January 2025

*To the Qualifying Shareholders and, for information purpose only,
the Non-Qualifying Shareholders*

Dear Sir or Madam,

**PROPOSED RIGHTS ISSUE OF RIGHTS SHARES ON THE BASIS OF
ONE (1) RIGHTS SHARE FOR EVERY TWO (2) EXISTING SHARES
AT HK\$0.345 PER RIGHTS SHARE ON A NON-UNDERWRITTEN BASIS**

INTRODUCTION

Reference is made to the Announcement.

It was announced that the Company proposes to raise not more than HK\$15,585,065 before expenses by way of the Rights Issue to the Shareholders. The Rights Issue is not underwritten and involves the issue of up to 45,174,100 Rights Shares at the Subscription Price of HK\$0.345 per Rights Share on the basis of one (1) Rights Share for every two (2) existing Shares in issue on the Record Date.

The purpose of this Prospectus is to provide you with, among other things, (i) further details of the Rights Issue, including the procedures for acceptance and payment and/or transfer of the Rights Shares provisionally allotted to you; (ii) certain financial information of the Group; and (iii) other information in respect of the Group.

LETTER FROM THE BOARD

Issue statistics

Basis of the Rights Issue:	One (1) Rights Share for every two (2) existing Shares held on the Record Date
Subscription Price:	HK\$0.345 per Rights Share
Number of the existing Shares in issue as at the Record Date:	90,348,200 Shares
Number of Rights Shares to be issued under the Rights Issue:	Up to 45,174,100 Rights Shares
Aggregate nominal value of the Rights Shares:	Up to HK\$451,741
Maximum enlarged issued share capital upon completion of the Rights Issue:	135,522,300 Shares (assuming no Shares are issued (other than the Rights Shares) or repurchased on or before the completion of the Rights Issue)
Maximum proceeds to be raised under the Rights Issue before expenses:	Up to HK\$15,585,065

As at the Latest Practicable Date, the Company has no other outstanding convertible bonds, options, derivatives, warrants, conversion rights or other similar rights entitling holders thereof to subscribe for or convert into or exchange for new Shares.

The maximum number of 45,174,100 Rights Shares to be issued pursuant to the terms of the Rights Issue represents 50.0% of the total number of the existing issued Shares as at the Latest Practicable Date and 33.3% of the total number of the issued Shares as enlarged by the allotment and issue of the Rights Shares immediately upon completion of the Rights Issue.

The Company has not conducted any rights issue, open offer and/or specific mandate placing within the 12-month period immediately preceding the Latest Practicable Date, or prior to such 12-month period where dealing in respect of the Shares issued pursuant thereto commenced within such 12-month period, nor has it issued any bonus securities, warrants or other convertible securities as part of such rights issue, open offers and/or specific mandate placings within such 12-month period. The Rights Issue does not result in a theoretical dilution effect of 25% or more on its own.

Non-underwritten basis

The Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptances of the provisionally allotted Rights Shares. In the event the Rights Issue is not fully subscribed, any Rights Shares not taken up by the Qualifying Shareholders and the NQS Unsold Rights Shares will be placed to independent placees under the Compensatory Arrangements. Any Unsubscribed Rights Shares or NQS Unsold Rights Shares remain not placed under the Compensatory Arrangements will not be issued by the Company and the size of the Rights Issue will be reduced accordingly. There is no minimum amount to be raised under the Rights Issue.

LETTER FROM THE BOARD

As the Rights Issue will proceed on a non-underwritten basis, the Qualifying Shareholder who applies to take up all or part of his/her/its entitlement under the Provisional Allotment Letter may unwittingly incur an obligation to make a general offer for the Shares under the Takeovers Code. Accordingly, the Rights Issue will be made on terms that the Company will provide for the Qualifying Shareholders to apply on the basis that if the Rights Shares are not fully taken up, the application of any Qualifying Shareholder (except for HKSCC Nominees Limited) for his/her/its assured entitlement under the Rights Issue will be scaled down to a level which does not trigger an obligation on part of the relevant Shareholder to make a general offer under the Takeovers Code in accordance to the note to Rule 10.26(2) of the GEM Listing Rules.

Undertakings

The board of directors of the Company has not received any information or irrevocable undertaking from any substantial shareholder of the Company of any intention in relation to the Rights Shares to be provisionally allotted to that Shareholder under the Rights Issue as at the Latest Practicable Date.

Subscription Price

The Subscription Price of HK\$0.345 per Rights Share is payable in full when a Qualifying Shareholder accepts his/her/its provisional allotment under the Rights Issue or when a transferee of Nil Paid Rights accepts the provisional allotment of the Rights Shares.

The Subscription Price represents:

- (i) a discount of approximately 25.00% to the closing price of HK\$0.4600 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 25.32% to the average of the closing prices per Share as quoted on the Stock Exchange for the five previous consecutive trading days up to and including the Last Trading Day of approximately HK\$0.4620;
- (iii) a discount of approximately 26.98% to the average of the closing prices per Share as quoted on the Stock Exchange for the ten previous consecutive trading days up to and including the Last Trading Day of approximately HK\$0.4725;
- (iv) a discount of approximately 18.18% to the theoretical ex-rights price of approximately HK\$0.4217 per Share based on the closing price of HK\$0.4600 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (v) a discount of approximately 59.08% to the unaudited net asset value per Share of HK\$0.8432 (based on the unaudited consolidated net asset value of the Group of approximately HK\$76,181,000 as at 30 June 2024 and 90,348,200 Shares in issue as at the Latest Practicable Date);

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- (vi) a theoretical dilution effect (as defined under Rule 10.44A of the GEM Listing Rules) represented by a discount of approximately 8.55% to the theoretical diluted price of HK\$0.4243 per Share to the benchmarked price (as defined under Rule 10.44A of the GEM Listing Rules) of HK\$0.4640 per Share; and
- (vii) a discount of 31.00% to the closing price of HK\$0.5000 per Share as quoted on the Stock Exchange on the Latest Practicable Date.

The Subscription Price was determined with reference to, among other things, the recent market prices of the Shares, the current market conditions, the financial position of the Group and the reasons and benefits of the Rights Issue as discussed in the section headed “Reasons for the Rights Issue” in this prospectus.

In view of the above, and having considered that all the Qualifying Shareholders will be offered equal opportunity to subscribe for the Rights Shares by way of provisional allotment, the Directors (including the independent non-executive Directors) consider that the terms of the Rights Issue and the Placing Agreement, including the Subscription Price, are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The Rights Issue does not result in a theoretical dilution effect of 25% or more. As such, the theoretical dilution impact of the Rights Issue is in compliance with Rule 10.44A of the GEM Listing Rules.

Status of the Rights Shares

The Rights Shares (when allotted, issued and fully paid) will rank *pari passu* in all respects with the existing Shares in issue. Holders of fully-paid Rights Shares will be entitled to receive all future dividends and distributions which may be declared, made or paid with a record date falling after the date of allotment and issue of the Rights Shares in their fully-paid form.

Qualifying Shareholders

The Rights Issue will only be available to the Qualifying Shareholders. The Company will send the Prospectus Documents to the Qualifying Shareholders only. For the avoidance of doubt, unless Qualifying Shareholders submit their requests in writing to the Company for printed copies of the Prospectus, the Company will send the Prospectus to Qualifying Shareholders in electronic form, while the PAL will be sent in printed copies. For the Non-Qualifying Shareholders, the Company will send copies of the Prospectus in electronic form to them for their information only, but no PAL will be sent to the Non-Qualifying Shareholders.

To qualify for the Rights Issue, a Qualifying Shareholder must be registered as a member of the Company on the Record Date and not being a Non-Qualifying Shareholder.

The Company will despatch the Prospectus Documents to the Qualifying Shareholders on the Posting Date.

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Application for all or any part of a Qualifying Shareholder's provisional allotment should be made by completing the Provisional Allotment Letter and lodging the same with a cheque or banker's cashier order for the Rights Shares being applied for with the Registrar on or before 4:00 p.m. on the Latest Acceptance Date.

The Qualifying Shareholders who take up their provisional allotment in full will not experience any dilution to their interests in the Company (except in relation to any dilution resulting from the taking up by third parties of any Rights Shares arising from the aggregation of fractional entitlements). **If a Qualifying Shareholder does not take up any of his/her/its entitlement in full under the Rights Issue, his/her/its proportionate shareholding in the Company will be diluted.**

For the Nil Paid Rights that were sold as described above and the buyer of such Nil Paid Rights who will not take up the entitlement, such Unsubscribed Rights Shares will be subject to the Compensatory Arrangements.

The Company reserves the right to treat as invalid any acceptance of or applications for Rights Shares where it believes that such acceptance or application would violate the applicable securities or other laws or regulations of any territory or jurisdiction. Accordingly, Non-Qualifying Shareholders should exercise caution when dealing in the Shares.

Fractional entitlements

The Company will not provisionally allot and will not accept applications for any fractions of the Rights Shares. All fractions of the Rights Shares will be aggregated (and rounded down to the nearest whole number) and all nil-paid Rights Shares arising from such aggregation will be sold in the market and the proceeds will be retained by the Company for its own benefit, if a premium (net of expenses and stamp duty) can be obtained.

Basis of provisional allotment

The basis of the provisional allotment shall be one (1) Rights Share for every two (2) existing Shares held by the Qualifying Shareholders on the Record Date at the Subscription Price payable in full on acceptance and otherwise on the terms and subject to the conditions set out in the Prospectus Documents. For example, if a Shareholder holds 5 existing Shares, this Shareholder will be entitled to receive 2 Rights Shares (based on the aforesaid ratio and rounded down to the nearest whole number).

Application for all or any part of a Qualifying Shareholder's provisional allotment should be made by completing the Provisional Allotment Letter(s) and lodging the same with a cheque or a banker's cashier order for the sum payable for the Rights Shares being applied for with the Registrar on or before the Latest Time for Acceptance.

Distribution of this prospectus and other Prospectus Documents

The Prospectus Documents will not be registered or filed under the applicable securities legislation of any jurisdiction other than Hong Kong.

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Distribution of the Prospectus Documents into jurisdictions other than Hong Kong may be restricted by law. Persons receiving the Prospectus Documents (including, without limitation, Shareholders and Beneficial Owners, agents, custodians, nominees and trustees) should inform themselves of and observe any such restrictions. Any failure to comply with those restrictions may constitute a violation of the securities laws of any such jurisdiction. Any Shareholder or Beneficial Owner who is in any doubt as to his/her/its position should consult an appropriate professional adviser without delay.

