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## **THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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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 EGM to be held on Thursday, 20 April 2023. 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.

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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)**

## **(1) MAJOR TRANSACTION IN RELATION TO DISPOSAL OF ASSETS; AND (2) NOTICE OF EXTRAORDINARY GENERAL MEETING**

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Capitalised terms used in this cover page have the same meanings as those defined in this circular.

A letter from the Board is set out on pages 4 to 13 of this circular.

A notice convening the EGM of Qidian International Co., Ltd (the “Company”) to be held at Conference Room, 11th Floor, Block 1, Wangjing Chengying Centre, Laiguangying West Road, Chaoyang District, Beijing, the PRC on Thursday, 20 April 2023 at 9:30 a.m. at which the aforesaid major transaction will be considered is set out on pages EGM-1 to EGM-3 of this circular.

Whether or not you intend to attend the meeting, please complete and sign the accompanying form of proxy in accordance with the instructions stated thereon and return it to the Company’s share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible but in any event not later than 48 hours (excluding any part of a day that is a public holiday) before the time appointed for the holding of the meeting or any adjournment thereof. Accordingly, the form of proxy must be delivered to the Company no later than 9:30 a.m. on Tuesday, 18 April 2023. Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting and at any adjournment thereof if you so wish. In such event, the form of proxy shall be deemed to be revoked.

29 March 2023

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## DEFINITIONS

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

“Board”	the board of Directors
“Company”	Qidian International Co., Ltd. (奇点国际有限公司), a company incorporated in the Cayman Islands with limited liability on 5 February 2008, the Shares of which are listed on the main board of the Stock Exchange (stock code: 1280)
“Completion”	the completion of the Disposal in accordance with the terms and conditions of the Disposal Agreement
“Conditions Precedent”	the conditions precedent to the completion of the Disposal Agreement as set out in the paragraph headed “Conditions Precedent” under the section “THE DISPOSAL AGREEMENT” in this circular
“connected person(s)”	has the same meaning ascribed to it in the Listing Rules
“Director(s)”	means the directors of the Company
“Disposal”	the disposal of the Target Assets owned by the Vendors in accordance with the terms of the Disposal Agreement
“Disposal Agreement”	the agreement dated 19 January 2023 entered into between the Vendor and the Purchaser relating to the sale and purchase of the Target Assets
“EGM”	the extraordinary general meeting to be convened and held by the Company to consider and, if thought fit, approve the Disposal Agreement and the transactions contemplated thereunder
“Group”	the Company and its subsidiaries

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## DEFINITIONS

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“Guarantors”	(1) Fuhua Investment Holding Co. Ltd., a company established in the British Virgin Islands with limited liability, an indirect wholly-owned subsidiary of the Company; (2) the Company; (3) 揚州匯銀商業連鎖有限公司 (Yangzhou Huiyin Commercial Chain Co., Ltd), a company established in the PRC with limited liability, an indirect wholly-owned subsidiary of the Company; (4) 北京奇點新商業科技有限公司 (Beijing Qidian New Business Technology Co., Ltd), a company established in the PRC with limited liability, an indirect wholly-owned subsidiary of the Company; and (5) 中華銀瑞(香港)投資控股有限公司 (China Yinrui (HK) Investment Holding Company Limited), a company established in the PRC with limited liability, an indirect wholly-owned subsidiary of the Company
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Property Valuer”	the independent property valuer engaged by the Company
“Independent Third Party(ies)”	a party who is not a connected person of the Company and is independent of the Company and its connected parties
“Latest Practicable Date”	27 March 2023, 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 as amended from time to time
“PRC”	the People’s Republic of China excluding, for the purpose of this circular, Hong Kong, the Macau Special Administrative Region and Taiwan
“Purchaser”	揚州港口開發有限公司 (Yangzhou Port Development Co., Ltd.*), a company established in the PRC with limited liability
“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 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)

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## DEFINITIONS

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“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Assets”	has the meaning ascribed to it in the paragraph headed “Subject matter” under the section “THE DISPOSAL AGREEMENT” in this circular
“US\$”	United States dollar, the lawful currency of the United States
“Vendors”	(1) 江蘇寬瑞物流貿易發展有限公司 (Jiangsu Kuanrui Logistics Trade Development Co., Ltd.), a company established in the PRC with limited liability, an indirect wholly-owned subsidiary of the Company (“Vendor 1”); and (2) 揚州久好電器商貿有限公司 (Yangzhou Jiuhao Electric Trading Co., Ltd.), a company established in the PRC with limited liability, an indirect wholly-owned subsidiary of the Company (“Vendor 2”)
%	per cent

\* *for identification purpose only*

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## LETTER FROM THE BOARD

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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)

*Executive Directors*

Mr. Yuan Li (Chairman)

Mr. Xu Xinying (Vice-chairman)

*Non-executive Director*

Ms. Xu Honghong

*Independent Non-executive Directors*

Mr. Zhang Yihua

Mr. Chen Rui

Mr. Fung Tak Choi

*Registered Office*

The offices of Vistra (Cayman) Limited,  
P.O. Box 31119 Grand Pavilion,  
Hibiscus Way, 802 West Bay Road,  
Grand Cayman, KY1-1205, Cayman Islands

*Principal Place of Business in Hong Kong*

5/F, Manulife Place,  
348 Kwun Tong Road,  
Kowloon, Hong Kong

29 March 2023

*To the Shareholders:*

**(1) MAJOR TRANSACTION IN RELATION TO DISPOSAL OF ASSETS;  
AND  
(2) NOTICE OF EXTRAORDINARY GENERAL MEETING**

**1. INTRODUCTION**

**Major transaction in relation to the Disposal of Target Assets**

The Board announced on 19 January 2023 (after trading hours) that the Vendors, the Purchaser and the Guarantors entered into the Disposal Agreement, pursuant to which the Vendors conditionally agreed to dispose, and the Purchaser conditionally agreed to purchase the Target Assets for a total consideration of RMB82,580,000, subject to the terms of the Disposal Agreement.

As the highest of all applicable percentage ratios in respect of the Disposal is more than 25% but less than 75%, the Disposal and the transactions contemplated thereunder constitute a major transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting, announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

\* For identification purpose only

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## LETTER FROM THE BOARD

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The purpose of this circular is to provide you with, among other matters, (1) details of the Disposal Agreement and the Disposal; (2) valuation report of the Target Assets; (3) other information as required to be disclosed under the Listing Rules; and (4) the notice of the EGM and a form of proxy to the Shareholder. The EGM is convened to be held for Shareholders to consider and, if thought fit, approve the Disposal Agreement and the transactions contemplated thereunder.

Any Shareholder with a material interest in the proposed transaction, and his/her close associates, will abstain from voting at relevant resolutions at the EGM. To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, as at the Latest Practicable Date, no Shareholder has a material interest in the matters which are the subject of the Disposal, such that it must abstain from voting, and, accordingly, all Shareholders will be permitted to vote at the EGM to approve the aforementioned matters.

