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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

THE SUBSCRIPTION AGREEMENTS

On 28 June 2024 (after trading hours), the Company entered into two Subscription Agreements with two Subscribers respectively, pursuant to which the Company has conditionally agreed to allot and issue, and each of the two Subscribers has conditionally agreed to subscribe for an aggregate of 158,627,138 Shares at the Subscription Price of HK\$0.512 per Share.

The Subscription Shares, in aggregate, represent: (a) approximately 20% of the existing issued share capital of the Company of 793,135,692 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 Subscriptions are expected to be approximately HK\$81,217,094.66 and the net proceeds, after deduction of the related expenses, will be approximately HK\$80,917,094.66, representing a net Subscription Price of approximately HK\$0.51 per Subscription Share. The Company intends to apply such net proceeds for repayment of debts, general working capital and corporate expense for the Group.

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 Subscriptions as stated below in this announcement and as such, the Subscriptions may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

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THE SUBSCRIPTION AGREEMENTS

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

Date

28 June 2024 (after trading hours)

Parties to Subscription Agreement I

- (1) Yayue Longte Co., Limited (亞悅隆特有限公司) as Subscriber I
- (2) the Company as the issuer

Parties to Subscription Agreement II

- (1) Oupu Shanwei (International) Holdings Limited (歐普善偉(國際)控股有限公司) as Subscriber II
- (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 Subscribers and its ultimate beneficial owner(s) is an Independent Third Party.

Subscription

Pursuant to Subscription Agreement I, the Company has conditionally agreed to allot and issue, and Subscriber I has conditionally agreed to subscribe for 88,627,138 Shares at the Subscription Price.

Pursuant to Subscription Agreement II, the Company has conditionally agreed to allot and issue, and Subscriber II has conditionally agreed to subscribe for 70,000,000 Shares at the Subscription Price.

Subscription Shares

The Subscription Shares, in aggregate, represent:

- (a) approximately 20% of the existing issued share capital of the Company of 793,135,692 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\$3,172,542.76 and the market value of the Subscription Shares is HK\$101,521,368.32 based on the closing price of HK\$0.64 per Share as quoted on the Stock Exchange on 27 June 2024, being the last trading date on the signing the Subscription Agreements.

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\$0.512 per Share and represents:

- (a) a discount of approximately 20% to the closing price of HK\$0.64 per Share as quoted on the Stock Exchange on 28 June 2024, being the last trading date of the Shares on the date of the Subscription Agreements; and
- (b) a discount approximately 18.73% to HK\$0.63, being the average closing price as quoted on the Stock Exchange for the five consecutive trading days of the Shares immediately prior to the date of the Subscription Agreements.

The aggregate net Subscription Price under the Subscription Agreements, after deduction of relevant expenses, is estimated to be approximately HK\$80,917,094.66. The cash consideration of approximately (i) HK\$45,377,094.66 under Subscription Agreement I and (ii) HK\$35,840,000.00 under Subscription Agreement II will be payable in full by Subscriber I and Subscriber II, respectively, on the date of Completion. The Subscription Price was arrived at after arm's length negotiations between the Company and each of the Subscribers 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 is conditional upon the following conditions having been satisfied:

- (i) the Board having approved such Subscription Agreements 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 each of the Subscribers as contained in the Subscription Agreements remaining true, complete and accurate and not misleading at the date of the Subscription Agreements 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 Agreements (or such later date as may be agreed by the Company and each of the Subscribers in writing), the Subscription Agreements and everything therein contained shall be null and void and of no effect immediately, and neither the Company nor any of the Subscribers shall have any claim against the other in respect of any matter or thing arising out of or in connection with the Subscription Agreements (save in respect of any antecedent breach of any obligation under the Subscription Agreements).

Completion

Completion is expected to take place on the date specified by the Company by written notice to each of the Subscribers after fulfilment of all the above conditions, which shall not be later than 30 days after the last condition having been satisfied (the “**Completion Date**”). If either party to each of the Subscription Agreements 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 relevant Subscription Agreement without affecting the rights and obligations of the parties under the relevant Subscription Agreement already accrued as at the date of termination.

Lock-Up Period of the Subscription Shares

Each of the Subscribers 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, it 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 swaps 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 Agreements, for each of Subscriber I or Subscriber II, when it remains to be a substantial shareholder (as defined under the Listing Rules) of the Company, it 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 relevant 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 26 June 2024, 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 793,135,692 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 158,627,138 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 utilise 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 conducted the following fund-raising activities involving the issue of securities in the 12 months before the date of this announcement:

Date of announcement/ circular	Fund raising activity	Amount of net proceeds	Proposed use of proceeds	Actual use of proceeds
14 January 2024 and 26 January 2024	Issue of 43,855,948 Shares at the subscription price of HK\$0.69 per Share to Subscriber I as the subscriber under a general mandate in the aggregate amount of HK\$30,260,604.12	HK\$29,960,604.12	The Company intended to use 100% of the net proceeds for repayment of debts, general working capital and general corporate expenses	Utilised as intended
18 March 2024, 8 April 2024, 30 April 2024, 21 May 2024 and 24 May 2024	Issue of 530,000,000 Shares at the subscription price of HK\$0.35 to Noble Trade International Holdings Limited (聖行國際集團有限公司) under a specific mandate in the aggregate amount of HK\$185,500,000	HK\$185,500,000	The Company intended to use 100% of the net proceeds to offset HK\$185,500,000 in the outstanding principal amount of the shareholder's loan owed by the Group to the subscriber	Utilised as intended

Save as disclosed above, the Company had not conducted any fund-raising activities involving the issue of its equity securities in the 12 months immediately preceding the date of this announcement.

