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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)

## SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE

### SUBSCRIPTION OF NEW SHARES

On 14 January 2024, the Company and the Subscriber entered into the Subscription Agreement, pursuant to which the Company has conditionally agreed to allot and issue, and the Subscriber has conditionally agreed to subscribe for 43,855,948 Subscription Shares at the Subscription Price of HK\$0.69 per Share.

The Subscription Shares represent: (a) approximately 20% of the existing issued share capital of the Company of 219,279,744 Shares as at the date of this announcement; and (b) approximately 16.67% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares (assuming that there is no change in the issued share capital of the Company other than the issue of the Subscription Shares).

The gross proceeds from the Subscription are expected to be approximately HK\$30,260,604.12 and the net proceeds, after deduction of the related expenses, will be approximately HK\$29,960,604.12, representing a net Subscription Price of approximately HK\$0.68 per Subscription Share. The Company intends to apply such net proceeds for general working capital of the Group and general corporate expenses.

An application will be made to the Listing Committee for the listing of, and permission to deal in, the Subscription Shares on the Stock Exchange.

**Completion is subject to the satisfaction of the conditions to the Subscription as stated below in this announcement and as such, the Subscription may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

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## **SUBSCRIPTION AGREEMENT**

The principal terms of the Subscription Agreement are set out below:

### **Date**

14 January 2024

### **Parties**

- (1) the Subscriber
- (2) the Company as the issuer

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, each of the Subscriber and its ultimate beneficial owner is an Independent Third Party.

### **Subscription**

Pursuant to the Subscription Agreement, the Company has conditionally agreed to allot and issue, and the Subscriber has conditionally agreed to subscribe for 43,855,948 Shares at the Subscription Price of HK\$0.69 per Share.

### **Subscription Shares**

The Subscription Shares represent:

- (a) approximately 20% of the existing issued share capital of the Company of 219,279,744 Shares as at the date of this announcement; and
- (b) approximately 16.67% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares (assuming that there is no change in the issued share capital of the Company other than the issue of the Subscription Shares).

The aggregate nominal value of the Subscription Shares is US\$877,118.96 and the market value of the Subscription Shares is approximately HK\$33,769,079.96 based on the closing price of HK\$0.77 per Share as quoted on the Stock Exchange on 12 January 2024, being the last trading date prior to the signing the Subscription Agreement.

## **Ranking of the Subscription Shares**

The Subscription Shares, when allotted and issued, will rank *pari passu* in all respects among themselves free from all liens, charges, guarantee, adverse interests and adverse claims, and with the Shares in issue on the date of allotment and issue of the Subscription Shares including all dividends declared or payable or distribution made or proposed on or after Completion.

## **Subscription Price**

The Subscription Price is HK\$0.69 per Share and represents:

- (a) a discount of approximately 10.39% to the closing price of HK\$0.77 per Share as quoted on the Stock Exchange on 12 January 2023, being the last trading date of Shares prior to the date of the Subscription Agreement; and
- (b) a discount of approximately 19.20% to HK\$0.854, being the average closing price as quoted on the Stock Exchange for the five consecutive trading days of Shares immediately prior to the date of the Subscription Agreement.

The aggregate net Subscription Price, after deduction of relevant expenses, is estimated to be approximately HK\$29,960,604.12. The cash consideration of approximately HK\$30,260,604.12 under the Subscription Agreement will be payable in full by the Subscriber on the date of Completion. The Subscription Price was arrived at after arm's length negotiations between the Company and the Subscriber with reference to the trading prices of the Shares and the funding needs, financial position and prospects of the Company. The Directors consider that the Subscription Price is fair and reasonable in light of the prevailing market conditions, the recent price performance and liquidity of the Shares.

## **Conditions**

Completion of the Subscription under the Subscription Agreement is conditional upon the following conditions having been satisfied:

- (i) the Board having approved such Subscription Agreement and the transactions contemplated thereunder in accordance with the articles of association of the Company and the Listing Rules;
- (ii) each of the representations and warranties given by the Company and the Subscriber as contained in the Subscription Agreement remaining true, complete and accurate and not misleading at the date of the Subscription Agreement and at Completion; and

(iii) the Listing Committee of the Stock Exchange having granted the listing of and the permission to deal in the Subscription Shares, and such approval and granting of permission not having been withdrawn or revoked.

