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中国奇点国峰控股有限公司

China Qidian Guofeng Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1280)

(1) CHANGE OF AUDITORS; AND (2) PROPOSED GRANT OF SHARE AWARDS UNDER SHARE AWARD SCHEME

(1) CHANGE OF AUDITORS

Resignation of Auditors

The Board hereby announces that the Company has reached a mutual understanding with Elite Partners that Elite Partners has resigned as the auditors of the Company with effect from 30 October 2024 as Elite Partners is no longer able to undertake audit services for Mainland enterprises listed outside the Mainland for a period of 5 years following a regulatory decision from a regulator in the PRC and has made relevant enquiries with Elite Partners.

Elite Partners has confirmed in its resignation letter that there are no matters in relation to its resignation that need to be brought to the attention of the Shareholders. The Board is not aware of any disagreements between the Company and Elite Partners, or other matters in relation to the change of auditors that need to be brought to the attention of the stakeholders of the Company.

Elite Partners has not commenced any audit work on the consolidated financial statements of the Group for the financial year ending 31 December 2024. The Board expects that the change of auditors will not have any significant impact on the preparation of the consolidated financial statements of the Group for the financial year ending 31 December 2024.

The Board would like to take this opportunity to express its sincere gratitude to Elite Partners for its professional services rendered to the Group during its tenure of office.

Proposed Appointment of Auditors

The Board further announces that, with the recommendation from the Audit Committee, it has proposed to appoint CL Partners CPA Limited as the new auditors of the Company to fill the casual vacancy following the resignation of Elite Partners and to hold office until the conclusion of the next annual general meeting of the Company, subject to the approval of the Shareholders at the EGM pursuant to Article 29.2 of the articles of association of the Company.

A circular containing, among other things, details of the appointment of CL Partners CPA Limited as the new auditors of the Company together with the notice convening the EGM will be despatched to the Shareholders in due course.

(2) PROPOSED GRANT OF SHARE AWARDS UNDER SHARE AWARD SCHEME

Reference is made to the announcement of the Company dated 15 October 2024 in relation to, among others, the appointment of Mr. Yuan Lijun as the executive Director, vice chairman and Co-CEO of the Company.

The Board announces that on 31 October 2024, the Company granted 38,914,570 Award Shares involving 38,914,570 new Shares, representing approximately 2.15% of the total issued Shares as at the Grant Date, to the Grantees under the Share Award Scheme. If any grant of the Award Shares as detailed below has not been accepted by any particular Grantee or is not otherwise in compliance with any applicable laws and regulations, such grant in respect of the particular Grantee would not proceed or be effective for legal and regulatory purposes.

Among the 38,914,570 Award Shares, (i) 36,114,570 Award Shares were granted to Mr. Yuan Lijun, the executive Director, vice chairman and Co-CEO of the Company; (ii) 1,800,000 Award Shares were granted to Mr. Wang Xianfu, the non-executive Director of the Company; and (iii) 1,000,000 Award Shares were granted to Mr. Wang Zhaoyun, a vice president of Shenzhen Co, a subsidiary of the Company. Details of the Grants are as follows:

Grant Date: 31 October 2024

Grantees and Number of Award Shares: A total of 38,914,570 Award Shares to be granted to the following two Directors and one senior management of the Group:

Name	Title	Number of Awarded Shares	Percentage of total issued Shares <i>(Note)</i>
Yuan Lijun	the executive Director, vice chairman and the Co-CEO	36,114,570 Award Shares	2.00%
Wang Xianfu	the non-executive Director	1,800,000 Award Shares	0.09%
Wang Zhaoyun	a vice president of Shenzhen Co	1,000,000 Award Shares	0.05%

Note: Based on the total number of 1,805,728,508 Shares in issue as at the date of this announcement.

