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**奇点国际有限公司**

**Qidian International Co., Ltd.**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock code: 1280)**

## **PROPOSED ADOPTION OF THE 2023 SHARE AWARD SCHEME**

### **2023 SHARE AWARD SCHEME**

The 2023 Share Award Scheme is conditional upon the passing of a resolution by the Shareholders to approve the adoption of the 2023 Share Award Scheme (as defined below) and the Service Provider Sublimit, to authorise the Board to grant Awards under the 2023 Share Award Scheme and to purchase and allocate, procure the transfer of and otherwise deal with the Award Shares in connection with the 2023 Share Award Scheme.

Subject to the satisfaction of the conditions above, and any early termination, the 2023 Share Award Scheme shall be valid and effective for a term of 10 years commencing on the adoption date of the 2023 Share Award Scheme (the “**Adoption Date**”).

#### *Objectives*

Reference is made to the voluntary announcement of the Company dated 13 October 2022 in relation to, among other things, the proposed commencement of the liquor business. The Board (including the independent non-executive Directors) is of the view that, apart from the contributions from employees and directors of the Group, the success of the Group might also come from efforts and contributions from the liquor business. The Service Providers (as defined below) who have contributed to the Group or may contribute to the Group in the future are important to the success of the liquor business. The success of the liquor business will have a heavy reliance on the performance of the Service Providers who are the distribution channels for the sale of liquor supplied by Renhuai Guofeng. The eligibility of Service Providers to participate in the 2023 Share Award Scheme is consistent with the purpose of the

2023 Share Award Scheme, which enables the Group to use share incentives to encourage persons outside of the Group to contribute to the Group and align the mutual interests of each party, as the Company, the Employee Participants (as defined below) and the Service Providers, by holding on to equity incentives, will mutually benefit from the long-term growth of the Group. In addition, any Awarded Shares held on trust by the Trustee, as sole shareholder of the BVI Co shall be protected in case of any future liquidation of the Group or claims from creditors against the Group.

The specific objectives of the 2023 Share Award Scheme are:

- (i) to incentivise the Eligible Participants in boosting the sales target(s) for the sale of liquor;
- (ii) to award certain Selected Participants with Awarded Shares for achieving certain sales target(s) for the sale of liquor; and
- (iii) to recognise the contributions by certain Selected Participants and to provide them with incentives in order to retain them for continual operation, development and growth of the Group as a whole.

#### *Eligible Participants*

Eligible Participants include:

- (i) any employees of Renhuai Guofeng at all levels (including but not limited to officers, directors and chief executives) (“**Employee Participant(s)**”); and
- (ii) any regional or designated dealers, distributors or sales channels who signed cooperation contracts with and provided services to Renhuai Guofeng in relation to the liquor business on a continuing or recurring basis in its ordinary and usual course of business which are in the interest of long-term growth of the Group (“**Service Provider(s)**”).

For the avoidance of doubt, the Service Providers exclude customers purchasing goods from the Group; other service providers or suppliers save as those set out in (ii) above; placing agents or financial advisers providing advisory services to the Group for fundraising, mergers or acquisitions; and professional service providers such as auditors or valuers who provide assurance or are required to perform their services to the Group with impartiality and objectivity.

## *Administration and Operation of the 2023 Share Award Scheme*

The 2023 Share Award Scheme shall be subject to the administration of the Board and the Trustee in accordance with the rules of the 2023 Share Award Scheme and the Trust Deed. Subject to the rules of the 2023 Share Award Scheme, the Board may, from time to time, at its absolute discretion select any Eligible Participant (other than any Excluded Participant) for participation in the 2023 Share Award Scheme as a Selected Participant, and grant Awards to any Selected Participant at no consideration and in such number and on and subject to such terms and conditions, including but not limited to, the conditions of entitlement and/or vesting of the Awarded Shares, restrictions on the transfer of the Awarded Shares and the right to alter the terms and conditions of the Awards, as it may in its absolute discretion determine.

The Awards granted by the Board may, from time to time, at the absolute discretion of the Board be satisfied by the Awarded Shares to be allocated or otherwise dealt with by the BVI Co upon the Board's instructions to the Selected Participants under the Scheme Mandate Limit.

The Trustee has been appointed to hold the Awarded Shares through the BVI Co to be held on trust and to assist the Board with the administration and vesting of the Awards and the Awarded Shares granted pursuant to the rules of the 2023 Share Award Scheme. The BVI Co will purchase such shares as directed by the Board in accordance with the terms of the Trust Deed subject to there being available funds to enable such purchase of Shares.

