
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, a bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **Qidian International Co., Ltd.**, you should at once hand this circular, together with the enclosed form of proxy, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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This circular is for information purposes only and is being provided to you solely for the purposes of considering the resolutions to be voted upon at the AGM to be held on Monday, 29 June 2020. This circular does not constitute an offer to issue or sell, or the solicitation of an offer to acquire, purchase or subscribe for securities referred to in this circular.



奇点国际有限公司

Qidian International Co., Ltd.

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1280)

**(1) ADOPTION OF 2019 AUDITED ACCOUNTS AND REPORTS;
(2) PROPOSED RE-ELECTION OF DIRECTORS;
(3) PROPOSED CHANGE OF AUDITORS;
(4) PROPOSED GRANTING OF GENERAL MANDATES TO
REPURCHASE SHARES AND TO ISSUE SHARES;
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the Annual General Meeting of the Company to be held at 9:30 a.m. on Monday, 29 June 2020 at Conference Room, 11th Floor, Block 1, Wangjing Chengying Centre, Laiguangying West Road, Chaoyang District, Beijing, the PRC is set out on pages 14 to 17 of this circular. A form of proxy for use at the Annual General Meeting is also enclosed. Such form of proxy is also published on the websites of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and the Company (www.hyjd.com).

Whether or not you are able to attend the Annual General Meeting, please complete and sign the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company's share registrar in Hong Kong, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the Annual General Meeting or adjournment thereof. Completion and return of the form of proxy will not preclude Shareholders from attending and voting in person at the Annual General Meeting if they so wish and, in such event, the form of proxy shall be deemed to be revoked.

27 May 2020

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DEFINITIONS

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

“2019 Audited Accounts and Reports”	the audited accounts and reports of the Company for the year ended 31 December 2019;
“Annual General Meeting” or “AGM”	the annual general meeting of the Company to be held at 9:30 a.m. on Monday, 29 June 2020 at Conference Room, 11th Floor, Block 1, Wangjing Chengying Centre, Laiguangying West Road, Chaoyang District, Beijing, the PRC, to consider and, if appropriate, to approve the resolutions contained in the Notice of the Annual General Meeting which is set out on pages 14 to 17 of this circular, or any adjournment thereof;
“Articles of Association” or “Articles”	the articles of association of the Company as amended from time to time;
“Board”	the board of Directors;
“China” or “PRC”	the People’s Republic of China excluding, for the purpose of this circular, Hong Kong, the Macau Special Administrative Region and Taiwan;
“close associates”	has the meaning ascribed thereto under the Listing Rules;
“Companies Law”	the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands as amended, supplemented or otherwise modified from time to time;
“Company”	Qidian International Co., Ltd., 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);
“core connected person(s)”	has the meaning ascribed thereto under the Listing Rules;
“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”	the Hong Kong Special Administrative Region of the PRC;
“Latest Practicable Date”	22 May 2020, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;

DEFINITIONS

“Memorandum of Association” or “Memorandum”	the memorandum of association of the Company as amended from time to time;
“Notice of the Annual General Meeting”	the notice convening the Annual General Meeting;
“RMB”	Renminbi, the lawful currency of the PRC;
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong;
“Share(s)”	ordinary share(s) of US\$0.02 each in the capital of the Company or if there has been a subsequent sub-division, consolidation, reclassification or reconstruction of the share capital of the Company, shares forming part of the ordinary equity share capital of the Company;
“Share Issue Mandate”	the general mandate proposed to be granted to the Directors to allot, issue or deal with additional Shares of not exceeding 20% of the total number of issued shares of the Company as at the date of passing of the proposed ordinary resolution contained in item 6 of the Notice of the Annual General Meeting as set out on pages 14 to 17 of this circular;
“Share Repurchase Mandate”	the general mandate proposed to be granted to the Directors to repurchase Shares on the Stock Exchange of not exceeding 10% of the total number of issued shares of the Company as at the date of passing of the proposed ordinary resolution contained in item 5 of the Notice of the Annual General Meeting as set out on pages 14 to 17 of this circular;
“Shareholder(s)”	holder(s) of Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“substantial Shareholder”	has the meaning ascribed thereto under the Listing Rules;
“Takeovers Code”	the Code on Takeovers and Mergers approved by the Securities and Futures Commission as amended from time to time;
“US\$”	United States dollars, the lawful currency of the United States;
“%”	Percent.