### 2. THE DISPOSAL AGREEMENT

The principal terms and conditions of the Disposal Agreement are set out below:

Date: 19 January 2023

Parties: (1) the Vendors;  
(2) the Purchaser;  
(3) the Guarantors

Subject matter: Pursuant to the Disposal Agreement, the Vendors agreed to sell, and the Purchaser agreed to acquire, the following assets located in 中國江蘇省揚州市經濟技術開發區古渡路18號物流園區: (Economic and Technological Development Zone, No.18 Gudu Road, Yangzhou City, Jiangsu Province, the PRC\*)

#### Under Vendor 1's name

- (1) the industrial land use rights with a total site area of 41,529.41 square meters;
- (2) the buildings and ancillary facilities located thereon with a total gross floor area of 11,744.81 square meters.

#### Under Vendor 2's name

- (1) the industrial land use rights with a total site area of 23,615.12 square meters;
- (2) the buildings and ancillary facilities located thereon with a total gross floor area of 27,288.84 square meters.

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## LETTER FROM THE BOARD

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Consideration and payment:

The consideration for the disposal of the Target Assets is RMB82,580,000, inclusive of tax payable by the Vendors pursuant to the terms of the Disposal Agreement.

The consideration shall be paid by the Purchaser in the following manner:

- (1) the Purchaser shall pay RMB8,250,000 to the escrow account (“Escrow Account”) opened at the real estate registration authority of the Target Assets (“Registration Authority”) upon satisfaction of the following conditions within 10 working days:
  - (a) the fulfillment of the conditions precedent;
  - (b) the Vendors and the Purchaser having obtained all necessary authorizations and approvals in respect of the Disposal;
  - (c) the receipt of written approval from 中國江蘇省揚州經濟技術開發區管委會 (Management Committee of Yangzhou Economic and Technological Development Zone of Jiangsu Province of the PRC\*);
  - (d) in the event the acquisition described in “Other terms” below is proceeded with, the completion of acquisition of Vendor 2 by Vendor 1, and the completion of transfer of the Target Assets from under the name of Vendor 2 to under the name of Vendor 1;
  - (e) the setting up of the Escrow Account by the Vendors and the Purchaser for the payment of the consideration;
  - (f) the completion of advance registration procedures at the Registration Authority in respect of the Disposal;
  - (g) the Vendors and their connected parties not having breached the Disposal Agreement or other underlying documents in respect of the Disposal.
- (2) the Purchaser shall pay the remaining RMB74,330,000 to the Escrow Account upon satisfaction of the following conditions within 10 working days:



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## LETTER FROM THE BOARD

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- (a) the conditions in (1) above continuing to be valid where applicable;
  - (b) the release of all encumbrances in respect of the Target Assets and provision of proof to the Purchaser;
  - (c) the termination of all finance leases in respect of the Target Assets as instructed by the Purchaser and the vacation of the premises;
  - (d) the completion of on-site transfer procedures in respect of the Target Assets, including the transfer of the originals of all documents pertaining to the Target Assets from the Vendors to the Purchaser and the inspection on the progress of the termination of finance leases;
  - (e) the change of the registered office of Vendor 1 from the address of the Target Assets;
  - (f) the provision of value added tax invoices by the Vendors in respect of the consideration.
- (3) The Vendors shall cooperate with the Purchaser to apply for transfer registration in respect of the Target Assets at the Registration Authority no later than 10 working days after the Purchaser's payment pursuant to (2) above.
- (4) The Purchaser shall cooperate with the Vendors to apply for release of all funds from the Escrow Account to the Vendors within the same day after the transfer registration in (3) above has been completed.

Basis of consideration:

The consideration was determined after arm's length negotiations between the Vendors and the Purchaser by reference to the valuation of the Target Assets prepared by the Independent Property Valuer engaged by the Company. The appraised value of the Target Assets is RMB82 million as at 31 December 2022.

Conditions precedent:

The Disposal is conditional upon the satisfaction of the following:

- (1) the passing of necessary resolution(s) by the Shareholders at the EGM approving the Disposal Agreement and the transactions contemplated thereunder;

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## LETTER FROM THE BOARD

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- (2) all necessary consents and approvals to be obtained by the Vendors, the Guarantors and the Company having been obtained;
- (3) all necessary consents and approvals to be obtained by the Purchaser having been obtained.

As at the Latest Practicable Date, (1) has not been satisfied and (2) has not been satisfied to the extent that (1) is still outstanding. (3) has been satisfied.

Completion:

Completion is expected to take place after the fulfillment of the conditions precedent, completion of the transfer registration in respect of the Target Assets, receipt of all funds from the Escrow Account by the Vendors and the delivery of the Target Assets to the Purchaser by the Vendors.

Long stop date:

If the Disposal is not completed before 30 September 2023, the Vendors or the Purchaser shall be entitled to terminate the Disposal Agreement, subject to the liability of any party of the Agreement to the other in respect of any antecedent breach of the terms thereof.

Guarantee:

In consideration of the Purchaser agreeing to enter into the Disposal Agreement, the Guarantors jointly and severally guarantee to the Purchaser the due and punctual performance, observance and discharge by the Vendors of all their obligations under the Disposal Agreement.

The Guarantor's obligations is a continuing guarantee to the Purchaser which will remain in full force and effect until all of the aforesaid guaranteed obligations have been fulfilled, performed, observed and discharged.

Other terms:

In the event Vendor 1 determines to acquire Vendor 2, Vendor 1 shall commence such acquisition and inform the Purchaser by written notice, within 10 working days from 19 January 2023.

Vendor 1 shall complete such acquisition within 70 working days from 19 January 2023. Upon completion, Vendor 1 shall assume the obligations of Vendor 2 under the Disposal Agreement.

In the event such acquisition is (1) not commenced; (2) not notified to the Purchaser; or (3) not completed, within the prescribed times above, Vendor 1 and Vendor 2 shall proceed in accordance with the existing terms of the Disposal Agreement unless otherwise agreed by the parties.

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## LETTER FROM THE BOARD

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### **Status at the Latest Practicable Date**

Vendor 1 informed the Purchaser on 28 January 2023 that it would acquire Vendor 2 and Vendor 1 commenced the acquisition thereafter. Vendor 1 applied to the industrial and commercial bureau in respect of the acquisition in accordance with government regulations on 13 March 2023 and the acquisition is expected to be completed within 70 working days from 19 January 2023.

As disclosed above, subsequent to Vendor 1's acquisition of Vendor 2, Vendor 1 will assume the obligations of Vendor 2 under the Disposal Agreement.

The Disposal is subject to government taxes in the PRC. As Vendor 1's acquisition of Vendor 2 will enable the Disposal to qualify for a lower government tax rate, the acquisition will enable the Company to reduce the transaction costs of the Disposal and is accordingly in the interest of the Company.

### **3. INFORMATION ON THE PARTIES**

#### **The Vendors**

Vendor 1 is a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company. It is principally engaged in logistics and warehousing services.

Vendor 2 is a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company. It is principally engaged in wholesale and retail of household appliances.

#### **The Purchaser**

The Purchaser is a company established in the PRC with limited liability. It is principally engaged in the operation of ports. The ultimate beneficial owner of the Purchaser is 揚州市人民政府 (Yangzhou Municipal People's Government\*).

