# UNITED STATES
# SECURITIES AND EXCHANGE COMMISSION
**WASHINGTON D.C. 20549**

# FORM 6-K

**REPORT OF FOREIGN PRIVATE ISSUER**
**PURSUANT TO RULE 13a-16 OR 15d-16**
**OF THE SECURITIES EXCHANGE ACT OF 1934**

**June 2019**

**Commission File Number: 001-38230**

# QUDIAN INC.

**Tower A, AVIC Zijin Plaza,**
**Siming District, Xiamen, Fujian Province 361000,**
**China**
**(Address of principal executive offices)**

Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F.

Form 20-F ☒ Form 40-F ☐

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1): ☐

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7): ☐

Indicate by check mark whether by furnishing the information contained in this Form, the registrant is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes ☐ No ☒

If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): N/A

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## SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

QUDIAN INC.

| | |
|---|---|
| By: | /s/ Carl Yeung |
| Name: | Carl Yeung |
| Title: | Chief Financial Officer |

Date: June 26, 2019

**Exhibit 99.1**

**QUDIAN INC.**
**INDEX TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

**QUDIAN INC.**
**CONSOLIDATED BALANCE SHEET AND**
**UNAUDITED INTERIM CONDENSED CONSOLIDATED BALANCE SHEET**
**(AMOUNTS IN RENMINBI ("RMB") AND US DOLLAR ("US$"),**
**EXCEPT FOR NUMBER OF SHARES AND PER SHARE DATA)**

| | *Note* | As of December 31, 2018 | As of March 31, 2019 | |
|---|---|---|---|---|
| | | | *(Unaudited)* | *(Unaudited)* |
| | | *RMB* | *RMB* | *US$* |
| **ASSETS:** | | | | |
| **Current assets:** | | | | |
| Cash and cash equivalents (including RMB5,896,700 and RMB81,296 (US$12,113) from consolidated trusts as of December 31, 2018 and March 31, 2019, respectively) | | 2,501,188,374 | 1,931,429,951 | 287,792,042 |
| Restricted cash (including RMB274,786,549 and RMB594,659,894 (US$88,607,089) from consolidated trusts as of December 31, 2018 and March 31, 2019, respectively) | | 339,826,542 | 1,138,363,707 | 169,621,485 |
| Short-term investments | | — | 30,000,000 | 4,470,139 |
| Short-term loan principal and financing service fee receivables (net of allowance of RMB569,834,399 and RMB672,129,374 (US$100,150,401); including RMB2,945,308,734 and RMB3,546,822,588 (US$528,493,055) from consolidated trusts as of December 31, 2018 and March 31, 2019, respectively) | *3* | 8,417,821,413 | 10,010,611,226 | 1,491,627,612 |
| Short-term finance lease receivables (net of allowance of RMB10,135,319 and RMB16,583,404 (US$2,471,004); including unearned revenue of RMB31,533,522 and RMB21,589,322 (US$3,216,909) as of December 31, 2018 and March 31, 2019, respectively) | *4* | 508,646,618 | 492,132,074 | 73,329,968 |
| Short-term contract assets | | 903,436,469 | 1,338,852,559 | 199,495,256 |
| Amounts due from related parties | *10* | 2,071 | 43,700 | 6,512 |
| Other current assets (net of allowance of RMB15,121,668 and RMB19,875,011 (US$2,961,469); including RMB49,594,689 and RMB59,655,279 (US$8,888,914) from consolidated trusts as of December 31, 2018 and March 31, 2019, respectively) | | 1,818,222,205 | 1,760,531,886 | 262,327,431 |
| **Total current assets** | | **14,489,143,692** | **16,701,965,103** | **2,488,670,445** |

**QUDIAN INC.**
**CONSOLIDATED BALANCE SHEET AND**
**UNAUDITED INTERIM CONDENSED CONSOLIDATED BALANCE SHEET — CONTINUED**
**(AMOUNTS IN RENMINBI ("RMB") AND US DOLLAR ("US$"),**
**EXCEPT FOR NUMBER OF SHARES AND PER SHARE DATA)**

| | *Note* | **As of December 31, 2018** | **As of March 31, 2019** | |
|---|---|---|---|---|
| | | | *(Unaudited)* | *(Unaudited)* |
| | | *RMB* | *RMB* | *US$* |
| **Non-current assets:** | | | | |
| Long-term loan principal and financing service fee receivables (net of allowance of RMB15,500,802 and RMB9,292,837 (US$1,384,676) as of December 31, 2018 and March 31, 2019, respectively; including RMB51,541,094 and RMB59,649,058 (US$8,887,987) from consolidated trusts, as of December 31, 2018 and March 31, 2019, respectively) | *3* | 665,652,830 | 388,200,379 | 57,843,661 |
| Long-term finance lease receivables (net of allowance of RMB18,630,094 and RMB39,699,824 (US$5,915,458); including unearned revenue of RMB163,062,580 and RMB142,718,037 (US$21,265,651) as of December 31, 2018 and March 31, 2019, respectively) | *4* | 649,242,797 | 569,628,713 | 84,877,327 |
| Operating lease right-of-use assets | | — | 149,673,068 | 22,301,983 |
| Investment in equity method investee | | 33,199,265 | 30,635,324 | 4,564,806 |
| Property and equipment, net | | 26,224,170 | 40,842,446 | 6,085,714 |
| Intangible assets | | 7,263,548 | 7,056,126 | 1,051,396 |
| Land use right | | 106,545,362 | — | — |
| Long-term contract asset | | 15,596,885 | 22,848,323 | 3,404,506 |
| Deferred tax assets | | 243,412,814 | 312,910,961 | 46,625,188 |
| Other non-current assets | | 17,093,439 | 23,199,441 | 3,456,825 |
| **Total non-current assets** | | **1,764,231,110** | **1,544,994,781** | **230,211,406** |
| **TOTAL ASSETS** | | **16,253,374,802** | **18,246,959,884** | **2,718,881,851** |