The English names of the PRC entities mentioned in this circular marked “” are translations from their Chinese names and are for identification purposes only. If there is any inconsistency, the Chinese name shall prevail.*

LETTER FROM THE BOARD



奇点国际有限公司

Qidian International Co., Ltd.

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1280)

Executive Directors:

Mr. Yuan Li (*Chairman*)
Mr. Xu Xinying (*Vice-Chairman*)
Ms. Liu Simei (*Chief Executive Officer*)
Mr. Sun Lejiu
Mr. Xin Kexia

Non-executive Director:

Ms. Xu Honghong

Independent Non-executive Directors:

Mr. Zhao Jinyong
Mr. Chen Rui
Mr. Fung Tak Choi

Registered Office:

Floor 4, Willow House
Cricket Square, P.O. Box 2804
Grand Cayman KY1-1112
Cayman Islands

Principal Place of Business in the PRC:

6/F, Tower 2, Guotai Building No.
440 Wenchang Xi Road
Yangzhou City
Jiangsu Province
PRC

Principal Place of Business in Hong Kong:

Level 54, Hopewell Centre
183 Queen's Road East, Hong Kong

27 May 2020

To the Shareholders

Dear Sir/Madam,

**(1) ADOPTION OF 2019 AUDITED ACCOUNTS AND REPORTS;
(2) PROPOSED RE-ELECTION OF DIRECTORS;
(3) PROPOSED CHANGE OF AUDITORS;
(4) PROPOSED GRANTING OF GENERAL MANDATES TO
REPURCHASE SHARES AND TO ISSUE SHARES;
AND
NOTICE OF ANNUAL GENERAL MEETING**

1. INTRODUCTION

The purpose of this circular is to provide the Shareholders with information in respect of certain resolutions to be proposed at the Annual General Meeting for (i) the adoption of the 2019 Audited Accounts and Reports; (ii) the re-election of Directors; (iii) the change of auditors; and (iv) the granting to the Directors of the Share Repurchase Mandate and the Share Issue Mandate to repurchase Shares and to issue Shares respectively.

LETTER FROM THE BOARD

2. ADOPTION OF 2019 AUDITED ACCOUNTS AND REPORTS

From 26 March 2018 to 10 November 2019, trading in the Company's listed securities had suspended. On 15 May 2018, the Company received a letter from the Stock Exchange, in which the Stock Exchange has imposed the resumption conditions on the Company including, among others, to publish all outstanding financial results under the Listing Rules and address any audit qualifications. The relevant resumption conditions have been satisfied and trading of the Shares has resumed from 9:00 a.m. on 11 November 2019.

The auditors of the Company as at the Latest Practicable Date, Crowe (HK) CPA Limited, has completed its audit of the Company's financial statements for the year ended 31 December 2019. A copy of the 2019 Audited Accounts and Reports has been published on 29 April 2020 and may be viewed and downloaded from the Company's website (www.hyjd.com) and the Hong Kong Exchanges and Clearing Limited's website (www.hkexnews.hk).

An ordinary resolution (the full text of which is set out in the Notice of the AGM) is to be proposed to the Shareholders at the AGM to consider and approve the 2019 Audited Accounts and Reports.

3. PROPOSED RE-ELECTION OF DIRECTORS

In accordance with Article 16.18 of the Articles of Association, Mr. Xin Kexia, Mr. Zhao Jinyong and Mr. Chen Rui shall retire at the Annual General Meeting. In addition, Mr. Sun Lejiu who has been appointed by the Board on 9 March 2020 shall hold office until the Annual General Meeting pursuant to Article 16.2 of the Articles of Association. All of the above retiring Directors, being eligible, will offer themselves for re-election at the Annual General Meeting.

Mr. Zhao Jinyong, Mr. Chen Rui and Mr. Fung Tak Choi, independent non-executive Directors, have confirmed their independence with reference to the factors set out in Rule 3.13 of the Listing Rules. The Company considers Mr. Zhao Jinyong, Mr. Chen Rui and Mr. Fung Tak Choi are still independent in accordance with the independence guidelines as set out in the Listing Rules and will continue to bring valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning.