Upon the establishment of the Trust, the Board shall cause to be paid the money for the purchase of Shares, representing the market value of the Shares at the time of purchase multiplied by the number of the Shares to be purchased, from the Company's resources. The Board shall have the absolute discretion on the time and frequency to instruct the BVI Co to purchase the Shares in the market as long as the 2023 Share Award Scheme remains valid and effective, subject to the Scheme Mandate Limit, the terms of the Trust Deed and there being available funds to enable such purchase of Shares. The allocation of the Awarded Shares from the BVI Co to the Selected Participants shall follow the vesting schedule of such Selected Participants pursuant to the terms and conditions of the 2023 Share Award Scheme.

The Trustee shall deal with the Awarded Shares in accordance with the decisions and directions of the Board. The Company and/or the Trustee and/or the BVI Co shall comply with the relevant Listing Rules and any other applicable laws or regulations when purchasing the Shares, and allocating the Awarded Shares (as the case may be) and application shall be made to the Stock Exchange for the purchase, granting of, and permission to deal in, any of the Awarded Shares to be allocated pursuant to the terms and conditions of the 2023 Share Award Scheme (as applicable).

In determining the number of Awarded Shares to be granted to any Selected Participant (excluding any Excluded Participant), the Board shall take into consideration matters including, but without limitation to,

(i) for Employee Participants:

- (1) the responsibility taken up by them and whether they have demonstrated efforts in improving and enhancing the revenues, profits, clientele, awards and goodwill of the Group;
- (2) whether they should be rewarded to further motivate their performances and efficiencies for the benefit of the Group; and
- (3) whether they would accept the Awarded Shares as part of their remuneration or compensation package and as inducement for them to accept any offer for appointment, employment or engagement extended by the Group to them; and

(ii) for Service Providers:

- (1) the expected sales revenue of the liquor to be generated by the Service Providers;
- (2) the reputation, geographical location and scale of the Service Providers; and
- (3) the historical records of sales revenue generated by the Service Providers.

### *Vesting*

The vesting conditions of the Selected Participants are as follows:

- (i) for Employee Participants: the sales target of the liquor of Renhuai Guofeng shall meet not less than RMB100,000,000 by the financial year end of the Company (i.e. 31 December every year); and
- (ii) for Service Providers: the sales revenue of the liquor generated by the Service Providers shall meet the corresponding requirements set out in the Grant Notice issued to such Service Providers based on the service contracts signed between Renhuai Guofeng and each of such Service Providers within the three-month vesting period after the Grant Notice issued by the Company to each of such Service Providers.

The Board is entitled to impose any terms and conditions (including a period of continued employment, engagement and/or service within the Group and/or any Related Entities after the Award shall become entitled and/or vested), as it deems

appropriate in its absolute discretion with respect to the entitlement and/or vesting of the Awarded Shares on the Selected Participant and shall inform such Selected Participant the relevant conditions of the Award and the Awarded Shares provided that the vesting period for Awards shall not be less than 12 months unless under the specific circumstances. Notwithstanding the foregoing, the Board may impose a shorter vesting period on the Awards granted to any Selected Participants who are Employee Participants under the first financial year end of the Company following the adoption of the 2023 Share Award Scheme. In addition, the Board may impose a shorter vesting period on the Awards granted to any Selected Participants who are Employee Participants to provide competitive terms and conditions to individuals that the Board considers are valuable talent for the development and growth of the businesses of the Group in order to attract and induce them in accepting the employment offer made by the Group to them.

In respect of the Service Providers, there shall be four grants of Awards at every quarter of the period of 12 months from the first Grant Notice date to such Service Providers. The Board shall impose a three-month vesting period to any Selected Participants who are Service Providers based on the three-month assessment period imposed against the Service Providers in relation to their sales performance. Subject to the foregoing, any Awards granted by the Board to any Selected Participants but not vested shall automatically and immediately lapse after the last day of the vesting period. The Board believes that its ability to provide for flexible accelerated exercisability or vesting of the Award under specific circumstances allows it to provide competitive remuneration package to attract and retain individuals to provide services to the Group.

#### *Scheme limit*

As at the date of the announcement, the Company has 219,279,744 issued Shares. Subject to the obtaining of Shareholders' approval with respect to the adoption of the 2023 Share Award Scheme and assuming that there is no change in the issued Shares between the period from the date of the announcement to the Adoption Date, the maximum number of Shares to be purchased and allocated pursuant to the 2023 Share Award Scheme on the Adoption Date will be 21,927,974 Shares, representing approximately 10% of the existing issued Shares of the Company (i.e. the Scheme Mandate Limit).