Non-Qualifying Shareholders

The Prospectus Documents will not be registered or filed under the applicable securities legislation of any jurisdiction other than Hong Kong. The Company will send the Prospectus to the Non-Qualifying Shareholders for their information only, but will not send the Provisional Allotment Letter to them. Overseas Shareholders may not be eligible to take part in the Rights Issue as explained below.

Pursuant to Rule 17.41(1)(a) of the GEM Listing Rules, the Directors have made enquiries regarding the feasibility of extending the Rights Issue to the Overseas Shareholder(s) under the laws of the relevant overseas jurisdictions and the requirements of the relevant regulatory bodies or stock exchanges.

Based on the register of members of the Company on the Record Date, there were 4 Shareholders (with a total shareholding of 35 Shares, representing less than 0.01% of the issued Share capital of the Company as at the Latest Practicable Date) with registered addresses situated in Malaysia, the PRC and , Singapore, details of which are as follows:

Country	Total Shareholding (Shares)
The PRC	12
Singapore	21
Malaysia	2

The Company has been advised by its offshore counsels that under the applicable legislations of the PRC and Singapore, either (i) there is no legal or regulatory prohibition or restriction or requirement of any regulatory body or stock exchange with respect to extending the Rights Issue to the Overseas Shareholders in such relevant jurisdictions; (ii) making the Rights Issue to these Overseas Shareholders meets the relevant exemption requirements in the relevant jurisdictions such that it would be exempt from obtaining approval from the relevant regulatory authorities under the applicable laws and regulations of such jurisdictions with respect to the registration and/or despatch of the Prospectus Documents; or (iii) the potential costs for complying with the regulatory requirements under the applicable laws and regulations of the relevant jurisdictions are minimal. Accordingly, the Rights Issue is extended to the Overseas Shareholders having registered addresses in the PRC and Singapore and such Overseas Shareholders are regarded as Qualifying Shareholders.

The Company has also obtained advice from its legal advisers in Malaysia. Having considered the circumstances, the Directors are of the view that it is necessary or expedient not to offer the Rights Shares (in their nil-paid and fully paid forms) to Overseas Shareholders located in Malaysia due to the time and costs involved in the registration or filing of the Prospectus Documents and/or any required approvals by the relevant authorities in Malaysia and/or additional steps the Company and/or Overseas Shareholders need to take to comply with the relevant legal or regulatory requirements therein.

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Accordingly, any Shareholders whose addresses as shown on such register of members of the Company at the close of business on the Record Date is/are in Malaysia are regarded as Non-Qualifying Shareholders and excluded from the Rights Issue.

The Rights Issue does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to acquire, nil-paid Rights Shares or fully-paid Rights Shares or to take up any entitlements to nil-paid Rights Shares or fully-paid Rights Shares in any jurisdiction in which such an offer or solicitation is unlawful.

It is the responsibility of any person (including but not limited to Shareholders and beneficial owners of the Shares, any agent, custodian, nominee or trustee) outside Hong Kong wishing to make an application for the Rights Shares to satisfy himself/herself/itself as to the full observance of the laws and regulations of the relevant territory or jurisdiction, including obtaining any governmental or other consents and to pay any taxes, duties and other amounts required to be paid in such territory or jurisdiction in connection therewith.

Any acceptance of the offer of the Rights Shares by any person by way of completion or return to the Registrar of a PAL will be deemed to constitute a representation and warranty from such person to the Company that the applicable local laws and requirements have been fully complied with. Such persons should consult their professional advisers if in doubt.

For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited is subject to the representations and warranties provisions above.

The Company reserves the right to treat as invalid any acceptance of or applications for Rights Shares where it believes that such acceptance or application would violate the applicable securities or other laws or regulations of any territory or jurisdiction. Accordingly, Overseas Shareholders should exercise caution when dealing in the Shares.

Notwithstanding any other provision in this Prospectus or the PAL, the Company reserves the right to permit any Shareholder to take up his/her/its rights if the Company, in its absolute discretion, is satisfied that the transaction in question is exempt from or not subject to the legislation or regulations giving rise to the restrictions in question.

Odd lot arrangement

No odd lot matching services will be provided as the Directors are of the view that, having compared the fees to be charged by a designated securities broker and the market value of the odd lots of Shares, it will not be cost-effective for the Company to appoint such a broker to provide matching services for odd lots of Shares.

Procedures for acceptance, application or transfer

Any Qualifying Shareholder (including, without limitation, any agent, custodian, nominee and trustee) wishing to take up the Rights Shares (in nil-paid or fully-paid form) under the Rights Issue must satisfy himself/herself/itself as to full observance of the applicable laws of any relevant territory including obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any issue, transfer or other taxes due in such territories.

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Each subscriber of the Rights Shares will be deemed (by accepting delivery of this prospectus) to have given each of the following representations and warranties to the Company and to any person acting on their behalf, unless the Company waives such requirement in its sole discretion in relation to the relevant representation(s) and/or warranty(ies) given to each of them:

- he/she/it was a Shareholder as at the Record Date, or he/she/it lawfully acquired or may lawfully acquire rights, directly or indirectly, from such a person;
- he/she/it may lawfully be offered, take up, exercise, obtain, subscribe for and receive the rights and/or the Rights Shares in the jurisdiction in which he/she/it resides or is currently located;
- subject to certain exceptions, he/she/it is not resident or located in, or a citizen of, the United States, and is not a US person; and
- subject to certain exceptions, he/she/it is not accepting an offer to acquire, take up or exercise rights or Rights Shares on a non-discretionary basis for a person who is resident or located in, or a citizen of the United States or is a US person at the time the instruction to accept was given.

For the avoidance of doubt, neither HKSCC nor HKSCC Nominees is subject to any of the above representations and warranties.

Action to be taken by Qualifying Shareholders

Subscription for all Rights Shares provisionally allotted

For each Qualifying Shareholder, a Provisional Allotment Letter(s) in printed form is enclosed with this prospectus which entitles such Qualifying Shareholder to subscribe for the number of the Rights Shares shown thereon. If Qualifying Shareholder(s) wish(es) to exercise his/her/their rights to subscribe for all the Rights Shares provisionally allotted to him/her/them as specified in the Provisional Allotment Letter(s), he/she/it must lodge the Provisional Allotment Letter(s) in accordance with the instructions printed thereon, together with a remittance for the full amount payable on acceptance, with the Registrar, Tricor Tengis Limited, 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, by not later than 4:00 pm on the Latest Acceptance Date.

All remittances must be made in Hong Kong dollars by cheques which must be drawn on an account with, or by banker's cashier orders must be issued by, a licensed bank in Hong Kong and made payable to "**CHINA DEMETER FINANCIAL INVESTMENTS LIMITED**" and crossed "Account Payee Only". Such payment will constitute acceptance of the terms of the Provisional Allotment Letter(s) and this prospectus and subject to the bye-laws of the Company. No receipt will be issued for sums received on application. Share certificate(s) for all fully-paid Rights Share in respect of which the application is accepted will be sent to the Qualifying Shareholders, and in the case of joint Qualifying Shareholders, to the first named Qualifying Shareholder, by ordinary post at their own risk, to their registered addresses on Friday, 7 March 2025.

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It should be noted that unless the Provisional Allotment Letter(s), together with the appropriate remittance, has been lodged with the Registrar by 4:00 p.m. on the Latest Acceptance Date, whether by the original allottee or any person in whose favour the rights have been validly transferred, that provisional allotment and all rights thereunder will be deemed to have been declined and will be cancelled. The Company may, at its discretion, treat a Provisional Allotment Letter(s) as valid and binding on the person(s) by whom or on whose behalf it is lodged even if not completed in accordance with the relevant instructions.

All cheques or banker's cashier orders will be presented for payment immediately following receipt and all interest earned on such monies will be retained for the benefit of the Company. **Completion and return of the Provisional Allotment Letter(s) will constitute a warranty and representation to the Company that all registration, legal and regulatory requirements of all relevant jurisdictions in connection with the Provisional Allotment Letter(s) and any acceptance of it have been, or will be, duly complied with.** For the avoidance of doubt, neither HKSCC nor HKSCC Nominees is subject to such warranty and representation. Any Provisional Allotment Letter(s) in respect of which the accompanying cheque or banker's cashier order is dishonoured on first presentation is liable to be rejected, and in that event the provisional allotment and all rights thereunder will be deemed to have been declined and will be cancelled. If any of the conditions mentioned in the section headed "Conditions of the Rights Issue" below is not fulfilled, the monies received in respect of the relevant provisional allotments will be returned to the relevant persons without interest by means of cheques despatched by ordinary post at the risks of such persons on Friday, 7 March 2025.

The Company reserves the right to refuse to accept any application for Rights Shares where it believes that doing so would violate the applicable securities or other laws or regulations of any jurisdiction.

Transfers and "splitting" of nil-paid Rights Shares

The nil-paid Rights Shares can be traded on the Stock Exchange. A Qualifying Shareholder can accept all of his/her/its provisional allotment of Rights Shares, or sell all of his/her/its provisional allotment on the Stock Exchange or accept only part of his/her/its provisional allotment and/or sell the remaining part on the Stock Exchange.

If a Qualifying Shareholder wishes to accept only part of his/her/its provisional allotment or transfer a part of his/her/its rights to subscribe for the Rights Shares provisionally allotted to him/her/it under the Provisional Allotment Letter(s) to more than one person, the original Provisional Allotment Letter(s) must be surrendered and lodged for cancellation together with a covering letter stating clearly the number of split Provisional Allotment Letter(s) required and the number of nil-paid Rights Shares to be comprised in each split Provisional Allotment Letter(s) (which, in aggregate, should be equal to the number of Rights Shares provisionally allotted to such holder as stated in Box B of the original Provisional Allotment Letter(s)), by no later than 4:30 p.m. on Thursday, 6 February 2025 to the Registrar, Tricor Tengis Limited, 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, who will then cancel the original Provisional Allotment Letter(s) and issue new Provisional Allotment Letter(s) in the denominations required, which will be available for collection at the Registrar, Tricor Tengis Limited, 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, after 9:00 a.m. on the second Business Day after the surrender of the original Provisional Allotment Letter(s). This process is commonly known as "splitting" the nil-paid Rights Shares.

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Having “split” the nil-paid Rights Shares, a Qualifying Shareholder who wishes to accept the provisional allotment of Rights Shares represented by a new Provisional Allotment Letter(s) should do so in accordance with the instructions given above in relation to the subscription for all the Rights Shares provisionally allotted.