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

#### **The Guarantors**

Fuhua Investment Holding Co.,Ltd is a company established in the British Virgin Islands with limited liability, an indirect wholly-owned subsidiary of the Company. It is principally engaged in investment holding.

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## LETTER FROM THE BOARD

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揚州匯銀商業連鎖有限公司 (Yangzhou Huiyin Commercial Chain Co., Ltd.) is a company established in the PRC with limited liability, an indirect wholly-owned subsidiary of the Company. It is principally engaged in the distribution services.

北京奇點新商業科技有限公司 (Beijing Qidian New Business Technology Co., Ltd.) is a company established in the PRC with limited liability, an indirect wholly-owned subsidiary of the Company. It is principally engaged in the retail and distribution services.

中華銀瑞(香港)投資控股有限公司 (China Yinrui (HK) Investment Holding Company Limited) is a company established in Hong Kong with limited liability, an indirect wholly-owned subsidiary of the Company. It is principally engaged in investment holding.

The Company is also one of the Guarantors.

#### 4. REASONS FOR AND BENEFITS OF THE DISPOSAL

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, provision of maintenance and installation services in the PRC and the liquor business in the PRC.

The Target Assets were acquired by Vendor 1 (not a subsidiary of the Company at the time) from 揚州市國土資源局 (Yangzhou Land and Resources Bureau\*). A subsidiary of the Company then acquired the Target Assets currently under Vendor 2's name on 18 September 2009 at the cost of RMB8,000,000. Subsequent to the investment by Fuhua Investment Holding Co., Ltd., a subsidiary of the Company, in Vendor 1 at the cost of RMB11,533,783.38 on 8 February 2015, the Group acquired the Target Assets currently under Vendor 1's name.

The construction of buildings and ancillary facilities on the land commenced on 31 May 2009. The total cost of construction paid by the Group was RMB141,426,906.89.

The Target Assets are now vacant and they have not been the subject of any finance lease. The Group does not own any other logistics and warehouse facilities apart from the Target Assets. Although the Group does not own any other logistics and warehouse facilities apart from the Target Assets, the Group leases three warehouses in Anhui province of the PRC where the bulk of the Company's logistics and warehousing activities is carried out. Furthermore, the Company has other arrangements such as to store its household appliance products in supplier warehouses or leased warehouses of the Company. Some of the Company's household appliance products do not involve warehouse storage at all. In light of the foregoing, the Company considers the Disposal has no impact on the Group's operations.

The Board has taken into account that the Target Assets are situated in a remote location and that they are not currently generating any revenue for the Group. Having further considered that the Purchaser is an investment company of the municipal government seeking to redevelop the area in which the Target Assets are situated, the Board deems it a valuable opportunity to dispose of the Target Assets and that the Disposal will enable the Company to centralize its resources by realising the value of the Target Assets.

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## LETTER FROM THE BOARD

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The terms of the Disposal Agreement were determined after arm's length negotiations between the Company and the Purchaser and the Directors are of the view that the terms of the Disposal Agreement are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

### 5. FINANCIAL EFFECTS OF THE DISPOSAL

Before the Disposal, the Vendors are the legal and beneficial owners of the Target Assets. Upon Completion, the Vendors will cease to have any interest in the Target Assets. Pursuant to the valuation report of the Target Assets as set out in Appendix II to this circular, an impairment provision of approximately RMB35 million has been made in respect of the Target Assets and such impairment provision has been accounted for in the final results of the Group for the year ended 31 December 2022. Upon Completion, the Group estimates to record a gain of approximately RMB3 million from the Disposal, being the difference between (i) the consideration before deducting relevant expenses and taxes, and (ii) the unaudited net book value of the Target Assets as at 31 December 2022 in the amount of approximately RMB79 million which has been adjusted in accordance with the valuation stipulated in the valuation report of the Target Assets as set out in Appendix II to this circular. Shareholders should note that the financial effect is shown for reference only and the actual amount of gain or loss as a result of the Disposal is subject to audit by the auditors.

### 6. INTENDED USE OF PROCEEDS

After deducting transaction costs and taxes of approximately RMB10 million, the estimated net proceeds from the Disposal will amount to approximately RMB70 million. The Company intends to apply RMB50 million towards optimising the asset structure of the Group by partially repaying the loan provided to the Group by Shengshang Entrepreneurial Services Co., Ltd. (“**SESCL**”) and its subsidiaries (“**SESCL Group**”) in the amount of RMB100.0 million and approximately RMB20 million as the general working capital of the Group. Please refer to the Company's announcement dated 23 August 2022 for details regarding Shengshang Entrepreneurial Services Co., Ltd.

The loan provided to the Group by the SESCL Group was unsecured and was for the term from 4 January 2022 to 3 January 2024 with an interest rate of 5% per annum. The planned use of the loan was for the repayment of debt and as general working capital of the Group and was actually used for such purposes.

For the Shareholders' ease of reference, SESCL is principally engaged in investment holding. The SESCL Group is a MSME and IB entrepreneurship training services provider in the PRC which targets entrepreneurs and senior executives in MSMEs, as well as individual businesses and customers who are interested in establishing start-up enterprises. The SESCL Group provides a variety of training programmes for its customers aiming to enhance their management capabilities in aspects such as business management, fiscal and tax optimisation, employee incentives, human resource management, supply chain management, marketing and sales. The training programmes cover topics such as business models, shareholding structures, capital structures, entrepreneurial thinking, business management, investment logic, macroeconomic analysis and policy interpretation, equity investment skills and the design of equity incentive schemes.

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## LETTER FROM THE BOARD

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Mr. Yuan Li is an executive Director and a director of SESCL. He is responsible for the overall management of SESCL's business operations and owns 28.58% of SESCL. As his shareholding in SESCL is below 30%, SESCL is not an associate of Mr. Yuan Li under chapter 14A of the Listing Rules.

The Company does not have any intention to dispose of, downsize or terminate any of its existing businesses.

### **7. EGM**

The EGM will be held for Shareholders to consider and, if thought fit, approve the Disposal Agreement and the transactions contemplated thereunder. A notice convening the EGM to be held at Conference Room, 11th Floor, Block 1, Wangjing Chengying Centre, Laiguangying West Road, Chaoyang District, Beijing, the PRC on Thursday, 20 April 2023 at 9:30 a.m. is set out on pages EGM-1 to EGM-3 of this circular. A form of proxy for use at the EGM is also enclosed. Such form of proxy is also published on the websites of Hong Kong Exchanges and Clearing Limited (<http://www.hkexnews.hk>) and the Company ([www.hyjd.com](http://www.hyjd.com)).

Whether or not Shareholders are able to attend the EGM, they are requested to complete and sign the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company's Share Registrar and Transfer Office, Tricor Investor Services Limited, 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the EGM (i.e. not later than 9:30 a.m. on Tuesday, 18 April 2023). To be effective, all forms of proxy must be lodged with Tricor Investor Services Limited before the deadline. Completion and return of the form of proxy will not preclude Shareholders from attending and voting in person at the EGM if they so wish.