Consideration for the Award Shares: Nil

Closing price of the Shares on the Grant Date: HK\$2.44 per Share

- Vesting Period: All Award Shares shall vest in the Grantees in twelve months from the Grant Date, subject to the acceptance by the Grantees.
- For each of Mr. Yuan Lijun and Mr. Wang Zhaoyun, he undertakes that his vested Shares shall be returned to the Company if he leaves the Company within three years from the Vesting Date. Such undertaking is an addition to and is not covered by the clawback mechanism as stated below.
- Lock-up period: (i) The Award Shares granted to Mr. Yuan Lijun and Mr. Wang Zhaoyun shall be subject to a lock-up period of two years after vesting; and (ii) the Award Shares granted to Mr. Wang Xianfu shall be subject to a lock-up period of one year after vesting.
- Performance targets: There is no performance target for the Mr. Wang Xianfu. In considering the Grants made to the him, the Remuneration Committee has taken into account the following factors: (i) the expected value of the Award Shares subject to the future market price of the Shares, which in turn depends on the business performance of the Group; and (ii) the extensive experiences of Mr. Wang Xianfu in the education and training industry.
- In considering the Grants made to Mr. Yuan Lijun and Mr. Wang Zhaoyun, other than the factors above, the Remuneration Committee has considered the extensive experiences of Mr. Yuan Lijun and Mr. Wang Zhaoyun in the education and training industry and the Award Shares to attract and induce Mr. Yuan Lijun and Mr. Wang Zhaoyun in accepting the employment offer made by the Group to him.

Clawback mechanism: Unless determined otherwise by the Board, the Award Shares, granted but not yet vested, will be automatically and immediately cancelled when the Grantee cease to be an eligible participant as defined in the Share Award Scheme in the following circumstances:

- (i) where such person has committed any act of fraud or dishonesty or serious misconduct, whether or not in connection with his employment or engagement or service to any member of the Group and whether or not it has resulted in his employment or engagement or service being terminated by the relevant member of the Group;
- (ii) where such a person has been declared or adjudged to be bankrupt by a competent court or governmental body or has failed to pay his debts as they fall due (after the expiry of any applicable grace period) or has entered into any arrangement or composition with his creditors generally or an administrator has taken possession of any of his assets;
- (iii) where such person has been convicted of any criminal offence;
- (iv) where such person has been convicted of or is being held liable for any offence under or any breach of the SFO or other securities laws or regulations in Hong Kong or any other applicable laws or regulations in force from time to time; or
- (v) where such person commits a material breach of contract(s) between any member of the Group and the eligible participant(s).

The Grants of Award Shares to Mr. Yuan Lijun and Mr. Wang Xianfu have been approved by the independent non-executive Directors in accordance with Rule 17.04(1) of the Listing Rules and the terms of the Share Award Scheme.

Reasons for and Benefits of the Grants

The reason for the grant of Award Shares is (i) to provide incentives and rewards to Grantees for their contributions to and continuing efforts to promote the interests of the Company; and (ii) to provide competitive terms and conditions to Mr. Yuan Lijun who the Company considers is valuable talent for the development and growth of the businesses of the Group in order to attract and induce him in accepting the employment offer made by the Group to him. The Grants align the interests of such Grantees with those of the Group through ownership of Shares, dividends and other distributions paid on Shares and/or the increase in value of the Shares, and to encourage and retain such Grantees to make contributions to the long-term growth and profits of the Group. In addition, the Remuneration Committee believes and the Board concurs that the Grants to the Directors and senior management of the Group is (i) in line with the purpose of the Share Award Scheme; and (ii) fair and reasonable as (a) the value of the Awarded Shares is subject to the future market price of the Shares, which, in turn, depends on the business performance of the Group, to which the Grantees would directly contribute; and (b) the Awarded Shares are subject to the vesting period and lock-up period as stated above, which could ensure that the Grantees would be motivated to contribute to the Group's development.