If a Qualifying Shareholder wishes to transfer all of his/her/its nil-paid Rights Shares under a Provisional Allotment Letter(s) (or a split Provisional Allotment Letter(s), as the case may be) to another person, he/she/it should complete and sign the “Form of transfer and nomination” (Form B) in the Provisional Allotment Letter(s) and hand the Provisional Allotment Letter(s) to the person to or through whom he/she/it is transferring his/her/its nil-paid Rights Shares. The transferee must then complete, sign and stamp “Registration application form” (Form C) in the Provisional Allotment Letter(s) and lodge the Provisional Allotment Letter(s) intact together with a remittance for the full amount payable on acceptance with the Registrar, Tricor Tengis Limited, 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, to effect the transfer by no later than 4:00 p.m. on the Latest Acceptance Date. It should be noted that Hong Kong stamp duty is payable in connection with the transfer of your rights to subscribe for the relevant Rights Shares and the transferee(s) of such rights.

The Company reserves the right to refuse to register any transfer in favour of any person in respect of which the Company believes such transfer may violate applicable legal or regulatory requirements.

Action to be taken by Beneficial Owners whose Shares are held by a Registered Owner (other than Shares deposited in CCASS)

Subscription for Rights Shares provisionally allotted and transfers and “splitting” of nil-paid Rights Shares

If you are a Beneficial Owner whose Shares are registered in the name of a Registered Owner and you wish to subscribe for the Rights Shares provisionally allotted to you, or sell your nil-paid Rights Shares or “split” your nil-paid Rights Shares and accept part of your provisional allotment and sell the remaining part, you should contact the Registered Owner and provide the Registered Owner with instructions or make arrangements with the Registered Owner in relation to the acceptance, transfer and/or “splitting” of the rights to subscribe for Rights Shares which have been provisionally allotted in respect of the Shares in which you are beneficially interested.

Such instructions and/or arrangements should be given or made in advance of the relevant dates stated in the “Expected Timetable for the Rights Issue” in this prospectus and otherwise in accordance with the requirements of the Registered Owner in order to allow the Registered Owner sufficient time to ensure that your instructions are given effect.

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Action to be taken by Beneficial Owners holding interests in Shares through CCASS

Subscription for Rights Shares provisionally allotted and transfers and “splitting” of nil-paid Rights Shares

If you are a Beneficial Owner whose Shares are deposited in CCASS and registered in the name of HKSCC Nominees, and you wish to subscribe for the Rights Shares provisionally allotted to you, or sell your nil-paid Rights Shares or “split” your nil-paid Rights Shares and accept part of your provisional allotment and sell the remaining part, you should (unless you are a CCASS Investor Participant) contact your Intermediary and provide your Intermediary with instructions or make arrangements with your Intermediary in relation to the acceptance, transfer and/or “splitting” of the rights to subscribe for Rights Shares which have been provisionally allotted in respect of the Shares in which you are beneficially interested.

Such instructions and/or arrangements should be given or made in advance of the relevant dates stated in the “Expected Timetable for the Rights Issue” in this prospectus and otherwise in accordance with the requirements of your Intermediary in order to allow your Intermediary sufficient time to ensure that your instructions are given effect. The procedure for acceptance, transfer and/or “splitting” by CCASS Participants of the Rights Shares provisionally allotted to CCASS stock accounts in respect of the Shares registered in the name of HKSCC Nominees shall be in accordance with the “General Rules of HKSCC”, the “HKSCC Operational Procedures” and any other requirements of CCASS.

The procedures for acceptance, transfer and/or “splitting” of Rights Shares provisionally allotted to Beneficial Owners who have been admitted to participate in CCASS as CCASS Investor Participants shall be in accordance with “Operating Guide for Investor Participants” and any other requirements of CCASS. Beneficial Owners who have been admitted to participate in CCASS as CCASS Investor Participants should contact CCASS and provide CCASS with instructions or make arrangements with CCASS in relation to the manner in which such Beneficial Owners’ interests in Rights Shares should be dealt with.

Fractional entitlement to the Rights Shares

The Company will not provisionally allot and will not accept applications for any fractions of the Rights Shares. All fractions of the Rights Shares will be aggregated (and rounded down to the nearest whole number) and all nil-paid Rights Shares arising from such aggregation will be sold in the market and the proceeds will be retained by the Company for its own benefit, if a premium (net of expenses and stamp duty) can be obtained.

Procedures in respect of Rights Shares not subscribed and the NQS Unsold Rights Shares and the Compensatory Arrangements

The Company has made arrangements described in Rule 10.31(1)(b) of the GEM Listing Rules to dispose of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares by offering the Unsubscribed Rights Shares and the NQS Unsold Rights Shares to independent placees for the benefit of Shareholders to whom they were offered by way of the Rights Issue. There will be no excess application arrangements in relation to the Rights Issue.

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The Company therefore appointed the Placing Agent to place the Unsubscribed Rights Shares and the NQS Unsold Rights Shares after the latest time for acceptance of the Rights Shares to be allotted and issued under the Rights Issue to independent placees on a best effort basis. Any premium over, the aggregate amount of (i) the Subscription Price for those Rights Shares; and (ii) the expenses of the Placing Agent (including any other related expenses/fees), that is realised will be paid to the No Action Shareholders and the Non-Qualifying Shareholders on a pro-rata basis. The Placing Agent will on a best effort basis, procure, by not later than 4:00 p.m., on Monday, 3 March 2025, acquirers for all (or as many as possible) of those Unsubscribed Rights Shares and the NQS Unsold Rights Shares. Any Unsubscribed Rights Shares and the NQS Unsold Rights Shares remain not placed after completion of the Placing Arrangement will not be issued by the Company and the size of the Rights Issue will be reduced accordingly.

Net Gain (if any) will be paid (without interest) on pro-rata basis (on the basis of all Unsubscribed Rights Shares and NQS Unsold Rights Shares) to the No Action Shareholders (but rounded down to the nearest cent) as set out below:

- A. the Qualifying Shareholders who did not subscribe for the Rights Shares (whether partially or fully) under the PALs and their renounees;
- B. such persons who hold any nil-paid rights at the time such nil-paid rights are lapsed; and
- C. the Non-Qualifying Shareholders in respect of the NQS Unsold Rights Shares.

For Net Gain (if any) to Non-Qualifying Shareholders, please refer to the section headed “Non-Qualifying Shareholders” above.

It is proposed that Net Gain to any of the No Action Shareholder(s) mentioned in “A” to “C” of HK\$100 or more will be paid to them in Hong Kong Dollars only and the Company will retain individual amounts of less than HK\$100 for its own benefit. Shareholders are reminded that Net Gain may or may not be realised, and accordingly the No Action Shareholders and the Non-Qualifying Shareholders may or may not receive any Net Gain.

Placing Arrangement for the Unsubscribed Rights Shares and the NQS Unsold Rights Shares

On 31 December 2024 (after trading hours), the Company and the Placing Agent entered into the Placing Agreement, pursuant to which the Placing Agent has conditionally agreed to procure independent placee(s), on a best effort basis, to subscribe for the Unsubscribed Rights Shares and NQS Unsold Rights Shares.

Details of the Placing Arrangement are as follows:

- Date : 31 December 2024 (after trading hours of the Stock Exchange)
- Placing Agent : Minerva Holding Financial Securities Limited was appointed as the Placing Agent to procure, on a best effort basis, Placees to subscribe for the Unsubscribed Rights Shares and the NQS Unsold Rights Share.

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The Placing Agent confirmed that each of it and its ultimate beneficial owner(s) is independent of and not connected with the Company and its connected persons or any of their respective associates.

Placing fee : 2.5 % of the aggregate placing price of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares successfully placed by or on behalf of the Placing Agent.

Placing price : The placing price of each of the Unsubscribed Rights Shares and/or the NQS Unsold Rights Shares (as the case may be) shall be not less than the Subscription Price.

The determination of the final price is dependent on the demand and market conditions for the Unsubscribed Rights Shares and/or the NQS Unsold Rights Shares during the process of Placing.

Placees : The Unsubscribed Rights Shares and the NQS Unsold Rights Shares are expected to be placed to Placee(s) who and whose ultimate beneficial owner(s) shall be Independent Third Party(ies).

Ranking : Unsubscribed Rights Shares and the NQS Unsold Rights Shares (when placed, allotted, issued and fully paid) shall rank *pari passu* in all respects among themselves and with the Shares then in issue.

Conditions precedent : The obligations of the Placing Agent and the Company under the Placing Agreement are conditional upon, among others, the following conditions being fulfilled (or being waived by the Placing Agent in writing, if applicable):

- (1) the GEM Listing Committee of the Stock Exchange having granted or having agreed to grant the listing of, and permission to deal in the Rights Shares;
- (2) all necessary consents and approvals to be obtained on the part of each of the Placing Agent and the Company in respect of the Placing Agreement and the transactions contemplated thereunder having been obtained;
- (3) the Placing Agreement not having been terminated in accordance with the provisions thereof, including provisions regarding the force majeure events; and

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- (4) the posting of copies of the Prospectus and the PAL to the Qualifying Shareholders and the posting of the Prospectus to the Non-Qualifying Shareholders for information purpose only.

Placing completion date : The third Business Day after the Latest Placing Time or such other date as the Company and the Placing Agent may agree in writing.

Termination : If, prior to the Latest Placing Time:

- (1) in the reasonable opinion of the Placing Agent, the success of the Placing would be materially and adversely affected by:

- (a) the introduction of any new regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may in the reasonable opinion of the Placing Agent materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or is materially adverse in the context of the Placing; or

- (b) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before, and/or after the date hereof), of a political, military, financial, economic or other nature, or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets which may, in the reasonable opinion of the Placing Agent, materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole; or

- (c) any materially adverse change in the business or in the financial or trading position of the Group as a whole; or

- (d) there occurs or comes into effect the imposition of any moratorium, suspension or material restriction on trading in the Shares generally on the Stock Exchange due to exceptional financial circumstances or otherwise; or

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- (2) any material adverse change in market conditions (including, without limitation, a change in fiscal or monetary policy or foreign exchange or currency markets, suspension or restriction of trading in securities, and a change in currency conditions which includes a change in the system under which the value of the Hong Kong currency is pegged with that of the currency of the United States of America) occurs in Hong Kong, the United States of America or the PRC which in the reasonable opinion of the Placing Agent makes it inexpedient or inadvisable to proceed with the Placing,

the Placing Agent shall be entitled, without any liability to the Company, by notice in writing to the Company served prior to the Latest Placing Time, to terminate the Placing Agreement.

The terms of the Placing Agreement (including the placing fee) were determined after arm's length negotiation between the Placing Agent and the Company and are on normal commercial terms. The Directors consider that the placing fee charged by the Placing Agent is no less favourable to the Company than the market rate in recent placing transactions and are therefore of the view that the terms of the Placing Agreement are on normal commercial terms.