The nomination committee of the Company has reviewed the structure and composition of the Board, the confirmations and disclosures given by the Directors, the qualifications, skills and experience, time commitment and contribution of the retiring Directors with reference to the nomination principles and criteria set out in the Company's board diversity policy and director nomination policy and the Company's corporate strategy, and the independence of all independent non-executive Directors. The nomination committee of the Company has recommended to the Board on re-election of all the retiring Directors who are due to retire at the Annual General Meeting.

Details of the retiring Directors are set out in Appendix I to this circular.

LETTER FROM THE BOARD

4. PROPOSED CHANGE OF AUDITORS

Reference is made to the announcement of the Company dated 22 May 2020 in relation to the proposed change of auditors. Crowe (HK) CPA Limited (“**Crowe**”) will retire as the auditors of the Company at the Annual General Meeting and will not seek for re-appointment.

Crowe has confirmed that there are no matters in connection with its retirement that need to be brought to the attention of the Shareholders. The Board has also confirmed that there are no matters in respect of the proposed change of the auditors of the Company that need to be brought to the attention of the Shareholders.

The Board, with the recommendation from the audit committee of the Company, has resolved to propose the appointment of Elite Partners CPA Limited as the new auditors of the Company following the retirement of Crowe with effect from the conclusion of the Annual General Meeting to hold the office until the conclusion of the next annual general meeting of the Company, subject to the approval of the Shareholders at the Annual General Meeting.

5. PROPOSED GRANTING OF GENERAL MANDATES TO REPURCHASE AND TO ISSUE SHARES

At the annual general meeting of the Company held on 10 September 2019, general mandates were granted to the Directors to repurchase and issue Shares respectively. Such mandates will lapse at the conclusion of the Annual General Meeting. In order to give the Company the flexibility to repurchase and issue Shares if and when appropriate, the following ordinary resolutions will be proposed at the Annual General Meeting to approve:

- (a) the granting of the Share Repurchase Mandate to the Directors to repurchase Shares on the Stock Exchange of not exceeding 10% of the total number of issued Shares of the Company as at the date of passing of the proposed ordinary resolution contained in item 5 of the Notice of the Annual General Meeting as set out on pages 14 to 17 of this circular;
- (b) the granting of the Share Issue Mandate to the Directors to allot, issue or deal with additional Shares of not exceeding 20% of the total number of issued Shares of the Company as at the date of passing of the proposed ordinary resolution contained in item 6 of the Notice of the Annual General Meeting as set out on pages 14 to 17 of this circular; and
- (c) the extension of the Share Issue Mandate by adding the aggregate number of Shares repurchased by the Company pursuant to the Share Repurchase Mandate.

With reference to the Share Repurchase Mandate and the Share Issue Mandate, the Directors wish to state that they have no immediate plan to repurchase any Shares or issue any Shares pursuant thereto.

An explanatory statement required by the Listing Rules to provide the Shareholders with requisite information reasonably necessary for them to make an informed decision on whether to vote for or against the granting of the Share Repurchase Mandate is set out in Appendix II to this circular.

LETTER FROM THE BOARD

6. ANNUAL GENERAL MEETING AND PROXY ARRANGEMENT

The Notice of the Annual General Meeting is set out on pages 14 to 17 of this circular.

Pursuant to the Listing Rules and the Articles of Association, any vote of Shareholders at a general meeting must be taken by poll. An announcement on the poll results will be published by the Company after the Annual General Meeting in the manner prescribed under Rule 13.39(5) of the Listing Rules.

A form of proxy for use at the Annual General Meeting is enclosed with this circular and such form of proxy is also published on the websites of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and the Company (www.hyjd.com). To be valid, the form of proxy must be completed and signed in accordance with the instructions printed thereon and deposited, together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power of attorney or authority at the Company's share registrar in Hong Kong, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the Annual General Meeting or any adjournment thereof. Completion and delivery of the form of proxy will not preclude you from attending and voting at the Annual General Meeting if you so wish and, in such event, the form of proxy shall be deemed to be revoked.