REASONS FOR AND BENEFITS OF THE SUBSCRIPTIONS

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 Subscriptions reflect the confidence from the Subscribers towards the long-term and sustainable development of the Company and the proceeds to be generated from the Subscriptions will increase the financial flexibility of the Group. The Directors consider that the terms of the Subscription Agreements (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 Subscriptions, in aggregate, are expected to be approximately HK\$81,217,094.66 and the net proceeds, in aggregate, after deduction of the related expenses, will be approximately HK\$80,917,094.66, representing a net Subscription Price of approximately HK\$0.51 per Subscription Share.

The Company intends to apply such net proceeds for repayment of debts, general working capital and corporate expense for the Group.

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, training related business and the liquor business in the PRC.

INFORMATION OF THE SUBSCRIBERS

Subscriber I, 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.

Subscriber II, a company incorporated in Hong Kong with limited liability which is primarily engaged in investment holding, is wholly owned by Mr. Shan Weiwei, who is an Independent Third Party as at the date of this announcement. Mr. Shan has over 10 years' experience in finance and was a senior management member of a financial institution.

EFFECT ON SHAREHOLDING STRUCTURE OF THE COMPANY

As at the date of this announcement, the Company has 793,135,692 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 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:

Name of Shareholder	As at the date of this announcement		Immediately after Completion	
	<i>Number of Shares held</i>	<i>%⁽¹⁾</i>	<i>Number of Shares held</i>	<i>%⁽¹⁾</i>
Substantial shareholders and directors				
Noble Trade International Holdings Limited (聖行國際集團有限公司) ⁽²⁾				
	298,472,783	37.63	298,472,783	31.36
Greatssjy Co., Ltd. ⁽²⁾	84,623,334	10.67	84,623,334	8.89
Xu Xinying Co., Ltd. ⁽²⁾	31,208,186	3.93	31,208,186	3.28
Zhuanglb Co., Ltd. ⁽²⁾	2,960,928	0.37	2,960,928	0.31
Energystone Co., Ltd. ⁽³⁾	13,472,224	1.70	13,472,224	1.42
Shengshangmingyue Co., Ltd. ⁽⁴⁾	43,792,131	5.52	43,792,131	4.60
Subscribers				
Subscriber I	43,855,948	5.53	132,483,086	13.92
Subscriber II	23,755,306	3.00	93,755,306	9.85
Public				
Other public Shareholders	250,994,852	31.65	250,994,852	26.37
Total	793,135,692	100.00	951,762,830	100.00

Notes:

1. Percentages listed herein are subject to rounding.
2. Noble Trade International Holdings Limited (聖行國際集團有限公司) is wholly-owned by Mogen Ltd. (“Mogen”). Mogen is owned as to (i) 38.48% by Greatssjy Co., Ltd., a company incorporated in the British Virgin Islands with limited liability on 29 September 2021 which is wholly owned by Mr. Yuan Li, who is an executive Director; (ii) 14.06% by Xu Xinying Co., Ltd., a company incorporated in the British Virgin Islands with limited liability on 29 September 2021 which is wholly owned by Mr. Xu Xinying, who is an executive Director; (iii) 22.93% by Energystone Co., Ltd., a company incorporated in the British Virgin Islands with limited liability on 29 September 2021 which is wholly owned by Mr. Yuan Yang, brother of Mr. Yuan Li; (iv) 2.96% by Zhuanglb Co., Ltd., a company incorporated in the British Virgin Islands with limited liability on 29 September 2021 which is wholly owned by Mr. Zhuang Liangbao, an executive Director; and the remaining by Independent Third Parties.
3. Energystone Co., Ltd. is wholly owned by Mr. Yuan Yang.
4. Shengshangmingyue Co., Ltd. is owned as to 80.00% and 20.00% by Mr. Yuan Yang and Mr. Xu Xinying respectively.

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

DEFINITIONS

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

“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 Subscriptions in accordance with the Subscription Agreements;
“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 Region of Macao and the territory of Taiwan;
“Share(s)”	ordinary shares of the Company with a nominal value of US\$0.02 each;
“Shareholder(s)”	holder(s) of the Shares;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subscribers”	collectively, Subscriber I and Subscriber II, and “Subscriber” means any one of them;
“Subscriber I”	Yayue Longte Co., Limited (亞悅隆特有限公司), a company incorporated in Hong Kong with limited liability which is wholly owned by Ms. Liu Yang (劉楊);
“Subscriber II”	Oupu Shanwei (International) Holdings Limited (歐普善偉(國際)控股有限公司), a company incorporated in Hong Kong with limited liability which is wholly owned by Mr. Shan Weiwei (單偉偉);

“Subscription(s)”	the subscription of the Subscription Shares pursuant to the terms of the Subscription Agreements;
“Subscription Agreements”	collectively, Subscription Agreement I and Subscription Agreement II;
“Subscription Agreement I”	the subscription agreement dated 28 June 2024 entered into between the Company and Subscriber I for the issue and subscription of 88,627,138 new Shares;
“Subscription Agreement II”	the subscription agreement dated 28 June 2024 entered into between the Company and Subscriber II for the issue and subscription of 70,000,000 new Shares;
“Subscription Price”	HK\$0.512 per Subscription Share;
“Subscription Shares”	and aggregate of 158,627,138 new Shares, with an aggregate subscription price of approximately HK\$81,217,094.66, to be issued by the Company to the Subscribers under the Subscription Agreements;
“US\$”	United States dollars, the lawful currency of the United States; and
“%”	per cent.

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

Shenzhen, the PRC, 28 June 2024

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