The Placing Agent shall ensure that the Placing Shares are placed (i) only to institutional, corporate or individual investors who and whose ultimate beneficial owners shall be Independent Third Parties; (ii) such that the Placing will not have any implication under the Takeovers Code and no Shareholder will be under any obligation to make a general offer under the Takeovers Code as a result of the Placing; and (iii) such that the Placing will not result in the Company incapable of complying with the Public Float Requirement under the GEM Listing Rules immediately following the Placing. The Company will continue to comply with the Public Float Requirement under Rule 11.23(7) of the GEM Listing Rules and the Placing will not have any implication under the Takeovers Code and no Shareholder will be under any obligation to make a general offer under the Takeovers Code as a result of the Placing.

Given that the Compensatory Arrangements would provide (1) a distribution channel of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares to the Company; (2) channel of participation in the Rights Issue for independent investors; and (3) a compensatory mechanism for No Action Shareholders, the Board considered that the Compensatory Arrangements are fair and reasonable and would provide adequate safeguard to protect the interest of the Company's minority Shareholders.

Application for listing

The Company will apply to the GEM Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Rights Shares in both nil-paid and fully-paid forms. Nil Paid Rights are expected to be traded in same board lot size as the Shares, i.e., 5,000 shares in one board lot. No part of the securities of the Company in issue or for which listing or permission to deal is being or is proposed to be sought is listed or dealt in or on any other stock exchange.

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Stamp duty and other applicable fees

Dealings in the Rights Shares (in both nil-paid and fully-paid forms) will be subject to the payment of stamp duty, Stock Exchange trading fee, SFC transaction levy and other applicable fees and charges in Hong Kong.

Share certificates for the Rights Shares

Subject to the fulfilment of the conditions of the Rights Issue as set out below, certificates for all fully-paid Rights Shares are expected to be sent by ordinary post on Friday, 7 March 2025 to those persons who have validly accepted and, where applicable, applied for, and paid for the Rights Shares, at their own risks.

Each Shareholder will receive one share certificate for all allotted Rights Shares.

Conditions of the Rights Issue

The Rights Issue is conditional on each of the following conditions being fulfilled:

- (1) the delivery to the Stock Exchange and registration with the Registrar of Companies in Hong Kong respectively one copy of each of the Prospectus Documents duly certified in compliance with the Companies (Winding Up and Miscellaneous Provisions) Ordinance (and other documents required to be attached thereto) and otherwise complying with the requirements of the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the Companies Ordinance and the GEM Listing Rules;
- (2) the despatch of the Prospectus Documents to the Qualifying Shareholders and the posting of the Prospectus to the Non-Qualifying Shareholders, if any, for information purpose only;
- (3) the GEM Listing Committee of the Stock Exchange granting or agreeing to grant and not having withdrawn or revoked the listing of, and permission to deal in, the Rights Shares;
- (4) all relevant consents and approvals being obtained from the regulatory authorities, including the Stock Exchange, as the case may require in connection with the Rights Issue by the relevant time that each consent and approval is required; and
- (5) the Placing Agreement not being terminated.

All of the conditions are incapable of being waived. If the conditions above are not satisfied on or before the Long Stop Date, the Rights Issue shall be terminated.

As at the Latest Practicable Date, none of the conditions precedent has been fulfilled.

LETTER FROM THE BOARD

Rights Shares will be eligible for admission into CCASS

Subject to the granting of listing of, and permission to deal in, the Rights Shares in both nil-paid and fully-paid forms on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Shares in both their nil-paid and fully-paid forms 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 Rights 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. Shareholders should seek advice from their licensed securities dealer(s) or other professional adviser(s) for details of those settlement arrangements and how such arrangements will affect their rights and interests.

Splitting and transfer of the Provisional Allotment Letter

If you wish to accept only part of your provisional allotment or transfer only part of your rights to subscribe for the Rights Shares provisionally allotted to or to transfer all or part of your rights to more than one person, the original PAL must be surrendered and lodged for cancellation and splitting of the relevant PAL(s) first together with a cover letter stating clearly the number of split PALs required and the number of nil-paid Rights Shares to be comprised in each split PAL (which, in aggregate, should be equal to the number of Rights Shares provisionally allotted to such holder as stated in Box B of the original PAL), by no later than 4:30 p.m. on Thursday, 6 February 2025 to the Registrar, Tricor Tengis Limited, 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, who will then cancel the original PAL and issue new PAL(s) in the denominations required, which will be available for collection at the Registrar, Tricor Tengis Limited, 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong after 9:00 a.m. on the second Business Day after the surrender of the original PAL. Thereafter, upon collection of new PAL(s), you can transfer the relevant nil-paid Rights Shares to the relevant transferee(s) following the procedures and steps as stated in the below paragraph.

If you wish to transfer all of your rights to subscribe for the Rights Shares provisionally allotted to you hereunder, you must complete and sign the “Form of transfer and nomination” (Form B) in the PAL and hand the PAL to the transferee(s) or through whom you are transferring your rights. The transferee(s) must then lodge the duly completed, signed and stamped “Registration application form” (Form C) in the PAL to the Registrar, Tricor Tengis Limited, 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for re-registration no later than 4:00 p.m. on Friday, 14 February 2025.

The Company will determine the eligibility for the cash compensation as derived from the lapsed PALs after the completion of the re-registration for all re-registration request received by the Registrar on or before the latest time for acceptance of and payment for Rights Shares and by all means before the announcement of the number of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares subject to the Compensatory Arrangements is posted on the Stock Exchange’s website and the Company’s website. The Company reserves the right to refuse to register any transfer in favour of any person in respect of which the Company believes such transfer may violate applicable legal or regulatory requirements.

LETTER FROM THE BOARD

SHAREHOLDING STRUCTURE

Assuming there is no change in the number of Shares in issue from the Latest Practicable Date and up to and including the date of completion of the Rights Issue, the table below sets out the shareholding structure of the Company immediately before and after the completion of the Rights Issue:

	As at the Latest Practicable Date		Immediately after completion of the Rights Issue assuming all Shareholders take up their respective entitlements to the Rights Shares in full		Immediately after completion of the Rights Issue assuming none of the Shareholders have taken up any of their entitlement to Rights Shares with all the Placing Shares placed to Independent Third Parties under the Placing		Immediately after completion of the Rights Issue assuming none of the Shareholders have taken up any of their entitlement to Rights Shares and none of the Placing Shares placed to the Independent Third Parties under the Placing	
	Number of Shares held	Approximate %	Number of Shares held	Approximate %	Number of Shares held	Approximate %	Number of Shares held	Approximate %
Ng Ting Kit (<i>Note 1</i>)	10,370,000	11.47	15,555,000	11.47	10,370,000	7.65	10,370,000	11.47
Trinity Worldwide Capital Holding Limited (<i>Note 2</i>)	14,593,394	16.15	21,890,091	16.15	14,593,394	10.77	14,593,394	16.15
Ng Man Chun Paul (<i>Note 3</i>)	384,500	0.43	576,750	0.43	384,500	0.28	384,500	0.43
Ng Ting Ho (<i>Note 4</i>)	384,500	0.43	576,750	0.43	384,500	0.28	384,500	0.43
Chan Chi Fung (<i>Note 5</i>)	2,101,000	2.33	3,151,500	2.33	2,101,000	1.55	2,101,000	2.33
Placees	-	-	-	-	45,174,100	33.34	-	-
Other public Shareholders	62,514,806	69.19	93,772,209	69.19	62,514,806	46.13	62,514,806	69.19
Total	90,348,200	100%	135,522,300	100%	135,522,300	100%	90,348,200	100%

Notes:

- Mr. Ng Ting Kit (“**Mr. Ng**”) is (i) a cousin of Mr. Ng Man Chun Paul, the chairman of the Board and an executive Director, and (ii) the brother of Mr. Ng Ting Ho, the chief executive officer of the Company and an executive Director.
- Trinity Worldwide Capital Holding Limited is a company incorporated in the BVI with limited liability and is owned as to 100% by Mr. Ng. Accordingly, Mr. Ng is deemed to be interested in all the Shares held by Trinity Worldwide Capital Holding Limited under the SFO.
- Mr. Ng Man Chun Paul, is the chairman of the Board, an executive Director of the Company, and the cousin of Mr. Ng.
- Mr. Ng Ting Ho, is the chief executive officer of the Company, an executive Director of the Company and the brother of Mr. Ng.
- Mr. Chan Chi Fung, is an executive Director of the Company.
- The above percentage figures are subject to rounding adjustments. Accordingly, figures shown as total may not be an arithmetic aggregation of the figures preceding it.

LETTER FROM THE BOARD

FUND-RAISING EXERCISE OF THE COMPANY IN THE PAST 12 MONTHS

The Company has conducted the following equity fund-raising activities during the 12 months immediately preceding the Latest Practicable Date:

Date of announcement	Fund-raising activities	Net proceeds	Intended use of proceeds	Actual use of proceeds as at the Latest Practicable Date
20 May 2024	Placing of new Shares under general mandate	HK\$6.48 million	(i) approximately HK\$3 million for the settlement of outstanding rental related expenses of the Group; and (ii) approximately HK\$3.48 million for the repayment of outstanding borrowing and interests and replenishing the general working capital of the Group which shall be applied on, including staff cost, professional fees, and other operating expense of the Group.	Fully utilized as intended

Save as the abovementioned, the Company had not conducted any other fund-raising exercise in the past 12 months immediately preceding the Latest Practicable Date. As at the Latest Practicable Date, the Company has no intention or plan to conduct other equity fund-raising activities in the next 12 months upon completion of the Rights Issue. However, if there shall arise any change of the Group's current circumstances and existing business plans and that the net proceeds from the Rights Issue may not satisfy such upcoming financing needs, the Board does not rule out the possibility that the Company may conduct further equity fund-raising exercises to support such future developments of the Group. The Company will make further announcement(s) in this regard in accordance with the GEM Listing Rules as and when appropriate.

REASONS FOR THE RIGHTS ISSUE

The Company is an investment holding company. The Group principally engages in (i) money lending business; (ii) financial services business; (iii) securities investment business; (iv) food and beverage business; (v) alcoholic beverage distribution and miscellaneous business; and (vi) provision of children education services.

The estimated net proceeds of the Rights Issue (after deduction of expenses) if the Rights Issue is subscribed in full is expected to amount to approximately HK\$14,600,000.

