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If you have sold or transferred all your shares in Duiba Group Limited, you should at once hand this circular together with the enclosed form of proxy, to the purchaser or the 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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Duiba Group
兑吧集团
DUIBA GROUP LIMITED
兑吧集团有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 1753)

**PROPOSED DECLARATION AND PAYMENT OF
INTERIM DIVIDEND OUT OF THE SHARE PREMIUM ACCOUNT
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

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

The letter from the Board is set out on pages 3 to 6 of this circular. A notice convening the extraordinary general meeting of the Company to be held at Room 702, Shuyu Building, 98 Wenyi West Road, Xihu District, Hangzhou, China on Monday, 9 September 2019 at 2:00 p.m. or any adjourned meeting thereof to approve the declaration and payment of Interim Dividend out of the Share Premium Account is set out on pages 7 to 8 of this circular. A form of proxy for use by the Shareholders at the EGM is also enclosed with this circular. Such form of proxy is also published on the website of the Stock Exchange (www.hkexnews.hk).

Whether or not you are able or intend to attend the EGM, you are encouraged to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the EGM or any adjourned meeting thereof. Completion and return of the form of proxy shall not preclude you from attending and voting in person at the EGM or any adjourned meeting hereof should you so wish.

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DEFINITIONS

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

“Articles”	the articles of association of the Company, as amended, supplemented and/or otherwise modified from time to time
“Board”	the board of Directors
“Cayman Companies Law”	the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands
“China”	the People’s Republic of China and for the purposes of this circular only, references to China exclude Hong Kong, the Macao Special Administrative Region and Taiwan
“Company”	Duiba Group Limited (兑吧集团有限公司), an exempted company incorporated in the Cayman Islands, the Shares of which are listed on the Main Board of the Stock Exchange
“Directors”	the directors of the Company
“EGM”	the extraordinary general meeting of the Company to be held at Room 702, Shuyu Building, 98 Wenyi West Road, Xihu District, Hangzhou, China on Monday, 9 September 2019 at 2:00 p.m., to approve the declaration and payment of the Interim Dividend out of the Share Premium Account
“Group”	the Company and its subsidiaries from time to time
“HK\$”	Hong Kong dollars, the lawful currency in Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of China
“Interim Dividend”	the proposed interim dividend of RMB 9 cents per Share as recommended by the Board
“Latest Practicable Date”	14 August 2019, being the latest practicable date prior to printing of this circular for ascertaining certain information included in this circular

DEFINITIONS

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“RMB”	Renminbi yuan, the lawful currency of China
“Share Premium Account”	the share premium account of the Company, the amount standing to the credit of which was approximately US\$146.1 million as at the Latest Practicable Date
“Share(s)”	the ordinary share(s) of US\$0.00001 each in the issued share capital of the Company
“Shareholder(s)”	holder(s) of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“US\$”	United States dollars, the lawful currency of the United States of America
“%”	percent

Unless otherwise specified, this circular contains certain translations for the convenience of the reader at US\$1 to RMB7.0312. These translations are provided for reference and convenience only, and no representation is made, and no representation should be construed as being made, that any amounts in RMB or US\$ can be or could have been at the relevant dates converted at the above rates or any other rates or at all.



DUIBA GROUP LIMITED

兑吧集团有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1753)

Executive Directors:

Mr. Chen Xiaoliang (*Chairman of the Board*)
Mr. Fang Hua
Mr. Xu Hengfei
Mr. Zhu Jiangbo

Registered Office:

Cricket Square, Hutchins Drive
P.O. Box 2681
Grand Cayman, KY1-1111
Cayman Islands

Non-executive Directors:

Mr. Huang Tao
Mr. Sun Qiang Chang

Principal Place of Business in Hong Kong:

31/F, Tower Two
Times Square
1 Matheson Street
Causeway Bay
Hong Kong

Independent non-executive Directors:

Mr. Kam Wai Man
Dr. Ou-Yang Hui
Dr. Gao Fuping

19 August 2019

To the Shareholders,

Dear Sir or Madam,

**PROPOSED DECLARATION AND PAYMENT OF
INTERIM DIVIDEND OUT OF THE SHARE PREMIUM ACCOUNT
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

1. INTRODUCTION

The purpose of this circular is to provide the Shareholders with all the information reasonably necessary to enable them to make an informed decision on whether to vote for or against the proposed declaration and payment of the Interim Dividend out of the Share Premium Account.