To the best knowledge of the Directors, as at the date of this announcement, (i) other than Mr. Yuan Lijun and Mr. Wang Xianfu as disclosed above, none of the Grantees is a Director, chief executive or substantial shareholder of the Company or an associate (as defined under the Listing Rules) of any of them; (ii) other than Mr. Yuan Lijun, none of the Grantees is a participant with the Award Shares granted and to be granted exceeding the 1% individual limit under the Listing Rules; (iii) none of the Grantees is a service provider with the Award Shares granted and to be granted exceeding 0.1% limit in any 12-month period; and (iv) no financial assistance has been provided by the Group to the Grantees for the purchase of Shares under the Share Award Scheme.

Number of Shares Available for Future Grant

The number of Shares available for future grant after the Grants of the Award Shares to the Grantees under the Share Award Scheme will be 45,954,035 Shares.

38,914,570 Shares may be allotted and issued to the trustee in relation to the Grants and trustee shall hold such Shares on trust for the Grantees. Such new Shares will then be transferred to the Grantees at no cost upon satisfaction of the above-mentioned vesting condition. Accordingly, no funds will be raised from the issue of the new Shares. The issue of new Shares to satisfy the 38,914,570 Award Shares represents (i) approximately 2.15% of the total issued Shares as at the date of this announcement; and (ii) approximately 2.10% of the total issued Shares as enlarged by such allotment and issue.

GENERAL

A Shareholders' meeting will be convened for the purpose of considering and, if thought fit, (i) to approve the appointment of CL Partners CPA Limited as the auditor of the Company; (ii) to approve the Grants of 36,114,570 Award Shares to Mr. Yuan Lijun, representing approximately 2.0% of the issued share capital as at the date of this announcement, by the Shareholders.

A circular containing, among other things, further details on (i) the proposed appointment of CL Partners CPA Limited as the auditors of the Company; and (ii) the Grants of 36,114,570 Award Shares to Mr. Yuan Lijun, will be despatched to the Shareholders in due course.

DEFINITIONS

In this announcement, the following expressions shall have the following meanings unless the context requires otherwise.

“Audit Committee”	the audit committee of the Company
“Award Shares”	award shares, each representing a contingent right to receive one Share, which is awarded under the Share Award Scheme
“Board”	the board of Directors
“Co-CEO”	the co-chief executive officer of the Company
“Company”	China Qidian Guofeng Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange (stock code: 1280)
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened for the purpose of approving, among other things, the appointment of CL Partners CPA Limited as the auditors of the Company and proposed grant of Award Shares to Mr. Yuan Lijun
“Elite Partners”	Elite Partners CPA Limited

“Grants”	38,914,570 Award Shares to be granted to the Grantees in accordance with the Share Award Scheme on the Grant Date
“Grantees”	collectively Mr. Yuan Lijun, Mr. Wang Xianfu and Mr. Wang Zhaoyun who were granted Award Shares in accordance with the Share Award Scheme
“Grant Date”	31 October 2024
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited
“PRC”	the People’s Republic of China, for the purpose of this announcement only, excludes Hong Kong and Macau Special Administrative Region and Taiwan
“Share(s)”	ordinary share(s) of US\$0.02 each in the share capital of the Company
“Share Award Scheme”	the share award scheme adopted and amended by the Company on 15 June 2023, 25 January 2024 and 8 August 2024 respectively
“Shareholder(s)”	holder(s) of Shares in the Company
“Shenzhen Co”	Shenzhen Qidian Education Technology Co., Ltd. (深圳奇點求學科技有限公司), a subsidiary of the Company as at the date of this announcement
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

By order of the Board
China Qidian Guofeng Holdings Limited
Yuan Li
Chairman of the Board

Shenzhen, the PRC, 31 October 2024

As at the date of this announcement, the executive Directors of the Company are Mr. Yuan Li, Mr. Xu Xinying, Mr. Sun Yue, Mr. Yuan Lijun and Mr. Zhuang Liangbao; the non-executive Director of the Company is Mr. Wang Xianfu; and the independent non-executive Directors of the Company are Mr. Zhang Yihua, Mr. Chen Rui and Mr. Fung Tak Choi.