LETTER FROM THE BOARD

Apart from the Rights Issue, the Directors have considered other debt or equity fund-raising alternatives such as bank borrowings, placing or an open offer. The Directors note that bank borrowings, if available, carry additional interest costs and create pressure to the liquidity of the Company, and placing of new shares dilutes the interests of existing Shareholders without giving them the opportunity to take part in the exercise. As opposed to an open offer, the Rights Issue enables the Shareholders to sell the Nil-Paid Rights in the market. The Rights Issue will give the Qualifying Shareholders the opportunity to maintain their respective pro-rata shareholding interests in the Company and to continue to participate in the future development of the Group. Having considered the above alternatives, the Directors are of the view that the Rights Issue is in the best interests of the Company and the Shareholders as a whole and that the Rights Issue is an appropriate fund-raising method to strengthen the capital base of the Company, which in turn will support the Company's continuing development and business growth, while allowing the Qualifying Shareholders to maintain their proportional shareholdings in the Company.

PROPOSED USE OF PROCEEDS

The estimated maximum net proceeds from the Rights Issue (after deducting the expenses) are approximately HK\$14,600,000. Assuming the Rights Issue is fully subscribed, the Company intends to apply the net proceeds from the Rights Issue as to:

- (i) approximately 50% of the net proceeds would be applied towards repayment of the outstanding loan borrowing and interest of the Company. Other borrowings of the Group amounted to approximately HK\$20 million as at 30 November 2024 that are due in 3rd quarter of 2025. The Group could save interests by early repayment of the other borrowings that are outstanding and/or might facilitate loan renewal at competitive terms upon repayment. The cash and cash equivalents of the Group amounted to approximately HK\$30 million as at 30 November 2024. The general working capital requirement of China Demeter Securities Limited, a subsidiary of the Group engaged in advising on and dealing in securities, is approximately HK\$20 million to HK\$25 million. Therefore there are genuine needs of the Company for raising funds through Rights Issue. It is expected such proceeds would be fully utilized within one month of the completion of the Rights Issue;
- (ii) approximately 40% of the net proceeds would be applied towards settlement of outstanding rental expenses and/or payment of the food raw materials and ingredient supplier for the Group's existing food and beverage business. It is expected such proceeds would be fully utilized within three months of the completion of the Rights Issue; and
- (iii) approximately 10% of the net proceeds would be applied towards the general working capital of the Group. It is expected such proceeds would be fully utilized within three months of the completion of the Rights Issue.

In the event that there is an undersubscription of the Rights Issue, the use of proceeds raised from the Rights Issue will be allocated on a pro-rata basis for the purposes disclosed above. Further details of the use of proceeds will be disclosed by the Company in the announcement of results of the Rights Issue.

LETTER FROM THE BOARD

The estimated expenses of the Rights Issue (including advisory fees for the professional parties, printing, registration, translation, legal, accounting and documentation charges) are estimated to be approximately HK\$985,065 and will be payable by the Company. The net subscription price per Rights Share upon full acceptance of the relevant provisional allotment of Rights Shares are expected to be approximately HK\$0.323.

RISK FACTORS

In compliance with the GEM Listing Rules, the Company sets out below the risk factors of the Group for the Shareholders' attention. The Directors believe that there are certain risks involved in the operations of the Group which include, but do not limit to, the following:

Business risks relating to the Group

The Group principally engages in (i) money lending business; (ii) financial services business; (iii) securities investment business; (iv) food and beverage business; (v) alcoholic beverage distribution and miscellaneous business; and (vi) provision of children education services.

(1) Reliance on key personnel

The effective operations and future success of the Group's business are depending, to a significant extent, on the capability, experience and continued efforts of our key management personnel. If the Group is unable to attract, retain and motivate the necessary key management personnel, the business and operation conditions of the Group may be disrupted and the results and financial positions of the Group may be materially or adversely affected.

(2) Reliance on close relationship with the Group's customers

The success of the Group relies heavily on good relationship with its customers. If the Group fails to maintain the current level of business relationship with its customers and retain them in its sales and distribution network, the sales, financial condition and operating results of the Group may be adversely affected.

LETTER FROM THE BOARD

(3) Risk relating to the food and beverage business

- (a) Uncertainties on obtaining or renewing the licences and permits for the Group's operations – the Group is required to obtain and maintain various type of licences, including (i) general licences and (ii) liquor licence and other approvals or permits, including restricted food permits for its restaurants operation in Hong Kong. Most of the requisite licences are usually valid for one to two years and the licences are required to be renewed before their expiry to comply with the relevant requirements and ensure that business operation can be continued without any disruption. The Group may experience difficulties or failures in obtaining or renewing the necessary approvals, licences and permit for new restaurants in a timely manner or at all for factors beyond its control.
- (b) Rely on individual to hold all the liquor licences of restaurants – all of the liquor licences of the Group's restaurants were held by individuals. Pursuant to Regulation 15 of the Dutiable Commodities (Liquor) Regulations (Chapter 109B of the Laws of Hong Kong), any transfer of a liquor licence must be conducted in the prescribed form with the consent of the liquor licence holder. In case of illness or temporary absence of the liquor licence holder, the secretary of the Liquor Licensing Board may in his/her discretion authorize any person to manage the licenced premises under Regulation 24 of the Dutiable Commodities (Liquor) Regulations, upon application by the liquor licence holder. For any application for cancellation of the liquor licence made by the holder of liquor licence, one must make an application for new issue of a liquor licence to the Liquor Licensing Board. In case of death or insolvency of the liquor license holder, his/her executor or administrator or trustee may carry on the business in the licence premises until the expiration of the licence under section 54 of the Dutiable Commodities Ordinance. If the relevant liquor licence holder in each of the Group's restaurants refuses to give consent to a transfer application when a transfer is required, or fails to make an application in respect of his/her illness or temporary absence or makes a cancellation application without consent, or if an application for new issue of a liquor licence is required in case of death or insolvency of the relevant employee, the relevant restaurant may have to cease it sale of liquor for the time being, in which case may adversely affect its business operation.

(4) Risks relating to the money lending business

The money lending business of the Group is exposed to default from the Group's customers, which involves the risk of loss due to the inability or unwillingness of customers to meet their contractual obligations. If the customers of the money lending business of the Group fail to meet their contractual obligations, the Company may incur additional costs to collect the loan principal and corresponding interests. To mitigate this risk, the Board has set up the Credit Committee (which comprises (i) the director of the subsidiary of the Company which hold money lending license and (ii) the personnel of the finance department of the Group) with relevant experience of this business segment and report to the board of the Company directly. The Credit Committee has full authority to deal with all credit matters. The members of the Credit Committee are appointed by the Board and the quorum of the Credit Committee is at least two committee members. The credit policy of the Group's money lending business is subject to the review and amendments by the Credit Committee and the Board from time to time in line with changes in market environment.

LETTER FROM THE BOARD

(5) *Risk relating to the financial services business*

The financial services business of the Group is subject to the performance of the Hong Kong securities market and the performances of the Group's competitors which are beyond its control and the Group cannot assure that our historical level of income can be sustained. In addition, non-compliance with extensive regulatory requirements could cause the Group to incur fines, restriction on financial service activities or even suspension or revocation of some or all of the licences for carrying on the Group's business activities. Also the Group's brokerage services involved active interactions between its staff and customers and therefore it is subject to human errors, which the Group has to bear the losses resulting therefrom. For placing and underwriting business, the Group is exposed to business risks in case the securities underwritten by the Group are undersubscribed or the placing exercises fail to complete.

(6) *Major financial risk exposed to the Group*

The Group is exposed to financial risks, including credit, interest rate, liquidity and other price risks. The Group actively and regularly reviews these risks and will adopt measures, if needed, to control and mitigate these risks.

(7) *Difficulties in recruitment and retention of the Group's employees*

The success of the Group depends upon the Group's ability to attract, retain and motivate a sufficient number of qualified employees, including responsible officers, teachers, restaurant staff, chefs and kitchen staff. Highly service-oriented and qualified individuals are in relatively short supply in Hong Kong and competition for these employees is intense. Any failure to employ and retain enough qualified employees could delay planned new restaurant openings, cause untenable teacher-to-pupil ratio to meet the statutory requirement or result in higher employee turnover, either of which could have a material adverse effect on the Group's business operations. In addition, competition for qualified employees could also require the Group to pay higher wages, which could result in higher labour cost.

Risks relating to politics, economics and regulations

The business operations of the Group are primarily based in Hong Kong. Accordingly, the Group's operations and prospects could be adversely affected by economic, political and legal developments in the Hong Kong. Any changes in the political and economic policies/environments of the Hong Kong (including, but not limited to, government policies, political instability, expropriation, laws, labour activism, war, civil unrest, terrorism, and changes in interest rates, foreign exchange rates, taxation, environmental regulations and import and export duties and restrictions) may adversely affect the Group's business and operations as well as its ability to sustain its expansion strategies and thus future growth.

LETTER FROM THE BOARD

Risks relating to the Share price

The price and trading volume of the Shares are determined by demand and supply of investors for the Shares in the public market price and may be highly volatile. Factors such as variations in the Group's revenue, earnings and cash flows, changes in or challenges to its business, announcements of new investments, acquisitions or disposals, the depth and liquidity of the market for the Shares, investors' perceptions of the Group and general political, economic, social and market conditions both globally and in the PRC or Hong Kong could cause the market price of the Shares to change substantially.

Additional Risks

Additional risks and uncertainties not presently known to the Directors, or not expressed or implied above, or otherwise deemed immaterial by the Directors as at the Latest Practicable Date, may also adversely affect the Group's business in a material aspect.

WARNING OF THE RISKS OF DEALING IN THE SHARES AND THE NIL-PAID RIGHTS SHARES

The Rights Issue is subject to the fulfilment of conditions including, amongst other things, the Stock Exchange granting the listing of, and permission to deal in, the Rights Shares in their nil-paid and fully paid forms. Please refer to the section headed "Conditions of the Rights Issue" in this prospectus. Shareholders and potential investors of the Company should note that if the conditions to the Rights Issue are not satisfied, the Rights Issue will not proceed.

Any dealings in the Shares from the date of this prospectus up to the date on which all the conditions of the Rights Issue are fulfilled, and any Shareholders dealing in the Rights Shares in nil-paid form will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed.

The Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptances of the provisionally allotted Rights Shares.

Shareholders and potential investors of the Company contemplating any dealings in the Shares and/or Rights Shares in their nil-paid form are advised to exercise caution and recommended to consult their professional advisers.

LETTER FROM THE BOARD

GEM LISTING RULES IMPLICATIONS

As the Company has not conducted any rights issue, open offer and/or specific mandate placing within the 12-month period immediately preceding this prospectus, and the Rights Issue will not increase the number of issued Shares or the market capitalisation of the Company by more than 50%, the Rights Issue is not subject to the approval of the Shareholders pursuant to Rule 10.29(1) of the GEM Listing Rules.