7. RECOMMENDATION

The Directors consider that the proposed adoption of 2019 Audited Accounts and Reports, the proposed re-election of Directors, proposed change of auditors and the proposed granting of the Share Repurchase Mandate and Share Issue Mandate are in the best interests of the Company and the Shareholders. Accordingly, the Directors recommend the Shareholders to vote in favour of the relevant resolutions to be proposed at the Annual General Meeting.

Your attention is also drawn to the additional information set out in Appendix I and Appendix II to this circular.

Yours faithfully,
For and on behalf of the Board
Qidian International Co., Ltd.
Yuan Li
Chairman

The following are details of the Directors who will retire and being eligible, offer themselves for re-election at the Annual General Meeting.

- (1) **Mr. Xin Kexia**, aged 50, was appointed as the executive Director and chief executive officer of the Company on 15 June 2018. He ceased to be the chief executive officer on 9 March 2020. He served as a director and chief executive officer of Brookstone Electronics Limited from September 2017 to May 2018. He was also the president of Jiangsu Hongtu High Technology Co., Ltd., a company listed on the Shanghai Stock Exchange from September 2014 to May 2018, with stock code 600122; from September 2017 to May 2018 and August 2014 to August 2017, he was the director and president of NISAP High-Tech Technology Co., Ltd., respectively. From 1 April 2015 to 2 March 2018, he was a non-executive director of IDT International Limited (a company listed on the Main Board of the Stock Exchange with stock code 00167). In addition, Mr. Xin Kexia was the Vice President of Yuexing Group Co., Ltd. from August 2012 to January 2014. From May 2004 to August 2010, he served as vice president of Gome Retail Holdings Limited; and from July 1996 to April 2004, he served as General Manager of Haier Group Co., Ltd.

As at the Latest Practicable Date, save as disclosed above, Mr. Xin confirmed that:

1. he does not hold any position with the Company or other member of the Group;
2. he does not have any interest in the Company or its associated corporation(s) within the meaning of Part XV of the SFO;
3. he does not have any relationship with other Directors, senior management, substantial Shareholders or controlling Shareholders; and
4. he has not held any directorship in any listed public companies in the last three years.

Mr. Xin has entered into a service agreement with our Company for a term of three years commencing on 15 June 2018 and is subject to retirement by rotation in accordance with the Articles of Association. Under the service agreement, either party may terminate the agreement by giving to the other not less than three months' prior written notice. The aforesaid service agreement was updated on 31 March 2020 whereby a supplemental clause was added pursuant to which Mr. Xin will not receive any director's fee during his remaining term of office.

Save as disclosed above, there is no other matter concerning Mr. Xin that needs to be brought to the attention of the Shareholders nor is Mr. Xin involved in any of the matters required to be disclosed pursuant to any of the requirements under Rule 13.51(2)(h) to 13.51(2)(v) of the Listing Rules.

- (2) **Mr. Zhao Jinyong**, aged 48, was appointed as an independent non-executive Director, a member of the audit committee and the nomination committee, and the chairman of the remuneration committee of the Company on 29 December 2017. He was appointed as the chairman of audit committee of the Company on 30 January 2019. Mr. Zhao has extensive experience in providing audit and consultancy services. Mr Zhao obtained a bachelor degree in accountancy from the Beijing Jiaotong University in 1995. After obtaining his bachelor degree in accountancy, Mr. Zhao taught at the Beijing Jiaotong University until 1999. He was a senior auditor at Arthur Andersen and PricewaterhouseCoopers from 1999 to 2002, a consulting manager at BearingPoint Inc. from 2003 to 2007, and a consulting director at the Global Business Services Department of IBM from 2007 to 2011. From 2011 onwards, Mr. Zhao has been the head of the consulting services department of Kingdee Software, the dean of Post-EMBA Program at Peking University of the People's Republic of China and the executive secretary of the Business Promotion Association of Peking University of the People's Republic of China. He is currently the chief executive officer of Beijing Friendship Investment Management Co., Ltd.* (北京厚誼投資管理有限公司).