A notice convening the EGM is set out on pages 7 to 8 of this circular.

LETTER FROM THE BOARD

2. PROPOSED DECLARATION AND PAYMENT OF INTERIM DIVIDEND OUT OF THE SHARE PREMIUM ACCOUNT

As disclosed in the prospectus of the Company dated 24 April 2019, the Company intends to declare and pay dividends on an annual basis of no less than 30% of the adjusted profit (namely, the profit for the year, adding back share based payment, listing expenses, changes in fair value of financial liabilities at fair value through profit or loss, and finance costs) of the Group for the year ended 31 December 2018 and for the years ending 31 December 2019 and 2020. For the year ended 31 December 2018, the Group recorded an adjusted profit of approximately RMB205,217,000. Other than the Interim Dividend, the Company has not declared or paid any dividend for the year ended 31 December 2018 and the year ending 31 December 2019.

As announced by the Company in its announcement dated 15 August 2019 regarding the unaudited financial results of the Group for the six months ended 30 June 2019, the Board recommended the payment of the Interim Dividend of RMB9 cents per Share, or approximately RMB99.8 million in aggregate (based on the number of Shares in issue as at the Latest Practicable Date), representing approximately 48.6% of the adjusted profit of the Group for the year ended 31 December 2018. The Interim Dividend will be paid entirely out of the Share Premium Account. Pursuant to the Articles and the Cayman Companies Law, such payment will require the approval of the Shareholders at the EGM by way of an ordinary resolution. As at the Latest Practicable Date, the amount standing to the credit of the Share Premium Account amounted to approximately US\$146.1 million. Following the payment of the Interim Dividend in the aggregate amount of RMB99.8 million (approximately USD14.2 million), the balance of the Share Premium Account will be approximately US\$131.9 million.

Conditions of the payment of the Interim Dividend

The payment of the Interim Dividend is conditional upon the satisfaction of the following conditions:

- (a) the passing of an ordinary resolution by the Shareholders approving the declaration and payment of the Interim Dividend out of the Share Premium Account; and
- (b) the Directors being satisfied that there are no reasonable grounds for believing that the Company is, immediately following the date on which the Interim Dividend is paid, unable to pay its liabilities as they fall due in the ordinary course of business.

LETTER FROM THE BOARD

Reasons for payment of the Interim Dividend out of the Share Premium Account

In recognition of the Shareholders' support, the Directors consider that the declaration and payment of the Interim Dividend is consistent with the dividend policy of the Company and is in the interests of the Company and its Shareholders as a whole. Further, the Board considers it unnecessary to maintain the Share Premium Account at its current level.

Effect of the payment of the Interim Dividend out of the Share Premium Account

The implementation of the payment of the Interim Dividend out of the Share Premium Account does not involve any reduction in the authorised or issued share capital of the Company nor does it involve any reduction in the nominal value of the Shares or the trading arrangements concerning the Shares.

Save for the immaterial expenses incurred as a result of the payment of the Interim Dividend, the Directors consider that the payment of the Interim Dividend out of the Share Premium Account will not have any material adverse effect on the financial position of the Group.

Closure of register of members

For the purpose of ascertaining the entitlement to attend and vote at the EGM, the register of members of the Company will be closed from 3 September to 6 September 2019, both days inclusive, during which period no transfer of the Shares will be registered. In order to be eligible to attend and vote at the EGM, all transfers of the Shares accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on 2 September 2019.

For the purpose of ascertaining the entitlement to the Interim Dividend, the register of members of the Company will be closed from 13 September to 17 September 2019, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the Interim Dividend, all transfer of shares accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration no later than 4:30 p.m. on 12 September 2019.

LETTER FROM THE BOARD

3. EGM AND PROXY ARRANGEMENT

A notice of the EGM is set out on pages 7 to 8 of this circular.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder is required to abstain from voting in respect of the ordinary resolution to be proposed at the EGM.