The theoretical dilution price and the benchmarked price are approximately HK\$0.4243 per Share and HK\$0.4640 per Share, respectively. The Rights Issue is in compliance with Rule 10.44A of the GEM Listing Rules with respect to theoretical dilution impact.

PROFESSIONAL TAX ADVICE RECOMMENDED

Qualifying Shareholders are recommended to consult their professional advisers if they are in doubt as to the taxation implications of subscribing for the Rights Shares, or about purchasing, holding or disposals of, or dealings in or exercising any rights in relation to the Shares or the Rights Shares. It is emphasised that none of the Company, the Directors nor any other parties involved in the Rights Issue accepts responsibility for any tax effects on, or liabilities of, any person resulting from subscribing for, purchasing, holding, disposal of, dealings in or exercising any rights in relation to the Shares or the Rights Shares.

ADDITIONAL INFORMATION

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

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

1. FINANCIAL INFORMATION OF THE GROUP

Financial information of the Group for each of three years ended 31 December 2021, 2022 and 2023, the six months ended 30 June 2024 and the six months ended 30 June 2023, together with the accompanying notes to the financial statements, are disclosed in the following documents which have been published on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.chinademeter.com>):

Annual report for the year ended 31 December 2023 (pages 151 to 326):

<https://www1.hkexnews.hk/listedco/listconews/gem/2024/0327/2024032700467.pdf>

Annual report for the year ended 31 December 2022 (pages 157 to 329):

<https://www1.hkexnews.hk/listedco/listconews/gem/2023/0330/2023033001287.pdf>

Annual report for the year ended 31 December 2021 (pages 157 to 341):

<https://www1.hkexnews.hk/listedco/listconews/gem/2022/0329/2022032900634.pdf>

Interim report for the six months ended 30 June 2024 (pages 4 to 65):

<https://www1.hkexnews.hk/listedco/listconews/gem/2024/0814/2024081401187.pdf>

Interim report for the six months ended 30 June 2023 (pages 4 to 68):

<https://www1.hkexnews.hk/listedco/listconews/gem/2023/0811/2023081101380.pdf>

2. BUSINESS TREND AND TRADING AND FINANCIAL PROSPECT

As disclosed in the interim report of the Company for the six months ended 30 June 2024, Hong Kong's retail sector has faced ongoing challenges, with the city's retail sales contracting for the fourth consecutive month in June, declining by 9.7% year-on-year, albeit at a slower pace. This underperformance in the first half of the year can be largely attributed to a combination of factors, including higher interest rates, adverse exchange rate movements, and a further slowdown in the global economy.

The relative strength of the Hong Kong dollar compared to the Japanese yen has led many Hong Kong residents to opt for authentic culinary experiences in Japan, where costs are a fraction of those in Hong Kong. In addition, Hong Kong consumers have been flocking to mainland cities, particularly Shenzhen, to take advantage of the sinking yuan and low inflation. This exodus is driven by stark price differentials, with some everyday items costing up to 60% less in Shenzhen compared to Hong Kong. The reopening of borders following the pandemic has unleashed a wave of cross-border consumption that is reshaping consumer behavior. This dramatic shift is the result of a perfect storm of economic pressures, currency fluctuations, and changing consumer preferences, which threatens to reshape Hong Kong's economy in many aspects for years to come. The management anticipates that this challenging situation may persist, adversely affecting both the food and beverage industry and the Company's performance. In response, the management has adopted cost control measures and implemented several marketing campaigns aimed at increasing client engagement with our products and services.

Additionally, the management of the Company has employed a cautious approach regarding the loan-to-value ratio of collaterals and the quality of margin finance clients to limit exposure for our margin financing and money lending businesses. The Company will carefully monitor the economic landscape and adjust its strategies as needed to ensure growth and profitability.

3. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors confirmed that there had been no material adverse change in the financial or trading position or prospects of the Group since 31 December 2023, being the date to which the latest published audited consolidated financial statements of the Group were made up.

4. WORKING CAPITAL STATEMENT

Taking into account the net proceeds from the Rights Issue and the Group's presently available financial resources, including internally generated funds from operations and available financial facilities of the Group, the Directors after due and careful enquiry are of the opinion that the Group has sufficient working capital for its present requirements, that is for at least the next 12 months from the date of publication of this prospectus.

5. STATEMENT OF INDEBTEDNESS

As at the close of business on 31 December 2024, being the latest practicable date for the purpose of ascertaining information contained in this statement of indebtedness prior to the printing of this Prospectus, the details of the Group's indebtedness are as follows:

Borrowing

As at 31 December 2024, the Group had outstanding borrowings of approximately HK\$22 million. The borrowings were unsecured, with interest rate ranging from 10% to 12% per annum.

Leases liabilities

As at 31 December 2024, the Group had current portion of lease liabilities of approximately HK\$25.5 million and non-current portion of lease liabilities of approximately HK\$11.3 million.

Save as aforesaid and apart from intra-group liabilities and normal trade payables and other payables and accruals in the ordinary course of business, at the close of business on 31 December 2024, the Group did not have any debt securities issued and outstanding or agreed to be issued but unissued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances (other than normal trade payables) or acceptance credits, debentures, mortgages, charges, finance lease, hire purchases commitments, guarantees or material contingent liabilities.

**A. UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET
TANGIBLE ASSETS ATTRIBUTABLE TO OWNERS OF THE COMPANY****Introduction**

The following unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to the owners of the Company as at 30 June 2024 (the “**Unaudited Pro Forma Financial Information**”) which has been prepared by the directors in accordance with paragraph 7.31 of the GEM Listing Rules and with reference to Accounting Guideline 7 “Preparation of Pro Forma Financial Information for inclusion in Investment Circular” issued by the Hong Kong Institute of Certified Public Accountants is for illustration only, and is set out in this appendix to illustrate the effects of the Rights Issue, on the unaudited consolidated net tangible assets of the Group attributable to the owners of the Company as at 30 June 2024, as if the Rights Issue had taken place on such date.

The Unaudited Pro Forma Financial Information has been prepared for illustrative purposes only, and because of its hypothetical nature, it may not give a true picture of the consolidated net tangible assets of the Group attributable to the owners of the Company as at 30 June 2024 or any future date following the Rights Issue.

The Unaudited Pro Forma Financial Information is prepared based on the consolidated net tangible assets of the Group attributable to owners of the Company derived from the unaudited consolidated statement of financial position of the Group as at 30 June 2024 as extracted from the published interim report of the Company for the six months ended 30 June 2024, after incorporating the adjustments described in the accompanying notes.

	Unaudited consolidated net tangible assets of the Group attributable to owners of the Company as at 30 June 2024 <i>HK\$'000</i> <i>(Note 1)</i>	Unaudited estimated net proceeds from the Rights Issue <i>HK\$'000</i> <i>(Note 2)</i>	Unaudited pro forma adjusted consolidated net tangible assets attributable to the owners of the Company as at 30 June 2024 immediately after completion of the Rights Issue <i>HK\$'000</i> <i>(Note 3)</i>
Based on 45,174,100 Rights Shares to be issued at Subscription Price of HK\$0.345 per Rights Share	73,881	14,600	88,481
			<i>HK\$</i>
Unaudited consolidated net tangible assets of the Group attributable to the owners of the Company as at 30 June 2024 per Share before the Rights Issue <i>(Note 4)</i>			0.82
Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the owners of the Company per Share immediately after the Rights Issue <i>(Note 5)</i>			0.65

Notes:

1. It represents the unaudited consolidated net assets of the Group attributable to owners of the Company of approximately HK\$76,340,000 less unaudited intangible assets of approximately HK\$500,000 and unaudited goodwill of approximately HK\$1,959,000 as at 30 June 2024, which are extracted from the published unaudited condensed consolidated statement of financial position of the Group as at 30 June 2024.
2. The estimated net proceeds from the Rights Issue of approximately HK\$14,600,000 are based on 45,174,100 Rights Shares to be issued, based on the number of 90,348,200 Shares in issue as at the Record Date, after deduction of the estimated related expenses of approximately HK\$985,000.
3. The unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the owners of the Company immediately after the completion of the Rights Issue represents the unaudited consolidated net tangible assets of the Group attributable to the owners of the Company as at 30 June 2024 plus the estimated net proceeds the Rights Issue as set out in Note 2 above.
4. The calculation of the unaudited consolidated net tangible assets of the Group attributable to the owners of the Company per Share as at 30 June 2024 before the completion of the Rights Issue is based on the unaudited consolidated net tangible assets of HK\$73,881,000 as set out in Note 1 above divided by 90,348,200 Shares as at 30 June 2024, after the share consolidation effective on 15 November 2024.
5. Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the owners of the Company per Share as at 30 June 2024 immediately after completion of the Rights Issue is determined based on the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the owners of the Company immediately after completion of the Rights Issue of approximately HK\$88,481,000 set out in Note 3 above, divided by 135,522,300 Shares which represent:
 - (i) 90,348,200 Shares in issue as at 30 June 2024; and
 - (ii) 45,174,100 Rights Shares to be issued, based on the number of 90,348,200 Shares in issue as at the Record Date.
6. No adjustment has been made to the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the owners of the Company to reflect any trading results or other transactions of the Group entered into subsequent to 30 June 2024.

**B. INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE
COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION**

The following is the text of a report received from the reporting accountants, Motions Capital CPA & Co., Certified Public Accountants, Hong Kong, in respect of the Group's pro forma financial information for the purpose of incorporation in this prospectus.

To the directors of China Demeter Financial Investments Limited

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of China Demeter Financial Investments Limited (the “**Company**”) and its subsidiaries (collectively referred to as the “**Group**”) by the directors of the Company for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to the owners of the Company as at 30 June 2024 and related notes as set out on pages 1 to 3 of Appendix II of the Company's prospectus dated 28 January 2025 (the “**Prospectus**”) in connection with the proposed rights issue of the Company on the basis of one rights share for every two shares held on the record date (the “**Proposed Rights Issue**”). The applicable criteria on the basis of which the directors of the Company have compiled the unaudited pro forma financial information are described in Appendix II of the Prospectus.

The unaudited pro forma financial information has been compiled by the directors of the Company to illustrate the impact of the Proposed Rights Issue on the Group's consolidated financial position as at 30 June 2024 as if the Proposed Rights Issue had taken place at 30 June 2024. As part of this process, information about the Group's consolidated financial position has been extracted by the directors of the Company from the Group's unaudited condensed consolidated financial statements for the six months ended 30 June 2024, on which an interim report (with no audit or review report) has been published.

Directors' Responsibility for the Unaudited Pro Forma Financial Information

The directors of the Company are responsible for compiling the unaudited pro forma financial information in accordance with paragraph 7.31 of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”) and with reference to Accounting Guideline 7 “Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars” (“**AG 7**”) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”).

Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the “Code of Ethics for Professional Accountants” issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Management 1 “Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements” issued by the HKICPA, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountants’ Responsibilities

Our responsibility is to express an opinion, as required by paragraph 7.31(7) of the GEM Listing Rules, on the unaudited pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the unaudited pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 “Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus” issued by the HKICPA. This standard requires that the reporting accountants plan and perform procedures to obtain reasonable assurance about whether the directors of the Company have compiled the unaudited pro forma financial information in accordance with paragraph 7.31 of the GEM Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the unaudited pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the unaudited pro forma financial information.

The purpose of unaudited pro forma financial information included in a prospectus is solely to illustrate the impact of the Proposed Rights Issue on unadjusted financial information of the entity as if the Proposed Rights Issue had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the Proposed Rights Issue at 30 June 2024 would have been as presented.

A reasonable assurance engagement to report on whether the unaudited pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the directors in the compilation of the unaudited pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- the related unaudited pro forma adjustments give appropriate effect to those criteria; and
- the unaudited pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgement, having regard to the reporting accountants' understanding of the nature of the entity, the event or transaction in respect of which the unaudited pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

- (a) the unaudited pro forma financial information has been properly compiled by the directors of the Company on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purposes of the unaudited pro forma financial information as disclosed pursuant to paragraph 7.31(1) of the GEM Listing Rules.

Motions Capital CPA & Co.
Certified Public Accountants
Hong Kong, 28 January 2025

(1) RESPONSIBILITY STATEMENT

This prospectus, 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 Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this prospectus 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 prospectus misleading.

(2) SHARE CAPITAL

The authorised and issued share capital of the Company (i) as at the Latest Practicable Date; (ii) immediately after completion of the Rights Issue (assuming no new Shares are issued (other than the Rights Shares) or repurchased on or before completion of the Rights Issue and all the Shareholders have taken up all the entitled Rights Shares); and (iii) immediately after completion of the Rights Issue (assuming no Shares are issued (other than the Rights Shares) or repurchased on or before completion of the Rights Issue and none of the Shareholders have taken up all the entitled Rights Shares) are set out as follows:

(i) As at the Latest Practicable Date

	Number of Shares	Nominal value of Shares HK\$
<i>Authorised:</i>		
Ordinary shares of HK\$0.01 each	100,000,000,000	1,000,000,000
<i>Issued and fully-paid:</i>		
Ordinary shares of HK\$0.01 each	90,348,200	903,482

- (ii) Immediately after completion of the Rights Issue (assuming no new Shares are issued (other than the Rights Shares) or repurchased on or before completion of the Rights Issue and all the Shareholders have taken up all the entitled Rights Shares)

	Number of Shares	Nominal value of Shares HK\$
<i>Authorised:</i>		
Ordinary shares of HK\$0.01 each	100,000,000,000	1,000,000,000
<i>Issued and fully-paid:</i>		
Ordinary shares of HK\$0.01 each	90,348,200	903,482
Rights Shares to be allotted and issued under the Rights Issue	45,174,100	451,741

- (iii) Immediately after completion of the Rights Issue (assuming no Shares are issued (other than the Rights Shares) or repurchased on or before completion of the Rights Issue and none of the Shareholders have taken up all the entitled Rights Shares)

	Number of Shares	Nominal value of Shares HK\$
<i>Authorised:</i>		
Ordinary shares of HK\$0.01 each	100,000,000,000	1,000,000,000
<i>Issued and fully-paid:</i>		
Ordinary shares of HK\$0.01 each	90,348,200	903,482

The Rights Shares, when allotted and fully paid, will rank *pari passu* in all respects, including the rights to dividends, voting and return of capitals with the Shares then in issue. Holders of fully-paid Rights Shares will be entitled to receive all future dividends and distributions which are declared, made or paid after the date of allotment of the Rights Shares in their fully-paid form.

Save for the 15,058,033 shares issued pursuant to the placing as announced on 20 May 2024, no Shares have been issued since 31 December 2023, being the date on which the latest audited financial statements of the Group were made up.

The Company had no other outstanding convertible bonds, options, derivatives, warrants, conversion rights or other similar rights entitling holders thereof to subscribe for or convert into or exchange for new Shares as at the Latest Practicable Date.

As at the Latest Practicable Date, there were no arrangements under which future dividends are waived or agreed to be waived.

(3) DISCLOSURE OF INTERESTS**(a) Directors and chief executive of the Company**

As at the Latest Practicable Date, the interests or short positions of in the Shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) of the Directors and the chief executives of the Company which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules to be notified to the Company and the Stock Exchange, are as follows:

Long position

Name of Director	Capacity	Number of Shares	Approximate percentage of interest
Ng Man Chun Paul	Beneficial owner	384,500	0.43%
Ng Ting Ho	Beneficial owner	384,500	0.43%
Chan Chi Fung	Beneficial owner	2,101,000	2.33%

As at the Latest Practicable Date, save as disclosed above, none of the Directors and the chief executives of the Company had any interests or short positions of in the Shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules to be notified to the Company and the Stock Exchange.

(b) Substantial Shareholders of the Company

As at the Latest Practicable Date, based on the disclosure of interests filed on the Stock Exchange's website and so far is known to the Directors, the following person (not being a Director or chief executive of the Company or their respective associates) or entities which had, or was deemed or taken to have interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or who were directly or indirectly deemed to be interested in 10% or more of the nominal value of any class of share capital, including options in respect of such capital, carrying rights to vote in all circumstances at general meetings of any member of the Group:

Name	Capacity	Number of Shares	Approximate percentage of interest
Ng Ting Kit (<i>note 1</i>)	Beneficial owner	10,370,000	11.47%
	Interest in a controlled corporation (<i>note 2</i>)	14,593,394	16.15%

Note 1: Mr. Ng Ting Kit is (i) a cousin of Mr. Ng Man Chun Paul, the chairman of the Board and an executive Director, and (ii) the brother of Mr. Ng Ting Ho, the chief executive officer of the Company and an executive Director.

Note 2: The 14,593,394 Shares are held by Trinity Worldwide Capital Holding Limited, which is owned as to 100% by Mr. Ng. Accordingly, Mr. Ng is deemed to be interested in all the Shares held by Trinity Worldwide Capital Holding Limited under the SFO.

Save as disclosed herein, so far as is known to the Directors, as at the Latest Practicable Date, the Company has not been notified of any other person (other than a Director or chief executive of the Company or their respective associates) who had, or were deemed or taken to have, an interest or a short position in the Shares or the underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company, or of any other company which is a member of the Group, or any options in respect of such share capital.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors was a director or employee of a company which had an interest or a short position in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

(4) DIRECTORS' INTERESTS IN TRANSACTIONS, ASSETS, ARRANGEMENTS OR CONTRACTS**(a) Interests in transactions, arrangements or contracts**

As at the Latest Practicable Date, no Director nor a connected entity of a Director had a material interest, either directly or indirectly, in any transactions, arrangements or contracts of significance to the business of the Group to which the Group was a party.

(b) Interests in competing business

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.

As at the Latest Practicable Date, save as disclosed above, none of the Directors nor their respective associates had any business or interests in a business which competes or is likely to compete, either directly or indirectly, with the business of the Group.

(c) Interests in assets

As at the Latest Practicable Date, none of the Directors had any material direct or indirect interest in any assets which have been acquired or disposed of by, or leased to, or which were proposed to be acquired or disposed of by, or leased to any member of the Group since 31 December 2023 (the date to which the latest published audited consolidated financial statements of the Group were made up).

(d) Directors' service contracts

As at the Latest Practicable Date, none of the Directors had a service contract with any member of the Group which was not expiring or determinable by the employer within one year without payment of compensation, other than statutory compensation.

(5) DIRECTORS

a.	Name	Address
	<i>Executive Directors</i>	
	Mr. Ng Man Chun Paul (Chairman)	Office A01, 35/F, United Centre, No. 95 Queensway, Admiralty, Hong Kong
	Mr. Ng Ting Ho (Chief Executive Officer)	Office A01, 35/F, United Centre, No. 95 Queensway, Admiralty, Hong Kong

a.	Name	Address
	Mr. Chan Chi Fung	Office A01, 35/F, United Centre, No. 95 Queensway, Admiralty, Hong Kong
	<i>Independent non-executive Directors</i>	
	Mr. Chan Hin Hang	Office A01, 35/F, United Centre, No. 95 Queensway, Admiralty, Hong Kong
	Ms. Ng Ching	Office A01, 35/F, United Centre, No. 95 Queensway, Admiralty, Hong Kong
	Mr. Hung Kenneth	Office A01, 35/F, United Centre, No. 95 Queensway, Admiralty, Hong Kong

EXECUTIVE DIRECTORS

Mr. Ng Man Chun Paul, aged 53, was appointed as an executive Director with effect from 15 November 2016 and redesignated to a non-executive Director from 4 October 2021 to 4 January 2023, and was redesignated from a non-executive Director to an executive Director with effect from 5 January 2023. He has been appointed as the Chairman of the Board, with effect from 14 June 2019. Mr. Ng Man Chun Paul was also the chief executive of the Company from 15 November 2016 to 1 December 2020. Mr. Ng Man Chun Paul obtained a Bachelor of Science from Columbia University, New York, the United States of America in May 1993. Prior to joining the Group, he has worked in various international investment banks and securities firms and is experienced in the area of finance and investments. Mr. Ng Man Chun Paul is (i) a cousin of Mr. Ng Ting Ho, an executive Director; and (ii) a cousin of Mr. Ng Ting Kit, a controlling shareholder of the Company.

Mr. Ng Ting Ho (“**Mr. Ng**”), aged 40, was appointed as an executive Director on 5 February 2016, re-designated as a non-executive Director on 16 June 2017 and was redesignated from a non-executive Director to an executive Director with effect from 3 July 2018. He has been appointed as the chief executive officer of the Company with effect from 1 December 2020. He is experienced in banking and finance, and previously worked in various banks and financial institutions. He is also a director of the subsidiaries of the Company. Mr. Ng obtained his Bachelor of Commerce in Finance and Financial Economics Degree from the University of New South Wales in 2008. Thereafter, Mr. Ng further completed his Master of Science in Financial Mathematics Degree from the Bayes Business School of the City University in London in 2014. Mr. Ng is (i) a cousin of Mr. Ng Man Chun Paul, an executive Director; and (ii) the younger brother of Mr. Ng Ting Kit, a controlling shareholder of the Company. Mr. Ng is a non-executive director of Hang Tai Yue Group Holdings Limited (Stock Code: 8081) which is a company listed on GEM of the Stock Exchange.