None of the conditions stated above may be waived. In the event that the conditions are not fulfilled within 3 months from the date of the Subscription Agreement (or such later date as may be agreed by the Company and the Subscriber in writing), the Subscription Agreement and everything therein contained shall be null and void and of no effect immediately, and neither the Company and the Subscriber shall have any claim against the other in respect of any matter or thing arising out of or in connection with the Subscription Agreement (save in respect of any antecedent breach of any obligation under the Subscription Agreement).

### **Completion**

The Completion of the Subscription is expected to take place on the date specified by the Company by written notice to the Subscriber after fulfilment of all the above conditions, which shall not be later than the 30 days after the last condition having been satisfied (the “**Completion Date**”). If either party to the Subscription Agreement fails to fulfill the obligations by the Completion Date, the non-breaching party may (i) postpone the Completion Date for a subsequent date which is not later than 28 days after; or (ii) terminate the Subscription Agreement without affecting the rights and obligations of the parties under the Subscription Agreement already accrued as at the date of termination.

### **Lock-Up Period of the Subscription Shares**

The Subscriber unconditionally and irrevocably undertakes to the Company that, for the period of 6 months from the Completion Date, without the prior written consent of the Company, will not directly or indirectly: (i) offer to sell, transfer, contract to sell or otherwise deal with any of such Subscription Shares or any interests therein; or (ii) enter into any swap or derivatives that transfer the economic effect of ownership of such Subscription Shares or any interests therein; or (iii) announce any intention to enter into or effect any such transactions described in (i) or (ii) above.

### **Nomination of Director**

Pursuant to the Subscription Agreement, when the Subscriber remains to be a substantial shareholder (as defined under the Listing Rules) of the Company, the Subscriber shall have the right to nominate candidate(s) to be put forward to the Board and the nomination committee of the Company for appointment as Director(s) (other than an independent non-executive Director). The Company shall procure a

meeting of the Board and nomination committee of the Company to be held after receipt of written notice from the Subscriber of the proposed candidate(s) to consider and approve the appointment of such candidate(s) as Director(s), subject to compliance with the applicable laws, the Listing Rules and the articles of association of the Company.

## **GENERAL MANDATE**

Pursuant to a general mandate granted by the Shareholders at the annual general meeting of the Company held on 15 June 2023, the Directors may exercise all powers of the Company to allot, issue or deal with additional Shares of not exceeding 20% of the total number of 219,279,744 Shares, being the issued share capital of the Company as at the date of that annual general meeting. Pursuant to the general mandate, the total number of new Shares that the Company has been authorised to issue is 43,855,948 Shares. As at the date of this announcement, no Shares have been allotted and issued pursuant to such general mandate. Accordingly, such general mandate is sufficient for the issue of the Subscription Shares and therefore the issue of the Subscription Shares is not subject to separate Shareholders' approval. The issue of the Subscription Shares will utilize 100% of such general mandate.

## **APPLICATION FOR LISTING**

An application will be made to the Listing Committee for the listing of, and permission to deal in, the Subscription Shares on the Stock Exchange.

## **EQUITY FUND-RAISING ACTIVITIES BY THE COMPANY IN THE PAST TWELVE MONTHS PRIOR TO THE DATE OF THIS ANNOUNCEMENT**

The Company has not raised any funds by issuing equity securities during the 12 months immediately before the date of this announcement.

## **REASONS FOR AND BENEFITS OF THE SUBSCRIPTION**

The Directors consider that the issue of the Subscription Shares represents an opportunity to raise additional funds for the Group's capital expenditure and general working capital needs. The Directors believe that Subscription reflects the confidence from the Subscriber towards the long-term and sustainable development of the Company and the proceeds to be generated from the Subscription will increase the financial flexibility of the Group. The Directors consider that the terms of the Subscription Agreement (including the Subscription Price) are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

## **USE OF PROCEEDS**

The gross proceeds from the Subscription are expected to be approximately HK\$30,260,604.12 and the net proceeds, after deduction of the related expenses, will be approximately HK\$29,960,604.12, representing a net Subscription Price of approximately HK\$0.68 per Subscription Share.

The Company intends to apply such net proceeds for general working capital of the Group and general corporate expenses.