### **8. CLOSURE OF REGISTER OF MEMBERS**

The register of members of the Company will be closed from Tuesday, 18 April 2023 to Thursday, 20 April 2023, both dates inclusive, during which period no transfer of shares will be registered, for the purpose of ascertaining Shareholders' entitlement to attend and vote at the EGM. In order to be eligible to attend and vote at the EGM, all transfer documents accompanied by the relevant share certificates must be lodged for registration with the office of the Company's Share Registrar and Transfer Office, Tricor Investor Services Limited, 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Monday, 17 April 2023.

### **9. RECOMMENDATION**

For the reasons set out above, the Directors consider that the terms of the Disposal are fair and reasonable and are in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors would recommend the Shareholders to vote in favour of the resolution to approve all the resolutions as set out in the notice of EGM on page EGM-1 to EGM-3 of this circular.

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**LETTER FROM THE BOARD**

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**10. ADDITIONAL INFORMATION**

Your attention is also drawn to the additional information set out in the appendices to this circular.

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

**1. FINANCIAL INFORMATION**

The audited consolidated financial statements of the Group for the three financial years ended 31 December 2020, 2021 and 2022, respectively, including the independent auditors' report thereon and the notes thereto, have been disclosed in the respective annual reports and annual results announcement of the Company. The auditor of the Company has not issued any qualified opinion on the Group's consolidated financial statements for the three financial years ended 31 December 2020, 2021 and 2022, respectively.

The annual reports of the Company for the two financial years ended 31 December 2020 and 2021, respectively; and the annual results announcement for the financial year ended 31 December 2022 are published on the websites of HKEXnews (<http://www.hkexnews.hk>) and the Company ([www.hyjd.com](http://www.hyjd.com)) respectively.

**Quick links**

- (i) for the year ended 31 December 2020 (pages 41 to 129)  
<https://www1.hkexnews.hk/listedco/listconews/sehk/2021/0427/2021042700907.pdf>
- (ii) for the year ended 31 December 2021 (pages 37 to 119)  
<https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0421/2022042100459.pdf>
- (iii) for the year ended 31 December 2022 (pages 1 to 24)  
<https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0316/2023031600011.pdf>

**2. INDEBTEDNESS**

As at the close of business on 28 February 2023 being the latest practicable date for the purpose of this indebtedness statement, the indebtedness of the Group was approximately RMB463,614,000 comprising:

- (a) unsecured other borrowing of approximately RMB427,287,000;
- (b) secured other borrowing of approximately RMB10,195,000;
- (c) unsecured bond payables of approximately RMB8,885,000;
- (d) lease liabilities of approximately RMB17,247,000.



Secured borrowing, unsecured borrowings and bond payable amounted to approximately RMB446.4 million as of 28 February 2023 of which RMB8.9 million was classified as current liabilities and RMB437.5 million was classified as non-current liabilities.

Lease liabilities of approximately RMB17.2 million as at 28 February 2023 represented the present value of lease payments to be made over the lease term by the Group as lessee. Such lease liabilities amounted to approximately RMB17.2 million as of 28 February 2023 of which RMB10.1 million was classified as current liabilities and RMB7.1 million was classified as non-current liabilities.

As of the close of business on 28 February 2023 being the latest practicable date for the preparation of the indebtedness statement in this circular, save as disclosed above the Group did not have any contingent liabilities. Save as disclosed above, the Group did not have any debt securities, issued and outstanding, and authorised or otherwise created but unissued and term loans (secured, unsecured, guaranteed or not) any other borrowing, bank overdrafts or other similar indebtedness, liabilities under acceptances (other than normal trade bills) or acceptance credits or hire purchase commitments, debentures, mortgages, charges, finance leases, hire purchase commitments, guarantees or other material contingent liabilities as of 28 February 2023.

### **3. WORKING CAPITAL STATEMENT**

Taking into account the financial resources available to the Group, including internally generated funds and other facilities of the Group, the Directors, after due and careful enquiry, are of the opinion that the Group has sufficient working capital for its present requirements, that is for at least 12 months from the date of publication of this circular, in the absence of unforeseeable circumstances, such as any event of force majeure occurs including, without limiting the generality thereof, any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out.

### **4. MATERIAL ADVERSE CHANGE**

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2022, being the date on which the latest published audited consolidated financial statements of the Group were made up.

*The following is the text of a letter and valuation certificate, prepared for the purpose of incorporation in this circular received from Ravia Global Appraisal Advisory Limited, an independent valuer, in connection with its valuation as at 31 December 2022 of the Group's property in the PRC.*



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29 March 2023

The Board of Directors  
**Qidian International Co., Ltd.**  
Level 54, Hopewell Centre,  
183 Queen's Road East,  
Hong Kong

Dear Sirs/Madams,

**Re: Property valuation of a logistic and warehouse development situated at No.18 Gudu Road, Economic and Technological Development Zone, Yangzhou City, Jiangsu Province, the People's Republic of China (the "PRC") (中華人民共和國江蘇省揚州市經濟技術開發區古渡路18號物流園區)**

In accordance with the instructions of Qidian International Co., Ltd. (the "**Company**", and together with its subsidiaries hereinafter referred to as the "**Group**") to assess the market value of the captioned property in the PRC, we confirm that we have carried out inspections, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market value of the property as at 31 December 2022 (the "**Valuation Date**") for the purpose of incorporation in the circular of the Company dated 29 March 2023.

## **1. BASIS OF VALUATION**

Our valuation of property is our opinion of the market value which we would define as intended to mean "the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion".

Market value is understood as the value of an asset or liability estimated without regard to costs of sale or purchase (or transaction) and without offset for any associated taxes or potential taxes.

**2. VALUATION METHODOLOGY**

We have valued the property by Direct Comparison Approach, which is universally considered the most accepted valuation method for valuing most forms of real estate, assuming sale of the property in the existing states and by making reference to comparable sales transactions as available in the relevant market with due adjustments to reflect the attribute difference between the comparable properties and the subject property.

**3. TITLE INVESTIGATION**

We have been provided with copies of title documents and have been confirmed by the Company that no further relevant documents have been produced. However, we have not examined the original documents to verify ownership or to ascertain the existence of any amendment documents, which may not appear on the copies handed to us. In the course of our valuations, we have relied upon the advice provided by the Company's PRC Legal Adviser, Beijing Zongnan Law Firm (北京中南律師事務所), regarding the legality of the concerned property titles.

**4. VALUATION ASSUMPTIONS**

Our valuation has been made on the assumptions that the owner sells the property in the open market as at the Valuation Date in its existing state without the benefit of deferred term contracts, leasebacks, joint ventures, management agreements or any similar arrangements which would serve to affect the market value of the property. No account has been taken of any option or right of pre-emption concerning or affecting the sale of the property. No allowance has been made in our valuation for any charges, mortgages or amounts owing on the property nor for any expenses or taxation which may be incurred in effecting a sale.

Unless otherwise stated, we have assumed that the property is free from encumbrances, restrictions and outgoings of an onerous nature which could affect the market value; all relevant land premium and other costs of ancillary utility services have been settled in full; the title owners of the property have free and uninterrupted rights to occupy and use the property during the whole of the remaining land lease term; and the existing use of the property is in compliance with the local planning regulations and have been approved by the relevant authorities.