Mr. Zhao has entered into a letter of appointment with the Company on 29 December 2017 pursuant to which Mr. Zhao was appointed as an independent non-executive Director, member of the audit committee and the nomination committee, and the chairman of the remuneration committee of the Company for a term of three years and the appointment can be terminated by either party by giving not less than three months' prior notice in writing to the other. On 30 January 2019, Mr. Zhao was appointed as the chairman of the audit committee of the Company. As a director of the Company, Mr. Zhao is subject to retirement by rotation and each of his office can be vacated in accordance with the Articles of Association. Mr. Zhao is entitled to receive an annual director's fee of HKD100,000, which is determined with reference to his experience, qualifications, duties and responsibilities involved in the Company, the performance of the Company and the prevailing market conditions.

As at the Latest Practicable Date, save as disclosed above, Mr. Zhao confirmed that:

1. he does not hold any position with the Company or other members of the Group;
2. he does not have any interest in the Company or its associated corporation(s) within the meaning of Part XV of the SFO;
3. he does not have any relationship with other Directors, senior management, substantial Shareholders or controlling Shareholders; and
4. he has not held any directorship in any listed public companies in the last three years.

Save as disclosed above, there is no other information relating to Mr. Zhao required to be disclosed pursuant to Rule 13.51(2)(h) to 13.51(2)(v) of the Listing Rules. There are no other matters that need to be brought to the attention of the Shareholders of the Company pursuant to Rule 13.51(2) of the Listing Rules.

- (3) **Mr. Chen Rui**, aged 45, was appointed as an independent non-executive Director, a member of the audit committee and remuneration committee, and the chairman of the nomination committee of the Company on 4 July 2018. He is also the chairman of the board of Beijing Adfaith Consulting Co., Ltd.* (北京正略鈞策諮詢股份有限公司) and has approximately 16 years of experience in management and investment consulting. He is currently a visiting professor at University of International Business and Economics (對外經濟貿易大學) and Central University of Finance and Economics (中央財經大學). Mr. Chen Rui graduated from the University of Leeds with a master degree in Business Administration.

Mr. Chen has entered into a letter of appointment with the Company for a term of three years commencing on 4 July 2018 and is subject to retirement by rotation in accordance with the Articles of Association. Under the letter of appointment, either party may terminate the agreement by giving not less than three months' prior written notice to the other. The annual director's fee for Mr. Chen is HK\$100,000 which is determined by the Board with reference to market trends.

As at the Latest Practicable Date, save as disclosed above, Mr. Chen confirmed that:

1. he does not hold any position with the Company or other member of the Group;
2. he does not have any interest in the Company or its associated corporation(s) within the meaning of Part XV of the SFO;
3. he does not have any relationship with other Directors, senior management, substantial Shareholders or controlling Shareholders; and
4. he has not held any directorship in any listed public companies in the last three years.

Save as disclosed above, there is no other matter concerning Mr. Chen that needs to be brought to the attention of the Shareholders nor is Mr. Chen involved in any of the matters required to be disclosed pursuant to any of the requirements under Rule 13.51(2)(h) to 13.51(2)(v) of the Listing Rules.

- (4) **Mr. Sun Lejiu**, aged 42, was an executive Director from 27 April 2018 to 3 May 2018 and was re-appointed as an executive Director with effect from 9 March 2020. He served as regional general manager in HGTECH (華工科技股份有限公司) from November 2001 to October 2005, as vice president in Liaoning Xin Yida Group Corporation* (遼寧鑫億達集團公司) from November 2005 to October 2012, and as vice president of FAB Jingcai Corporation Group* (FAB精彩企業集團) from November 2012 to May 2014. He has been the vice president of Beijing Qidian New Technology Group Co., Ltd.* (北京奇點新科技集團有限公司) since May 2016 to date. He has been a director of Beijing Shengshang Education Technology Co., Ltd. (北京聖商教育科技股份有限公司) (a company listed on the National Equities Exchange and Quotations, stock code: 430277) since September 2017 and senior vice-president of Yangzhou Huiyin Technology Group Co., Ltd.* (揚州匯銀科技集團有限公司), a wholly owned subsidiary of the Company, since April 2018. Mr. Sun graduated from Shenyang Jianzhu University (formerly known as Shenyang Institute of Architecture and Civil Engineering) in July 2000 with a bachelor's degree in mechanical process and manufacturing.