The Company also proposes to set a sublimit of the Shares in respect of Awards that may be granted to Service Providers, assuming there is no change in the issued Shares between the period from the date of the announcement to the Adoption Date, the maximum number of Shares may be granted to the Service Providers is 19,735,176 Shares, representing approximately 9% of the existing issued Shares of the Company (the "**Service Provider Sublimit**"). The Service Provider Sublimit was determined based on 90% of the Scheme Mandate Limit. The Service Provider

Sublimit is subject to separate approval by the Shareholders at the EGM and conditional on the adoption of the 2023 Share Award Scheme. Grant of Awards to any Service Provider will be subject to the adoption of the 2023 Share Award Scheme and the Service Provider Sublimit. For the avoidance of doubt, if either the adoption of the 2023 Share Award Scheme or the Service Provider Sublimit is not approved by the Shareholders at the EGM, no Awards are allowed to be granted to any Service Provider.

The Service Provider Sublimit is determined based on the estimated ratio of the Employees Participants to the Service Providers, as well as the possible number of the Award Shares that the Company intends to grant to Service Providers and the Company's future business and development plan. The Board considers that the Service Providers Sublimit is appropriate and reasonable taking into account (i) the grant of Awards to the Service Providers under the 2023 Share Award Scheme will be decided on a case-by-case basis based on whether the sales revenue requirements have been met pursuant to the Grant Notice issued to the Service Providers based on the cooperation contracts signed between Renhuai Guofeng and each of such Service Providers; and (ii) the Company estimates that the percentage of the number of the Award Shares that the Company intends to grant to the Service Providers will be less than 9% of existing issued Shares of the Company as at the Adoption Date.

The Directors consider the Service Provider Sublimit to be appropriate and reasonable given the Group's business needs and such a limit provides the Group with flexibility to provide equity incentive to reward and collaborate with persons who are not employees or officers of the Group, but who may have expertise in their field or who may be able to provide valuable expertise or services to the Group.

#### *Voting Rights*

A Selected Participant shall have no voting rights in the Awarded Shares under an Award prior to the Vesting Date. The Trustee holding unvested shares of a share scheme (if any), whether directly or indirectly, shall abstain from voting on matters that require Shareholders' approval under the Listing Rules, unless otherwise required by law to vote in accordance with the beneficial owner's direction and such a direction is given.

#### *Termination*

The 2023 Share Award Scheme shall terminate on the earlier of the 10<sup>th</sup> anniversary date of the Adoption Date or such date of early termination as determined by the Board, provided that such termination shall not affect any subsisting rights of the Selected Participants.

Upon termination of the 2023 Share Award Scheme,

- (i) no further grant of Award Shares may be made under the 2023 Share Award Scheme;

- (ii) all the Awards of the Selected Participant granted under the 2023 Share Award Scheme shall continue to be valid and effective and become vested in the Selected Participant according to the terms and conditions of the Award and the 2023 Share Award Scheme, subject to the receipt by the Trustee of the transfer documents prescribed by the Trustee and duly executed by the Selected Participants;
- (iii) all remaining Awarded Shares not vested and transferred to the Selected Participants held by the Trustee shall be sold by the BVI Co within 40 Business Days (on which the trading of the Shares has not been suspended) (or such longer period as the Board may both otherwise determine) (“**Sale of Remaining Shares**”); and
- (iv) all net proceeds of Sale of Remaining Shares and such other funds and properties remaining subject to the Trust through the BVI Co (after making appropriate deductions in respect of all disposal costs, liabilities and expenses) shall be remitted to the Company forthwith. For the avoidance of doubt, the BVI Co may not transfer any Shares to the Company nor may the Company otherwise hold any Shares whatsoever other than its interest in the proceeds of Sale of Remaining Shares.

#### *Alteration of the 2023 Share Award Scheme*

The 2023 Share Award Scheme may be altered in any respect from time to time by a resolution of the Board, subject to the rules of the 2023 Share Award Scheme.

#### **EGM**

The EGM will be convened for the purpose of considering and, if deemed appropriate, approving the adoption of the 2023 Share Award Scheme and the Service Provider Sublimit.