**5. SOURCE OF INFORMATION**

In the course of our valuation, we have relied to a very considerable extent on the information provided by the Company and have accepted advice given to us on matters such as planning approvals or statutory notices, easements, tenure, property identification, particulars of occupation, site / floor areas, building ages and all other relevant matters which can affect the market value of the property. All documents have been used for reference only. Whenever the information contained in this valuation report is quoted or extracted from documents supplied to us which are originally produced in Chinese and translated into English for disclosure purpose, in case of any inconsistency, the Chinese version shall prevail.

We have no reason to doubt the truth and accuracy of the information provided to us. We have also been advised that no material facts have been omitted from the information supplied. We consider that we have been provided with sufficient information to reach an informed view and have no reason to suspect that any material information has been withheld.

## **6. VALUATION CONSIDERATION**

We have inspected the exterior and, where possible, the interior of the property. No structural survey has been made in respect of the property. However, in the course of our inspections, we did not note any serious defects. We are not, however, able to report that the buildings are free from rot, infestation or any other structural defects. No tests were carried out on any of the building services. We have not carried out any land investigation or environmental surveys, but we did not notice and have not been advised of any evidence of environmental concerns such as existing or potential contamination or any form of hazard, and therefore we assumed none of such exists.

We have not carried out on-site measurement to verify the site / floor areas of the property under consideration and have assumed that the site / floor areas shown on the documents handed to us are correct. Except as otherwise stated, all dimensions, measurements and areas included in the valuation certificate are based on information contained in the documents provided to us by the Company and are therefore approximations.

No allowance has been made in our valuations for any charges, mortgages or amounts owing on the property nor for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the property is free from encumbrances, restrictions and outgoings of an onerous nature which could affect the market value.

In valuing the property, we have complied with the requirements set out in Chapter 5 and Practice Note 12 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited; and The HKIS Valuation Standards (2020 Edition) published by The Hong Kong Institute of Surveyors effective from 31 December 2020.

## **7. CURRENCY**

Unless otherwise stated, all monetary figures stated in this report are in Renminbi (“RMB”), the lawful currency of the PRC.

**8. REMARKS**

In accordance with our standard practice, we must state that this report is for the use only of the party to whom it is addressed and no responsibility is accepted to any third party for the whole or any part of its contents and neither the whole, nor any part of this report may be included in any published documents or statement nor published in any way without our prior written approval of the form and context in which it may appear.

Our Valuation Certificate is attached herewith.

Yours faithfully,  
For and on behalf of

**RAVIA GLOBAL APPRAISAL ADVISORY LIMITED**

**Dr. Alan Lee**

PhD(BA) MFin BCom(Property)  
MHKIS RPS(GP) AAPI CPV CPV(Business)  
*Director*

**Alex Ma**

MHKIS MRICS  
RICS Registered Valuer  
*Associate Director*

*Note:*

*Dr. Alan Lee is a Registered Professional Surveyor (General Practice), a Member of Hong Kong Institute of Surveyors, and an Associate of Australian Property Institute. He has over 18 years' valuation experience in Hong Kong, Macau, the PRC, the Asia Pacific Region, and various European and American countries. He possesses sufficient skills, experience, and knowledge of the relevant property market sector, thus is suitably qualified to undertake this valuation.*

*Mr. Alex Ma is a Member of Hong Kong Institute of Surveyors, and a Member and Registered Valuer of the Royal Institution of Chartered Surveyors. He has over 10 years' valuation experience in Hong Kong, Macau, the PRC, the Asia Pacific Region, and various European and American countries. He possesses sufficient skills, experience, and knowledge of the relevant property market sector, thus is suitably qualified to undertake this valuation.*

## VALUATION CERTIFICATE

## Property held for owner occupation to be disposed by the Group in the PRC

Property	Description and Tenure	Particulars of Occupancy	Market Value in Existing State as at 31 December 2022
A logistic and warehouse development situated at No.18 Gudu Road, Economic and Technological Development Zone, Yangzhou City, Jiangsu Province, the PRC	The property comprises two adjacent rectangular parcels of land for warehouse use, together with the four buildings for warehouse and logistic uses erected thereon.  As per the relevant Real Estate Ownership Certificates, the total site area of the property is approximately 65,144.53 square metres (“sq.m.”), comprising two land parcels with site areas of approximately 41,529.41 sq.m. and 23,615.12 sq.m. respectively. The total gross floor area (“GFA”) of the four buildings erected thereon is approximately 39,033.65 sq.m., breakdown as below:	As advised by the Company, the property is owner occupied for warehouse and logistic uses as at the Valuation Date.	RMB82,000,000 (RENMINBI EIGHTY-TWO MILLION)  (100% interest attributable to the Group)

中華人民共和國江蘇省揚州市經濟技術開發區古渡路18號物流園區

Block No.	No. of Storey	GFA (sq.m.)
N/A	1	11,744.81
4	2	11,700.00
5	8	9,520.44
6	2	<u>6,068.40</u>
	Total:	<u>39,033.65</u>

As advised by the Company, the buildings were completed between 2018 and 2020.

The land use rights have been granted for terms expiring on 27 February 2059 for warehouse use.

The property is situated about 14km south from the Yangzhou City center near the north bank of Yangtze River. It is about 5 minutes driving distance from the Yangzhou Port entrance. The vicinity of the property is dominated by various logistic and warehouse developments and facilities.

## Notes:

- Pursuant to a Real Estate Ownership Certificate (不動產權證書), Su (2018) Yang Zhou Shi Bu Dong Chan Quan No. 0135261 (蘇(2018)揚州市不動產權第 0135261 號), issued by the Ministry of Land and Resources of Yangzhou City (揚州市國土資源局) on 7 October 2018, the land use right of a parcel of land located at No.18 Gudu Road with site area of 41,529.41 sq.m. and the ownership of a building with GFA of 11,744.81 sq.m. have been granted to Jiangsu Kuanrui Logistics Trade Development Co., Ltd. (江蘇寬瑞物流貿易發展有限公司). The land use rights expiry date is 27 February 2059. The permitted use of the land and buildings is warehouse.

2. Pursuant to a Real Estate Ownership Certificate (不動產權證書), Su (2020) Yang Zhou Shi Bu Dong Chan Quan No. 0029784 (蘇(2020)揚州市不動產權第0029784號), issued by the Ministry of Land and Resources of Yangzhou City (揚州市國土資源局) on 14 April 2020, the land use right of a parcel of land located at No.18 Gudu Road with site area of 23,615.12 sq.m. and the ownership of two buildings with total GFA of 15,588.84 sq.m. (Block 5: 9,520.44 sq.m.; Block 6: 6,068.40 sq.m.) have been granted to Yangzhou Jiuhaio Electric Trading Co., Ltd. (揚州久好電器商貿有限公司). The land use rights expiry date is 27 February 2059. The permitted use of the land and buildings is warehouse.

Pursuant to a Real Estate Ownership Certificate (不動產權證書), Su (2020) Yang Zhou Shi Bu Dong Chan Quan No. 0029792 (蘇(2020)揚州市不動產權第0029792號), issued by the Ministry of Land and Resources of Yangzhou City (揚州市國土資源局) on 14 April 2020, the land use right of a parcel of land located at No.18 Gudu Road (4) with site area of 23,615.12 sq.m. and the ownership of a building with GFA of 11,700.00 sq.m.(Block 4) have been granted to Yangzhou Jiuhaio Electric Trading Co., Ltd. (揚州久好電器商貿有限公司). The land use rights expiry date is 27 February 2059. The permitted use of the land and buildings is warehouse.