Mr. Sun has entered into a service contract with the Company as an executive Director for a term of three years commenced from 9 March 2020. He is subject to rotation and re-election at general meeting of the Company in accordance with the articles of association of the Company. Mr. Sun will not receive any director's fee from the Company.

As at the Latest Practicable Date, save as disclosed above, Mr. Sun confirmed that:

1. he does not hold any position with the Company or other member of the Group;
2. he does not have any interest in the Company or its associated corporation(s) within the meaning of Part XV of the SFO;
3. he does not have any relationship with other Directors, senior management, substantial Shareholders or controlling Shareholders; and
4. he has not held any directorship in any listed public companies in the last three years.

Save as disclosed above, there is no other matter concerning Mr. Sun that needs to be brought to the attention of the Shareholders nor is Mr. Sun involved in any of the matters required to be disclosed pursuant to any of the requirements under Rule 13.51(2)(h) to 13.51(2)(v) of the Listing Rules.

The following is an explanatory statement required by the Listing Rules to provide the Shareholders with requisite information reasonably necessary for them to make an informed decision on whether to vote for or against the ordinary resolution to be proposed at the Annual General Meeting in relation to the granting of the Share Repurchase Mandate.

1. SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised 126,898,000 Shares.

Subject to the passing of the ordinary resolution set out in item 5 of the Notice of the Annual General Meeting in respect of the granting of the Share Repurchase Mandate and on the basis that the issued share capital of the Company remains unchanged from the Latest Practicable Date to the date of the Annual General Meeting, the Directors would be authorised under the Share Repurchase Mandate to repurchase, during the period in which the Share Repurchase Mandate remains in force, a total of 12,689,800 Shares (based on the issued share capital of the Company as at the Latest Practicable Date, subject to further change if any), representing 10% of the total number of Shares in issue as at the date of the Annual General Meeting.

2. REASONS FOR SHARE REPURCHASE

The Directors believe that the granting of the Share Repurchase Mandate is in the best interests of the Company and the Shareholders.

Repurchase of shares may, depending on the market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share and will only be made when the Directors believe that such a repurchase will benefit the Company and the Shareholders.

3. FUNDING OF SHARE REPURCHASE

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with its Memorandum and Articles of Association, the laws of the Cayman Islands and/or any other applicable laws, as the case may be.

4. IMPACT OF REPURCHASE

There might be a material adverse impact on the working capital or gearing position of the Company (as compared with the financial position disclosed in the audited accounts contained in the annual report of the Company for the year ended 31 December 2019) in the event that the Share Repurchase Mandate was to be carried out in full at any time during the proposed repurchase period. However, the Directors do not intend to exercise the Share Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

5. MARKET PRICES OF SHARES

From 26 March 2018 to 10 November 2019, trading in the Company's listed securities had suspended. Trading of the Shares has resumed from 9:00 a.m. on 11 November 2019.

Reference is made to the announcements/circular published by the Company on 3 December 2019, 15 December 2019 and 3 January 2020. In December 2019, the Board proposed to implement a share consolidation on the basis that every twenty issued and unissued Shares of US\$0.001 each in the share capital of the Company will be consolidated into one Share of US\$0.02 each in the share capital of the Company (the "Share Consolidation"). Upon fulfilling all the conditions for the Share Consolidation, the Share Consolidation has become effective on Tuesday, 7 January 2020.

The following table shows the highest and lowest prices at which the Shares have been traded on the Stock Exchange from 11 November 2019 up to the Latest Practicable Date:

Month	Price Per Share	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
November, 2019 (<i>from 11 November 2019 to 30 November 2019</i>)	0.355	0.083
December, 2019	0.176	0.057
January, 2020 (<i>up to 6 January 2020</i>)	0.199	0.140
<i>Share Consolidation took place on 7 January 2020</i>		
January, 2020 (<i>on or after 7 January 2020</i>)	4.660	2.550
February, 2020	2.750	1.910
March, 2020	2.100	1.620
April, 2020	1.760	1.260
May, 2020 (<i>up to the Latest Practicable Day</i>)	2.300	1.150

6. GENERAL

To the best of their knowledge and having made all reasonable enquiries, none of the Directors nor any of their respective close associates (as defined in the Listing Rules) have any present intention to sell any Shares to the Company in the event that the granting of the Share Repurchase Mandate is approved by the Shareholders.