Mr. Yuan Li, the executive Director and the substantial Shareholder of the Company, will be appointed as the director of the BVI Co, but he will remain an Excluded Participant under the 2023 Share Award Scheme during his tenure as the director of the BVI Co. Save as the aforementioned, to the best of the knowledge, information and belief of the Directors, no Shareholder has a material interest in the adoption of the 2023 Share Award Scheme and the Service Provider Sublimit, and is required to abstain from voting on the resolutions to approve the aforesaid matters at the EGM.

A circular containing, among other things, (i) further details of the 2023 Share Award Scheme and the Service Provider Sublimit; and (ii) a notice convening the EGM, will be despatched to the Shareholders as soon as practicable in accordance with the Listing Rules. It is expected that the circular will be despatched to the Shareholders on or before 9 March 2023.



“Board”	the board of Directors of the Company
“BVI”	the British Virgin Islands
“BVI Co”	a company to be incorporated in BVI with limited liability having its registered office at Commerce House, Wickhams Cay 1, P.O. Box 3140, Road Town, Tortola VG1110, BVI, the issued share(s) of which are held solely by the Trustee upon trust pursuant to the Trust Deed
“Business Day”	means any day on which securities are traded on the Stock Exchange
“Company”	Qidian International Co., Ltd. (奇点国际有限公司), an exempted 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)
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Directors”	the directors of the Company
“EGM”	the extraordinary general meeting of the Company to be convened and held for the purposes of approving the 2023 Share Award Scheme and the Service Provider Sublimit
“Eligible Participant(s)”	eligible participant(s) under the 2023 Share Award Scheme
“Excluded Participant(s)”	(1) any director of the BVI Co; and (2) any Eligible Participant who is (i) resident in a place where the award of the Awarded Shares and/or vesting and transfer of the Awarded Shares pursuant to the terms of the equity-based incentive program is not permitted under the laws and regulations of such place; or (ii) where in the view of the Board, compliance with the applicable laws or regulations in such place makes it necessary or expedient to exclude such Eligible Participant, to be subject to the clawback provisions under in the 2023 Share Award Scheme

“Grant Notice”	the notice sent out by the Board to any Selected Participant after the Board has decided to make a grant of Award to any such Selected Participant
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange as amended from time to time
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Related Entities”	holding companies, fellow subsidiaries or associated companies of the Company
“Renhuai Guofeng”	Guizhou Renhuai Guofeng Liquor Co., Ltd.* (貴州仁懷國峰酒業有限公司), an indirect wholly-owned subsidiary of the Company
“Scheme Mandate Limit”	the maximum number of Shares (i.e. in aggregate not exceeding 10% of the existing issued Shares) which may be purchased and allocated as Awarded Shares in respect of all Awards to be granted under the 2023 Share Award Scheme
“Selected Participants”	eligible participants selected by the Board to grant Award(s) pursuant to the 2023 Share Award Scheme
“Share(s)”	ordinary share in the capital of the Company with a nominal value of US\$0.02 each (or of such other nominal amount as shall result from a subdivision, consolidation, reclassification, reduction or reconstruction of the share capital of the Company from time to time)
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Trust”	the trust constituted by the Trust Deed, which is the BVI law governed trust established by the Company as settlor for the purpose of purchasing the Shares, through the BVI Co, and allocating such Shares upon the Board’s instructions to the Selected Participant(s) as Awarded Shares held by the Trustee as shareholder of the BVI Co upon trust pursuant to the provisions of the Trust Deed
“Trustee”	Conyers Trustee Services (BVI) Limited, the trustee of the Trust appointed by the Company to hold Awarded Shares through BVI Co, for administration of the 2023 Share Award Scheme or any additional or replacement trustee(s), and the sole shareholder of the BVI Co
“Trust Deed”	the trust deed made between the Company and the Trustee in relation to the 2023 Share Award Scheme (as restated, supplemented and amended from time to time)
“US\$”	United States dollar, the lawful currency of the United States
“Vesting Date”	in respect of a Selected Participant, the date on which his/her entitlement to the Awarded Shares is vested in such Selected Participant under the 2023 Share Award Scheme
“%”	per cent

\* *for identification purpose only*

By Order of the Board  
**Qidian International Co., Ltd.**  
**Yuan Li**  
*Chairman*

Yangzhou, 16 February 2023

*As at the date of this announcement, the Board comprises two executive Directors, namely Mr. Yuan Li and Mr. Xu Xinying, one non-executive Director, namely Ms. Xu Honghong, and three independent non-executive Directors, namely Mr. Zhang Yihua, Mr. Chen Rui and Mr. Fung Tak Choi.*