Note: The three buildings designated as Block 4, Block 5 and Block 6 mentioned above are built on a same land parcel registered under two Real Estate Ownership Certificates.

3. Jiangsu Kuanrui Logistics Trade Development Co., Ltd. and Yangzhou Jiuhaio Electric Trading Co., Ltd. are indirect wholly owned subsidiaries of the Company.
4. The site inspection was performed by Mr. Zhang Jinren, with over 6-year valuation experience in the PRC, in January 2023.
5. We have been provided with a legal opinion report regarding the property title prepared by the Company's PRC Legal Adviser, Beijing Zongnan Law Firm, which contains, *inter alia*, the following salient information:
  - a. Yangzhou Jiuhaio Electric Trading Co., Ltd. and Jiangsu Kuanrui Logistics Trade Development Co., Ltd. have legally obtained, and are the sole legal owners of the respective land use rights and building ownerships of the property with legitimate rights to occupy, use, generate income from, or otherwise transfer the property; and
  - b. The property is not subjected to mortgage or other major encumbrances.
6. We have adopted Direct Comparison Approach to assess the Market Value of the property and have considered and analysed relevant transaction or asking price references of comparable properties. Selection of the comparable properties included consideration of criteria in view of relevancy in terms of physical and locational attributes such as location, usage, size, etc.. The GFA unit rates of the considered comparable properties are ranged between about RMB1,950 and RMB2,300 per sq.m.. The adopted GFA unit rate in our valuation is concluded at about RMB2,100 per sq.m. after due adjustment on different attributes to reflect the difference between the comparable properties and the subject property, which is consistent with the unit rates of the relevant asking price of the comparable properties in the relevant market.

## 1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

## 2. DIRECTORS' INTERESTS

### a. Interests in the Shares, underlying Shares and debentures of the Company and its associated corporations

As at the Latest Practicable Date, the interests or short positions of the Directors and chief executives of the Company in the equity or debt securities of the Company or any associated corporations (within the meaning of part XV of the SFO) which are required to be notified to the Company and the Stock Exchange under Divisions 7 and 8 of Part XV of the SFO (including interest and/or short positions which they are taken or deemed to have under such provisions of the SFO), or which was required, under Section 352 of the SFO, to be entered in the register referred to therein, or under the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 14 in the Listing Rules, to be notified to the Company and the Stock Exchange, were as follows:

Name of director	Capacity and nature of interest	Aggregate number of ordinary shares or underlying shares	Approximate percentage of interest in the corporation
Yuan Li (Note)	Interest of controlled corporation	65,001,624 shares (L)	29.64%

(L) Denotes long position

*Note:* The 65,001,624 shares were held by Noble Trade International Holdings Limited\* (聖行國際集團有限公司) (formerly 聖商國際集團有限公司) (“Noble Trade International”) as beneficial owner. Noble Trade International was wholly-owned by Mogen Ltd. (“Mogen”). Mogen was 100% wholly-owned by Chongqing Saint Information Technology Co., Ltd.\* (重慶聖商信息科技有限公司) which was owned by Mr. Yuan Li, an Executive Director as to 40.44%.

### b. Interests in assets of the Group

As at the Latest Practicable Date, none of the Directors are considered to have interests, either directly or indirectly, in any assets which have been (or are proposed to be) acquired, disposed of or leased to any member of the Group since 31 December 2022, being the date to which the latest published audited consolidated financial statements of the Company were made up.



**c. Interests in contracts or arrangements of significance**

As at the Latest Practicable Date, there is no transaction, arrangement or contract of significance in relation to the Group's business, to which the Company or any of its subsidiaries was a party, subsisting, and in which a Director had, whether directly or indirectly, a material interest.

**d. Interests in competing business**

As at the Latest Practicable Date, none of the Directors or any of their respective close associates is considered to have interests, either directly or indirectly, in a business which competes or is likely to compete with the businesses of the Group, as defined in the Listing Rules.

**3. SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS' INTERESTS**

As at the Latest Practicable Date, the interests or short positions of those persons (other than Directors whose interests are disclosed above) in the ordinary shares of the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or as recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

<b>Name of shareholder</b>	<b>Capacity and nature of interest</b>	<b>Aggregate number of ordinary shares</b>	<b>Approximate percentage of interest in the corporation</b>
Mogen Ltd. (Note 1)	Interest of controlled corporation	65,001,624 shares (L)	29.64%
Noble Trade International Holdings Limited* (聖行國際集團有限公司) (Note 1)	Beneficial owner	65,001,624 shares (L)	29.64%
Chongqing Saint Information Technology Co., Ltd.* (重慶聖商信息科技有限公司) (Note 1)	Interest of controlled corporation	65,001,624 shares (L)	29.64%
Opu Shanwei (International) Holdings Limited (歐普善偉 (國際) 控股有限公司) (Note 2)	Beneficial owner	23,755,306 shares (L)	10.83%
Shan Weiwei (Note 2)	Interest of controlled corporation	23,755,306 shares (L)	10.83%

Name of shareholder	Capacity and nature of interest	Aggregate number of ordinary shares	Approximate percentage of interest in the corporation
Hong Kong Ruihong Yixing International Co., Limited (香港瑞宏藝興國際有限公司) (Note 3)	Beneficial owner	23,400,210 shares (L)	10.67%
Sun Yan (Note 3)	Interest of controlled corporation	23,400,210 shares (L)	10.67%
Hong Kong Teng Chun Tak Sing International Co., Limited (香港騰創德馨國際有限公司) (Note 4)	Beneficial owner	17,679,604 shares (L)	8.06%
Chen Bo (Note 4)	Interest of controlled corporation	17,679,604 shares (L)	8.06%
Baoshi (Tianjin) E-commerce Company Limited (寶世(天津)電子商務有限公司) (Note 5)	Interest of controlled corporation	13,097,000 shares (L)	5.97%
Tianjin Bohai Commodity Exchange Corporation (天津渤海商品交易所股份有限公司) (Note 5)	Interest of controlled corporation	13,097,000 shares (L)	5.97%
BOCE (Hong Kong) Co., Limited (Note 5)	Beneficial owner	13,097,000 shares (L)	5.97%
China Ruike Investment & Development Co., Ltd. (中華瑞科投資發展有限公司) (Note 6)	Beneficial owner	11,955,181 shares (L)	5.45%
Cao Kuanping (曹寬平) (Note 6)	Interest of controlled corporation	11,955,181 shares (L)	5.45%
Mao Shanzhen (茅善珍) (Note 6)	Spouse interest	11,955,181 shares (L)	5.45%