The Company has not been notified by any core connected persons (as defined in the Listing Rules) of the Company that they have a present intention to sell any Shares to the Company, or that they have undertaken not to sell any Shares held by them to the Company in the event that the granting of the Share Repurchase Mandate is approved by the Shareholders.

The Directors have undertaken to the Stock Exchange to exercise the power of the Company to make repurchases of Shares pursuant to the Share Repurchase Mandate in accordance with the Listing Rules and the applicable laws of the Cayman Islands.

7. TAKEOVERS CODE

If as a result of a repurchase of Shares pursuant to the Share Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition of voting rights for the purposes of the Takeovers Code. Accordingly, a Shareholder or a group of Shareholders acting in concert (within the meaning under the Takeovers Code), depending on the level of increase in the Shareholders' interest, could obtain or consolidate control of the Company and thereby become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, to the best of the knowledge and belief of the Company, Noble Trade International Holdings Limited (聖行國際集團有限公司) beneficially held 28,455,000 Shares representing 22.42% of the issued share capital of the Company. Noble Trade International Holdings Limited (聖行國際集團有限公司) is 100% wholly-owned by Mogen Ltd. ("Mogen"). Mogen is 100% wholly-owned by Chongqing Saint Information Technology Co., Ltd.* (重慶聖商信息科技有限公司) which is owned by Mr. Yuan Li, an executive Director as to 40.21%.

In the event that the Directors exercise in full the power to repurchase Shares which is proposed to be granted pursuant to the Share Repurchase Mandate, then, (if the present shareholdings otherwise remain the same) the interests of Noble Trade International Holdings Limited (聖行國際集團有限公司) in the Company would be increased to approximately 24.92% of the issued share capital of the Company. Such increase would not give rise to an obligation of Noble Trade International Holdings Limited (聖行國際集團有限公司) to make a mandatory offer under Rules 26 and 32 of the Takeovers Code. The Directors do not propose or intend to repurchase Shares which could result in the amount of Shares held by the public being reduced to less than 25%.

Save as disclosed above, the Directors are not aware of any Shareholder or group of Shareholders acting in concert, who may become obliged to make a mandatory offer under Rule 26 of the Takeovers Code as a consequence of any purchases pursuant to the Share Repurchase Mandate.

8. REPURCHASE OF SHARES MADE BY THE COMPANY

During the six months prior to the Latest Practicable Date, the Company had not repurchased any of the Shares (whether on the Stock Exchange or otherwise).

NOTICE OF THE ANNUAL GENERAL MEETING



奇点国际有限公司

Qidian International Co., Ltd.

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1280)

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Qidian International Co., Ltd. (the “Company”) will be held at 9:30 a.m. on Monday, 29 June 2020 at Conference Room, 11th Floor, Block 1, Wangjing Chengying Centre, Laiguangying West Road, Chaoyang District, Beijing, the PRC for the following purposes:

1. To receive and adopt the audited financial statements and the reports of the Company for the year ended 31 December 2019.
2. To re-elect directors of the Company:
 - a) To re-elect Mr. Xin Kexia as an executive director of the Company;
 - b) To re-elect Mr. Zhao Jinyong as an independent non-executive director of the Company;
 - c) To re-elect Mr. Chen Rui as an independent non-executive director of the Company; and
 - d) To re-elect Mr. Sun Lejiu as an executive director of the Company.
3. To authorise the board of directors of the Company to fix the remuneration of directors of the Company.
4. To appoint Elite Partners CPA Limited as the auditors of the Company and to authorise the board of directors of the Company to fix their remuneration.
5. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“THAT:

- (a) subject to paragraph (b) of this resolution, a general mandate be and is hereby generally and unconditionally given to the directors of the Company to exercise during the Relevant Period (as hereinafter defined) all the powers of the Company to repurchase its shares in accordance with all applicable laws, rules and regulations;

NOTICE OF THE ANNUAL GENERAL MEETING

(b) the total number of shares of the Company to be repurchased pursuant to the mandate in paragraph (a) above shall not exceed 10% of the total number of the issued shares of the Company as at the date of passing of this resolution, and if any subsequent consolidation or subdivision of shares is conducted, the maximum number of shares that may be repurchased under the mandate in paragraph (a) above as a percentage of the total number of issued shares at the date immediately before and after such consolidation or subdivision shall be the same; and

(c) for the purposes of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws to be held; and
- (iii) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the Shareholders of the Company in general meeting.”

6. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“**THAT:**

- (a) subject to paragraph (c) below, a general mandate be and is hereby generally and unconditionally given to the directors of the Company during the Relevant Period (as hereinafter defined) to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options which might require the exercise of such powers;
- (b) the mandate in paragraph (a) above shall authorise the directors of the Company to make or grant offers, agreements and options during the Relevant Period which would or might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate number of shares allotted or agreed conditionally or unconditionally to be allotted by the directors of the Company pursuant to the mandate in paragraph (a) above, otherwise than pursuant to:
 - (i) a Rights Issue (as hereinafter defined);
 - (ii) the exercise of options under a share option scheme of the Company; and

NOTICE OF THE ANNUAL GENERAL MEETING

- (iii) any scrip dividend scheme or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the articles of association of the Company,

shall not exceed 20% of the total number of issued shares of the Company as at the date of passing of this resolution, and if any subsequent consolidation or subdivision of shares is conducted, the maximum number of shares that may be issued under the mandate in paragraph (a) above as a percentage of the total number of issued shares at the date immediately before and after such consolidation or subdivision shall be the same; and

- (d) for the purposes of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws to be held; and
- (iii) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the shareholders in general meeting.

“Rights Issue” means an offer of shares open for a period fixed by the directors to holders of shares of the Company or any class thereof on the register on a fixed record date in proportion to their then holdings of such shares or class thereof (subject to such exclusions or other arrangements as the directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of any relevant jurisdiction or the requirements of any recognized regulatory body or any stock exchange).”

- 7. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“**THAT** conditional upon the passing of the resolutions set out in items 5 and 6 of the notice convening this meeting (the “**Notice**”), the general mandate referred to in the resolution set out in item 6 of the Notice be and is hereby extended by the addition to the aggregate number of shares which may be allotted and issued or agreed conditionally or unconditionally to be allotted and issued by the directors pursuant to such general mandate

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of the number of shares repurchased by the Company pursuant to the mandate referred to in resolution set out in item 5 of the Notice, provided that such amount shall not exceed 10% of the total number of issued shares of the Company as at the date of passing of this resolution.”

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

Yangzhou, the PRC, 27 May 2020

Notes:

1. All resolutions at the meeting will be taken by poll pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Articles of Association. The results of the poll will be published on the websites of Hong Kong Exchanges and Clearing Limited and the Company in accordance with the Listing Rules.
2. Any shareholder of the Company entitled to attend and vote at the above meeting is entitled to appoint more than one proxy (who must be an individual) to attend and vote instead of him. A proxy need not be a Shareholder of the Company. If more than one proxy is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy is so appointed.
3. In order to be valid, the form of proxy together with the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power of attorney or authority, must be deposited at the Company’s share registrar in Hong Kong, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong not less than 48 hours before the time appointed for the holding of the meeting or any adjournment thereof. Delivery of the form of proxy shall not preclude a Shareholder of the Company from attending and voting in person at the meeting and, in such event, the instrument appointing a proxy shall be deemed to be revoked.
4. The Register of Members of the Company will be closed from Tuesday, 23 June 2020 to Monday, 29 June 2020, both dates inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the annual general meeting, unregistered holders of shares of the Company shall ensure that all transfer documents accompanied by the relevant share certificates must be lodged with the Company’s share registrar in Hong Kong, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong for registration not later than 4:30 p.m. on Monday, 22 June 2020.

As at the date of this notice, the Board of Directors of the Company comprises five executive Directors, namely Mr. Yuan Li, Mr. Xu Xinying, Ms. Liu Simei, Mr. Sun Lejiu and Mr. Xin Kexia, one non-executive Director, namely Ms. Xu Honghong, and three independent non-executive Directors, namely Mr. Zhao Jinyong, Mr. Chen Rui and Mr. Fung Tak Choi.