Mr. Chan Chi Fung (“**Mr. Chan**”), aged 43, was appointed as an executive Director with effect from 1 September 2021. He is also a director of the subsidiary of the Company. Mr. Chan holds an Associate Degree in Business Administration in Financial Services from the City University of Hong Kong. Mr. Chan has approximately 18 years of experience in the financial market. He worked in China Jianxin Financial Services Limited (formerly known as Win Fung Securities Limited) from December 2013 to October 2016 and his last position was a director and was responsible for managing the day-to-day trading operation. Mr. Chan worked in China Demeter Securities Limited (formerly known as Trinity Finance Investment Limited) from October 2010 to November 2013 and his last position was a responsible officer. Mr. Chan is a director and a responsible officer of China Demeter Securities Limited, which is licensed by the Securities and Future Commission for engaging in Type 1 (dealing in securities), Type 4 (Advising on securities) and Type 9 (Asset Management) regulated activities. Mr. Chan is responsible for managing the day-to-day operation of China Demeter Securities Limited.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Chan Hin Hang (“**Mr. Chan**”), aged 37, was appointed as an independent non-executive Director with effect from 13 November 2017. He is also the chairman of the remuneration committee and the audit committee, and a member of the nomination committee of the Company. Mr. Chan has over 9 years of accounting experience. He worked at Deloitte Touche Tohmatsu from September 2010 to June 2015 and is a member of CPA Australia. He obtained a Bachelor Degree in Business (Banking and Finance) from the Queensland University of Technology in 2009. Mr. Chan was an independent non-executive director of Millennium Pacific Group Holdings Limited (stock code: 8147) from July 2017 to July 2018 which is a company listed on GEM of the Stock Exchange. He was an independent non-executive director of Huisheng International Holdings Limited (Stock Code: 1340) from 22 March 2019 to 30 June 2022, a company listed on Main Board of the Stock Exchange. On 9 January 2020, he was appointed as the company secretary of Sau San Tong Holdings Limited (Stock Code: 8200), a company listed on GEM of the Stock Exchange.

Mr. Hung Kenneth (“**Mr. Hung**”), aged 53, was appointed as an independent non-executive Director with effect from 27 October 2014 and is a member of the audit committee, nomination committee and remuneration committee. He holds a degree of Bachelor of Science awarded by Woodbury University in June 1995. Mr. Hung has extensive experience in the entertainment industry. From March 2008 to September 2010, Mr. Hung was the China business development director for Golden Sun Films Distribution Ltd. From October 2010 to June 2012, Mr. Hung was the chief operation officer for Top Action Culture Development Co. Ltd. From July 2012 to October 2013, Mr. Hung was the business development director for Star Alliance Movies (Beijing) Co., Ltd. Mr. Hung was the chairman of Sino Vision Worldwide Holdings Limited (“**Sino Vision**”) from September 2016 to May 2017 and a director of Sino Vision from May 2017 to November 2017. Mr. Hung was an executive director of Hang Tai Yue Group Holdings Limited (Stock Code: 8081) from February 2014 to August 2018, was an independent non-executive director of Almanac Limited (formerly known as M-Resources Group Limited) (Stock Code: 8186) from March 2015 to April 2019, and has been appointed as an executive director of Smart City Development Holdings Limited (Stock Code: 8268) on 29 July 2019, all of which are companies listed on GEM of the Stock Exchange.

Ms. Ng Ching (“**Ms. Ng**”), aged 36, was appointed as an independent non-executive Director, chairman of the nomination committee, member of each of the audit committee and remuneration committee with effect from 15 November 2024. She obtained a degree of Bachelor of Music from the Florida International University in April 2013 and became a Graduate Gemologist with the Gemological Institute of America in November 2014. Ms. Ng has over 10 years of experience in jewellery design and sales. She has served as the director in a company of jewellery industry since 2015. She also has served as the president of Hong Kong Multicultural Exchange Association Limited since December 2022. Ms. Ng served as the president of Tsuen Wan Lions Club from June 2022 to July 2023. She has been appointed as the council member of council of Hong Kong Shanxi Community (formerly known as Hong Kong Shanxi Chamber of Commerce) for the term from 2024 to 2026.

(6) MATERIAL CONTRACTS

The following material contracts, not being contracts entered into in the ordinary course of business of the Group, have been entered into by members of the Group within two years immediately preceding the Latest Practicable Date and are or may be material:

- (a) The Placing Agreement in connection with the Rights Issue, the terms of which are set out in the “Letter from the Board” in this prospectus; and
- (b) The placing agreement dated 20 May 2024 between the Company and the Placing Agent in respect of placing of up to 150,580,334 new Shares by the Company for the gross proceeds of approximately HK\$6.78 million. Please refer to the announcement of the Company dated 20 May 2024 for details.

(7) LITIGATION

As at the Latest Practicable Date, no member of the Group was engaged in any litigation or claims of material importance and no litigation or claim of material importance was known to the Directors to be pending or threatened against any member of the Group.

(8) EXPERT’S QUALIFICATION AND CONSENT

The following is the qualification of the expert who has given an opinion or advice contained in this prospectus:

Name	Qualification
Motions Capital CPA & Co.	Certified Public Accountants

Motions Capital CPA & Co. has given and has not withdrawn its written consent to the issue of this prospectus with the inclusion of its letter/report and/or references to its name in the form and context in which they respectively appear in this prospectus.

As at the Latest Practicable Date, Motions Capital CPA & Co. was not beneficially interested in the share capital of any member of the Group nor did it have any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for any Shares, convertible securities, warrants, options or derivatives which carry voting rights in any member of the Group nor did it have any interest, either direct or indirect, in any assets which have been acquired or disposed of by or leased to or are proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2023, being the date to which the latest published audited financial statements of the Group were made up.

(9) GENERAL

- (1) The English text of this prospectus shall prevail over the Chinese text in case of inconsistency.
- (2) The company secretary of the Company is Ms. Chan Lai Ping, who is a member of the Hong Kong Institute of Certified Public Accountants.
- (3) The audit committee of the Board was established with written terms of reference were adopted in compliance with the GEM Listing Rules. The main functions of the audit committee is to recommend to the Board on the appointment, reappointment and removal of the external auditors; to approve the remuneration and terms of engagement of the external auditors as well as any questions of resignation or dismissal of such auditors; to review the interim and annual reports and accounts of the Group; and to oversee the Company's financial reporting, risk management and internal control procedures. The audit committee consists of three independent non-executive Directors, namely, Mr. Chan Hin Hang (chairman of the committee), Ms. Ng Ching and Mr. Hung Kenneth.
- (4) The registered office of the Company is at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda.
- (5) The principal place of business of the Company in Hong Kong is at Office A01, 35/F, United Centre, No. 95 Queensway, Admiralty, Hong Kong.
- (6) The branch share registrar and transfer office of the Company in Hong Kong is Tricor Tengis Limited, 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.

(10) EXPENSES

The expenses in connection with the Rights Issue, including financial advisory fees, printing, registration, translation, legal, accounting and documentation charges, are estimated to be approximately HK\$985,065, which are payable by the Company.

(11) CORPORATE INFORMATION AND PARTIES INVOLVED IN THE RIGHTS ISSUE

Registered Office of the Company	Clarendon House 2 Church Street Hamilton HM 11 Bermuda
Company Secretary	Ms. Chan Lai Ping
Authorised representatives	Mr. Ng Ting Ho Office A01, 35/F, United Centre, No. 95 Queensway Admiralty, Hong Kong Ms. Chan Lai Ping Office A01, 35/F, United Centre, No. 95 Queensway Admiralty, Hong Kong
Auditor	Baker Tilly Hong Kong Limited Certified Public Accountants Level 8, K11 ATELIER King's Road, 728 King's Road Quarry Bay, Hong Kong
Reporting accountants	Motions Capital CPA & Co. Certified Public Accountants Unit E, 43/F., Enterprise Square Three No. 39 Wang Chiu Road, Kowloon Bay Kowloon
Principal share registrar and transfer office	Conyers Corporate Services (Bermuda) Limited Clarendon House 2 Church Street Hamilton HM 11 Bermuda
Branch share registrar and transfer office	Tricor Tengis Limited 17/F, Far East Finance Centre 16 Harcourt Road Hong Kong

Principal bankers

Bank of Communications Co., Ltd.
Commercial Banking Division
10/F, No. 77 Gloucester Road, Wan Chai
Hong Kong

The Hongkong and Shanghai Banking
Corporation Limited
Des Voeux Road Central Branch
China Insurance Group Building
141 Des Voeux Road Central, Sheung Wan
Hong Kong

Hang Seng Bank
83 Des Voeux Road Central, Hong Kong

**Legal adviser to the Company
as to Hong Kong laws**

WONG & CO, SH
Office NO. 6, 20/F,
Singa Commercial Centre
144-151 Connaught Road West
Hong Kong

Placing Agent

Minerva Holding Financial Securities Limited
Unit 1804, 18/F, Far East Finance Centre
16 Harcourt Road, Admiralty, Hong Kong

(12) DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG

A copy of this prospectus, together with copies of the Provisional Allotment Letter(s) and the written consent referred to in the section headed “(8) Expert’s Qualification and Consent” in this appendix have been delivered to the Registrar of Companies in Hong Kong for registration as required by Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

(13) LEGAL EFFECT

The Prospectus Documents and all acceptances of any offer or application contained in such documents are governed by and shall be construed in accordance with the laws of Hong Kong. Where an application is made in pursuance of any such documents, the relevant document(s) shall have the effect of rendering all persons concerned bound by the provisions, other than the penal provisions, of Sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance, so far as applicable.

(14) DOCUMENTS ON DISPLAY

Copies of the following documents will be published on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.chinademeter.com>) for 14 days from the date of this Prospectus:

- (i) the accountant's report on the unaudited pro forma financial information of the Group, the text of which is set out in Appendix II to this Prospectus;
- (ii) the material contracts as referred to in the paragraph headed "(6) Material Contracts" in this Appendix;
- (iii) the written consent referred to in the paragraph headed "(8) Expert's Qualification and Consent" in this Appendix; and
- (iv) the Prospectus Documents.

(15) MISCELLANEOUS

- (i) As at the Latest Practicable Date, save for the foreign exchange control in the PRC and payment of the relevant tax incidental to the remittance of profit or repatriation of capital, to the best knowledge of the Directors, there was no other restriction affecting the remittance of profits or repatriation of capital into Hong Kong from outside of Hong Kong. Save and except for United States dollars, Renminbi and Singapore dollars, the Group has no exposure to foreign exchange liabilities.
- (ii) As at the Latest Practicable Date, there is no material foreign exchange exposure to the Company.