(L) Denotes long position

*Note:*

- (1) The 65,001,624 shares were held by Noble Trade International Holdings Limited\* (聖行國際集團有限公司) (formerly 聖商國際集團有限公司) (“Noble Trade International”) as beneficial owner. Noble Trade International was 100% wholly-owned by Mogen Ltd. (“Mogen”). Mogen was wholly-owned by Chongqing Saint Information Technology Co., Ltd.\* (重慶聖商信息科技有限公司) which was owned by Mr. Yuan Li, an Executive Director as to 40.44%.
- (2) The 23,755,306 shares were held by Oupu Shanwei (International) Holdings Limited (歐普善偉(國際)控股有限公司) (“Oupu Shanwei”) as beneficial owner. Oupu Shanwei was 100% wholly-owned by Mr. Shan Weiwei.
- (3) The 23,400,210 shares were held by Hong Kong Ruihong Yixing International Co., Limited (香港瑞宏藝興國際有限公司) (“Ruihong Yixing”) as beneficial owner. Ruihong Yixing was 100% wholly-owned by Ms. Sun Yan.
- (4) The 17,679,604 shares were held by Hong Kong Teng Chun Tak Sing International Co., Limited (香港騰創德馨國際有限公司) (“Teng Chun Tak Sing”) as beneficial owner. Teng Chun Tak Sing was wholly-owned by Mr. Chen Bo.
- (5) The 13,097,000 shares were held by BOCE (Hong Kong) Co., Limited (“BOCE”) as beneficial owner. BOCE was wholly owned by Baoshi (Tianjin) E-commerce Company Limited which was owned by Tianjin Bohai Commodity Exchange Corporation as to 99%.
- (6) The 11,955,181 shares were held by China Ruike Investment & Development Co., Ltd. (中華瑞科投資發展有限公司) (“Ruike”) as beneficial owner. Mr. Cao Kuanping holds 100% interests of Ruike. Ms. Mao Shanzhen is the spouse of Mr. Cao Kuanping.

#### **4. DIRECTORS’ SERVICE CONTRACTS**

As at the Latest Practicable Date, none of the Directors has entered into or has proposed to enter into any service contracts with the Company or any of its subsidiaries which is not terminable by the Group within one year without payment of compensation (other than statutory compensation).

#### **5. NO MATERIAL ADVERSE CHANGE**

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2022, being the date to which the latest published audited consolidated financial statements of the Company were made up.

#### **6. FINANCIAL AND TRADING PROSPECTS OF THE GROUP**

2023 would be the inflection point of internal and external demand. The internal demand will be the key factor of China’s economy recovery. Meanwhile, the consumption is expected to recover rapidly after optimization of pandemic prevention and control measures. The real estate industry is expected to be stable driven by policies. The growth rate of investment and sales is expected to rebound. The growth rate of infrastructure investment will maintain at high level.

Based on the research and judgment of the macroeconomic situation and the industry which continues to pick up with good momentum and with reference to the recent industry policies issued by the government, the Group will focus on the following tasks:

### **(1) EASING OF REAL ESTATE POLICY**

At the policy level, in order to improve policy toolkit, supporting the construction and delivery of residential projects that have been sold and overdue and have difficulty in delivery by way of policy-backed special bank borrowings, measures were released by the MOHURD, MOF, PBOC and other relevant ministries on 19 August 2022. On 8 November 2022, the NAFMII released policies to support private enterprises financing, the supportable scale of bond financing of which could be about 250 billion. On 28 November 2022, the SFC resolved to adjust and optimize 5 measures in the aspect of supporting equity financing of real estate enterprises, and frequently launched stimulus policies on real estate industry. Home appliances have strong decoration attributes and are a typical industry of the latter real estate cycle. From the perspective of the transmission chain, large home appliance products such as kitchen appliances and white home appliances are more affected by real estate, while small home appliance products are relatively less affected. In general, the growth in the size of the home appliance market can be divided into volume and price growth, of which volume growth is mainly divided into new demand and renewal demand. The performance of real estate mainly affects the new housing demand in volume growth, as well as the increase in the household appliance ownership in existing homes and renewal demand. In the future, the Group will, on the one hand, focus on analysing macro and relevant industry policies, and study the impact of policies on home appliance products. On the other hand, the Group will adjust its marketing strategies in a timely manner, and appropriately increase the sales of kitchen appliances, white appliances and other major home appliances according to the policies and increase sales.

### **(2) DEMAND FOR TERMINALS**

In 2022, it is encouraged in the Report on the Work of the Government that local areas shall conduct activities of promoting green smart home appliances to the countryside and renewal of home appliances, improve product and service quality, strengthen consumer rights protection, make efforts to meet the needs of customers and increase their willingness to consume. At the same time, in response to the repeated impact of the pandemic on consumer confidence, consumer coupons have been issued for home appliances in many places. According to incomplete statistics from China Business Daily, about 40 regions across the country have issued consumer coupons, with a cumulative amount of over 5 billion issued, and an amount of over 500 million issued for the home appliance industry. Most of the supplementary discount rates are 10%-15%. Stimulated by the demand for retail terminals, as a home appliance retailer in third- and fourth-tier cities, the Group will make full use of the policy dividends, and under the expansion of consumer demand, it will increase its efforts to promote channel reform, focus on the integration of online and offline, fully leverage on their own advantages of online and offline and are committed to improving the retail performance of home appliances.

**(3) INCREASE MARKET SHARE IN MAOTAI-FLAVOR LIQUOR, IMPROVE RESULTS AND PROFITABILITY**

According to the data from Lanjinger (藍鯨財經), the sales income of Maotai-flavor liquor industry will amount to 255.6 billion by 2026, with the average annual growth rate maintaining at 6.50%. As the Central Economic Work Conference held at the end of 2022 took the recovery of consumption as the primary development strategy, the Maotai-flavor liquor industry will embrace development opportunities under the recovery of economy. During the reporting period, based on the research and judgement on the unique development advantages of Maotai-flavor liquor, the Company has stepped into the Maotai-flavor liquor area through the establishment of liquor subsidiaries and entering into liquor cooperation agreement, with an aim to open new retail types and add Maotai-flavor liquor products on top of home appliance retail business, so as to carry out diversified retail business, while improve the brand influence and market penetration of Guofeng Maotai-flavor liquor, and to explore the secondary growth curve for business growth and steadily enhance the profitability of the Company. In view of the various opportunities and challenges in the sustainability development of Maotai-flavor liquor industry, by making fully use of the special nature of Maotai-flavor liquor, such as high social scenes, strong demand, stable customer base and increasingly young customers, the Company will put effort on, among others, the reshaping of consumption scene, expansion of customer source, innovation of package design, brand operational ability and digital marketing, to steadily enhance the competitiveness of Maotai-flavor liquor.

**7. EXPERT AND CONSENT**

The following is the qualification of the expert who has given its opinion or advice contained in this circular:

<b>Name</b>	<b>Qualification</b>
Ravia Global Appraisal Advisory Limited	qualified independent valuer in Hong Kong

Ravia has given and has not withdrawn its written consent to the issue of this circular with inclusion of its letter and references to its name in the form and context in which they are included.

As at the Latest Practicable Date, Ravia was not beneficially interested in the share capital of any member of the Group nor has any right, whether legally enforceable or not, to subscribe for or to nominate persons to subscribe for securities in any member of the Group. In addition, Ravia did not have any interest, either directly or indirectly, in any assets which have been, since 31 December 2022 (being the date to which the latest published audited consolidated financial statements of the Company were made up), acquired or disposed of by or leased to or are proposed to be acquired or disposed of by or leased to any member of the Group.