A form of proxy for use at the EGM is also enclosed. Such form of proxy is also published on the website of the Stock Exchange (www.hkexnews.hk). Whether or not you are able or intend to attend the EGM, you are encouraged to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the EGM or any adjourned meeting thereof. Completion and return of the form of proxy shall not preclude you from attending and voting in person at the EGM or any adjourned meeting thereof should you so wish.

4. VOTING BY POLL AT GENERAL MEETING

Pursuant to Rule 13.94(4) of the Listing Rules, any vote of Shareholders at a general meeting must be taken by poll except where the chairman of the meeting, in good faith and in compliance with the Listing Rules, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Therefore, the resolution as set out in the notice of the EGM which is put to vote at the EGM shall be decided by poll. The Company will appoint scrutineers to handle vote-taking procedures at the EGM.

5. RECOMMENDATION

The Directors consider that the proposed declaration and payment of the Interim Dividend out of the Share Premium Account is in the best interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends all Shareholders to vote in favour of the resolution to be proposed at the EGM.

Yours faithfully,
For and on behalf of the Board
Duiba Group Limited
Chen Xiaoliang
Chairman

NOTICE OF EGM

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this notice, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this notice.

Duiba Group
兑吧集团
DUIBA GROUP LIMITED
兑吧集团有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 1753)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an extraordinary general meeting (“EGM”) of Duiba Group Limited (the “Company”) will be held at Room 702, Shuyu Building, 98 Wenyi West Road, Xihu District, Hangzhou, China on Monday, 9 September 2019 at 2:00 p.m. for the following purposes:

To consider and, if thought fit, pass with or without amendments, the following resolution:

ORDINARY RESOLUTION

“THAT:

- (a) the declaration and payment of an interim dividend of RMB9 cents per ordinary share out of the share premium account of the Company (the “Interim Dividend”) to the shareholders of the Company whose names appear on the register of members of the Company on 17 September 2019 or such other record date as determined by the directors (the “Directors”) of the Company for determining the entitlements to the Interim Dividend be and is hereby approved; and
- (b) the Directors be and are hereby authorised to take such action, do such things and execute such further documents as the Directors may at their absolute discretion consider necessary or desirable for the purpose of or in connection with the payment of the Interim Dividend.”

By Order of the Board
Duiba Group Limited
Chen Xiaoliang
Chairman

Hangzhou, China, 19 August 2019

NOTICE OF EGM

Registered Office:
Cricket Square, Hutchins Drive
P.O. Box 2681
Grand Cayman, KY1-1111
Cayman Islands

Principal Place of Business in Hong Kong:
31/F, Tower Two
Times Square
1 Matheson Street
Causeway Bay
Hong Kong

Notes:

1. A member of the Company entitled to attend and vote at the EGM shall be entitled to appoint one or more proxies (if he is a holder of two or more shares of the Company) to attend and vote in his stead. A proxy need not be a member of the Company. Completion and return of the form of proxy will not preclude a member of the Company from attending the EGM and voting in person should he so wish. In such event, his form of proxy will be deemed to have been revoked.
2. Where there are joint registered holders of any share of the Company, any one of such persons may vote at the EGM, either personally or by proxy, in respect of such share as if he was solely entitled thereto; but if more than one of such joint holders be present at the EGM personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company in respect of such share shall stand alone be entitled to vote in respect thereof.
3. A form of proxy for the EGM is enclosed. 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 such power or authority, must be deposited at the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, as soon as possible and in any event not later than 48 hours before the time for holding the EGM or any adjourned meeting thereof.
4. To ascertain the entitlement to attend and vote at the EGM, the register of members of the Company will be closed from 3 September to 6 September 2019, both days inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the EGM, all transfer of shares accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on 2 September 2019.
5. To ascertain the entitlement to the Interim Dividend, the register of members of the Company will be closed from 13 September to 17 September 2019, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the Interim Dividend, all transfer of shares accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration no later than 4:30 p.m. on 12 September 2019.

As at the date of this notice, the Board comprises Mr. Chen Xiaoliang, Mr. Fang Hua, Mr. Xu Hengfei and Mr. Zhu Jiangbo as executive Directors, Mr. Huang Tao and Mr. Sun Qiang Chang as non-executive Directors and Mr. Kam Wai Man, Dr. Ou-Yang Hui and Dr. Gao Fuping as independent non-executive Directors.