## **INFORMATION OF THE GROUP**

The Company was incorporated in the Cayman Islands on 5 February 2008 as an exempted company with limited liability. The Company is principally engaged in investment holding. The principal activities of the Group are mainly engaged in the retail of household appliance, mobile phones, computers, import and general merchandise and provision of maintenance and installation services and the liquor business in the PRC.

## **INFORMATION OF THE SUBSCRIBER**

The Subscriber, a company incorporated in Hong Kong with limited liability which is primarily engaged in investment holding, is wholly-owned by Ms. Liu Yang, who is an Independent Third Party as at the date of this announcement. Ms. Liu also has investment experience in private equity and the securities traded on the stock markets.

## EFFECT ON SHAREHOLDING STRUCTURE OF THE COMPANY

As at the date of this announcement, the Company has 219,279,744 Shares in issue. Set out below is a table showing the shareholding structure of the Company (i) as at the date of this announcement, and (ii) immediately upon the Completion, assuming there is no change in the issued share capital of the Company and in the shareholding structure of the Company (other than the issue of the Subscription Shares) between the date of this announcement and Completion of the Subscription:

	<b>As at the date of this announcement</b>		<b>Immediately upon Completion</b>	
	<i>Number of Shares held</i>	<i>%</i>	<i>Number of Shares held</i>	<i>%</i>
<b>Substantial shareholders</b>				
Noble Trade International Holdings Limited (聖行國際集團有限公司)	65,001,624	29.64	65,001,624	24.70
The Subscriber	—	—	43,855,948	16.67
Oupu Shanwei (International) Holdings Limited (歐普善偉(國際)控股有限公司)	23,755,306	10.83	23,755,306	9.03
Hong Kong Ruihong Yixing International Co., Limited (香港瑞宏藝興國際有限公司)	23,400,210	10.67	23,400,210	8.89
<b>Public</b>				
Other Public Shareholders	107,122,604	48.85	107,122,604	40.71
<b>Total</b>	<b>219,279,744</b>	<b>100.00</b>	<b>263,135,692</b>	<b>100.00</b>

*Note: Percentages listed herein are subject to rounding.*

**Completion is subject to the satisfaction of the conditions to the Subscription as stated above in this announcement and as such, the Subscription may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

## DEFINITIONS

In this announcement, the following expressions have the following meanings unless otherwise requires:

“Board”	the board of Directors;
“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);
“Completion”	the completion of the Subscription in accordance with the Subscription Agreement;
“Director(s)”	the director(s) of the Company;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China;
“Independent Third Party(ies)”	any person(s) or company(ies) and their respective ultimate beneficial owner(s) whom, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are third parties independent of the Company and the connected persons of the Company in accordance with the Listing Rules;
”Listing Committee”	the Listing sub-committee appointed by the Stock Exchange for considering applications for listing and the granting of listing of securities on the Stock Exchange;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“PRC”	means the People’s Republic of China excluding, for the purposes of this announcement, Hong Kong, the Special Administrative Regions of Macao and the territory of Taiwan;



“Shares”	ordinary shares of the Company with a nominal value of US\$0.02 each;
“Shareholders”	the shareholders of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
”Subscriber”	Yayue Longte Co., Limited (亞悅隆特有限公司), a limited liability company incorporated in Hong Kong which is wholly owned by Ms. Liu Yang (劉楊);
“Subscription”	the subscription of the Subscription Shares pursuant to the terms of the Subscription Agreement;
“Subscription Agreement”	the subscription agreement dated 14 January 2024 entered into between the Company and the Subscriber for Subscription;
“Subscription Price”	HK\$0.69 per Subscription Share;
“Subscription Shares”	the 43,885,948 new Shares to be issued by the Company to the Subscriber under the Subscription Agreement; and
”US\$”	the United States dollars, the lawful currency of the United States.

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

Shenzhen, PRC 14 January 2024

*As at the date hereof, the executive Directors of the Company are Mr. Yuan Li, Mr. Xu Xinying and Mr. Zhuang Liangbao; the non-executive Director of the Company is Ms. Xu Honghong; and the independent non-executive Directors of the Company are Mr. Zhang Yihua, Mr. Chen Rui and Mr. Fung Tak Choi.*