## 8. LITIGATION

As at the Latest Practicable Date, none of the members of the Group was engaged in any litigation or claims of material importance and no litigation or claims of material importance were pending or threatened against any member of the Group.

## 9. MATERIAL CONTRACTS

The following contracts (not being contracts entered into in the ordinary course of business of the Group) have been entered into by the Group within two years immediately preceding the Latest Practicable Date and are or may be material:

- (a) the conditional sale and purchase agreement dated 23 August 2022 entered into among the Company and certain parties in relation to the proposed acquisition of the entire issued share capital of Shengshang Entrepreneurial Services Co., Ltd., the details of which are disclosed in the Company's announcement dated 23 August 2022;
- (b) the equity transfer agreement dated 17 January 2023 and entered into between 揚州來好電器商貿有限公司 (Yangzhou Laihao Electrical Trading Co., Ltd.), an indirect wholly-owned subsidiary of the Company as vendor and 北京星運良科技有限公司 (Beijing Xingyunliang Technology Co., Ltd.\*) as purchaser in relation to the transfer of all the equity interests in 揚州來泰商貿集團有限公司 (Yangzhou Laitai Trading Group Co., Ltd.\*), the details of which are disclosed in the Company's announcement dated 17 January 2023.

## 10. DOCUMENTS ON DISPLAY

Copies of the following documents are published on the website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the website of the Group ([www.hyjd.com](http://www.hyjd.com)) for a period of 14 days from the date of this circular:

- (a) the Disposal Agreement;
- (b) the valuation report on the Target Assets as set out in Appendix II to this circular; and
- (c) the consent letter from Ravia, as referred to in the paragraph headed "EXPERT AND CONSENT in this Appendix.

**11. MISCELLANEOUS**

- (a) The company secretary of the Company is Ms. Wong Yuen Ki, who is a manager of corporate services of Tricor Services Limited and has been providing corporate secretarial and compliance services to Hong Kong listed companies as well as multinational, private and offshore companies. She possesses more than 10 years of experience in the company secretarial field. She is a Chartered Secretary, a Chartered Governance Professional and an associate of both The Hong Kong Chartered Governance Institute (formerly The Hong Kong Institute of Chartered Secretaries) and The Chartered Governance Institute (formerly The Institute of Chartered Secretaries and Administrators).
- (b) The Hong Kong branch share registrar and transfer office of the Company is Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.
- (c) The English text of this circular shall prevail over its Chinese text.

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## NOTICE OF EGM

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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)**

### NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the “EGM”) of the shareholders (the “**Shareholder(s)**”) of Qidian International Co., Ltd. (the “**Company**”) will be held at 9:30 a.m. on Thursday, 20 April 2023 at Conference Room, 11th Floor, Block 1, Wangjing Chengying Centre, Laiguangying West Road, Chaoyang District, Beijing, the PRC for the purpose of considering and, if thought fit, passing with or without amendments, the following resolutions as resolutions of the Company:

#### ORDINARY RESOLUTIONS

1. “**THAT**

- (a) the Disposal Agreement dated 19 January 2023 entered into between 江蘇寬瑞物流貿易發展有限公司 and 揚州久好電器商貿有限公司 as vendors and 揚州港口開發有限公司 as purchaser in respect of the Disposal (as defined in the circular of the Company dated 29 March 2023 (“Circular”), a copy of which is marked “A” and signed by the chairman of the EGM for identification purpose has been tabled at the EGM) be and is hereby approved, confirmed and ratified and the transactions contemplated thereunder be and are hereby approved (terms as defined in the Circular having the same meanings when used in this resolution);
- (b) any one of the directors of the Company (“Director(s)”) be and is hereby authorised to do all such acts and things, to sign and execute such documents or agreements or deeds on behalf of the Company and to do such other things and to take all such actions as he considers necessary, appropriate, desirable and expedient for the purposes of giving effect to or in connection with the Disposal Agreement and all transactions contemplated thereunder, and to agree to such variation, amendments or waiver or matters relating thereto (including any variation, amendments or waiver of such documents or any terms thereof, which are not fundamentally different from those as provided in the Disposal Agreement) as are, in the opinion of such Director, in the interest of the Company and its shareholders as a whole.”



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## NOTICE OF EGM

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

Hong Kong, 29 March 2023

*Notes:*

1. Unless otherwise defined in this notice or the context otherwise requires, terms defined in the Circular shall have the same meanings when used in this notice.
2. Voting at the EGM will be taken by poll as required under the Listing Rules.
3. The register of members of the Company will be closed from Tuesday, 18 April 2023 to Thursday, 20 April 2023 (both days inclusive), during which period no transfer of shares will be effected. In order to be eligible to attend and vote at the extraordinary general meeting, all completed transfer forms accompanied by the relevant share certificates must be lodged with the Hong Kong branch share registrar of the Company, Tricor Investor Services Limited, at 17/F, Far East Finance Centre 16 Harcourt Road Hong Kong for registration not later than 4:30 p.m. on Monday, 17 April 2023.
4. Any member entitled to attend and vote at the meeting of the Company shall be entitled to appoint another person as his/her proxy to attend and vote instead of him/her. A member who is the holder of two or more shares may appoint more than one proxy to represent him/her and vote on his/her behalf at the meeting of the Company. A proxy need not be a member of the Company.
5. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his/her attorney duly authorized in writing or, if the appointor is a corporation, either under its seal or under the hand of an officer, attorney or other person authorized to sign the same. In the case of an instrument of proxy purporting to be signed on behalf of a corporation by an officer thereof it shall be assumed, unless the contrary appears, that such officer was duly authorized to sign such instrument of proxy on behalf of the corporation without further evidence of the facts.

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## NOTICE OF EGM

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6. The instrument appointing a proxy and (if required by the board of directors of the Company) the power of attorney or other authority (if any) under which it is signed, or a certified copy of such power or authority, shall be delivered to Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not less than forty-eight (48) hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote.
7. Delivery of an instrument appointing a proxy shall not preclude a member from attending and voting in person at the meeting convened and in such event, the instrument appointing a proxy shall be deemed to be revoked.
8. Where there are joint holders of any share any one of such joint holder may vote, either in person or by proxy, in respect of such share as if he were solely entitled thereto, but if more than one of such joint holders be present at the meeting the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.
9. The English text of this notice of extraordinary general meeting shall prevail over the Chinese text in case of inconsistency.
10. If a black rainstorm warning signal, a tropical cyclone warning signal no. 8 or above or “extreme conditions” caused by super typhoons is in force at or at any time after 7:00 a.m. on the date of the meeting, the meeting will be postponed. The Company will publish an announcement on the Company’s website at [www.hyjd.com](http://www.hyjd.com) and the website of Hong Kong Exchanges and Clearing Limited at [www.hkexnews.hk](http://www.hkexnews.hk) to notify members of the date, time and place of the rescheduled meeting.
11. As at the date hereof, the executive directors of the Company are Mr. Yuan Li and Mr. Xu Xinying; 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.