**QUDIAN INC.**
**CONSOLIDATED BALANCE SHEET AND**
**UNAUDITED INTERIM CONDENSED CONSOLIDATED BALANCE SHEET — CONTINUED**
**(AMOUNTS IN RENMINBI ("RMB") AND US DOLLAR ("US$"),**
**EXCEPT FOR NUMBER OF SHARES AND PER SHARE DATA)**

| | *Note* | As of December 31, 2018 | As of March 31, 2019 | |
|---|---|---|---|---|
| | | | *(Unaudited)* | *(Unaudited)* |
| | | *RMB* | *RMB* | *US$* |
| **LIABILITIES AND SHAREHOLDERS' EQUITY** | | | | |
| **Current liabilities:** | | | | |
| Short-term borrowings and interest payables (including short-term borrowings of the consolidated VIEs without recourse to the Company of RMB2,896,543,571 and RMB3,211,475,133 (US$478,524,725) as of December 31, 2018 and March 31, 2019, respectively) | *5* | 3,860,440,575 | 4,201,713,118 | 626,074,788 |
| Short-term lease liabilities (including short-term lease liabilities of the consolidated VIEs without recourse to the Company of RMB nil and RMB10,525,306 (US$1,568,320) as of December 31, 2018 and March 31, 2019, respectively) | | — | 18,202,395 | 2,712,241 |
| Accrued expenses and other current liabilities (including accrued expenses and other current liabilities of the consolidated VIEs without recourse to the Company of RMB347,034,010 and RMB356,043,625 (US$53,052,155) as of December 31, 2018 and March 31, 2019, respectively) | | 507,486,437 | 515,414,016 | 76,799,084 |
| Guarantee liabilities (including guarantee liabilities of the consolidated VIEs without recourse to the Company of RMB197,387,970 and RMB332,711,157 (US$49,575,509) as of December 31, 2018 and March 31, 2019, respectively) | *6* | 302,604,578 | 566,630,299 | 84,430,549 |
| Income tax payable (including income tax payable of the consolidated VIEs without recourse to the Company of RMB241,992,558 and RMB282,656,279 (US$42,117,100) as of December 31, 2018 and March 31, 2019, respectively) | | 348,829,956 | 445,260,966 | 66,345,954 |
| **Total current liabilities** | | **5,019,361,546** | **5,747,220,794** | **856,362,616** |

**QUDIAN INC.**
**CONSOLIDATED BALANCE SHEET AND**
**UNAUDITED INTERIM CONDENSED CONSOLIDATED BALANCE SHEET — CONTINUED**
**(AMOUNTS IN RENMINBI ("RMB") AND US DOLLAR ("US$"),**
**EXCEPT FOR NUMBER OF SHARES AND PER SHARE DATA)**

| | *Note* | As of December 31, 2018 | As of March 31, 2019 | |
|---|---|---|---|---|
| | | | *(Unaudited)* | *(Unaudited)* |
| | | *RMB* | *RMB* | *US$* |
| **Non-current liabilities:** | | | | |
| Long-term borrowings and interest payables (including long-term borrowings and interest payables of the consolidated VIEs without recourse to the Company of RMB413,400,000 and RMB597,500,000 (US$89,030,278) as of December 31, 2018 and March 31, 2019, respectively) | *5* | 413,400,000 | 597,500,000 | 89,030,278 |
| Deferred tax liabilities (including deferred tax liabilities of the consolidated VIEs without recourse to the Company of RMB nil and RMB95,558,953 (US$14,238,728) as of December 31, 2018 and March 31, 2019, respectively) | | — | 102,968,295 | 15,342,755 |
| Long-term lease liabilities (including long-term lease liabilities of the consolidated VIEs without recourse to the Company of RMB nil and RMB21,055,293 (US$3,137,337) as of December 31, 2018 and March 31, 2019, respectively) | | — | 23,188,219 | 3,455,152 |
| **Total non-current liabilities** | | **413,400,000** | **723,656,514** | **107,828,185** |
| **Total liabilities** | | **5,432,761,546** | **6,470,877,308** | **964,190,801** |
| **Commitments and contingencies** | *11* | | | |
| **Shareholders' equity:** | | | | |
| Class A Ordinary shares (US$0.0001 par value; 656,508,828 shares authorized, 243,425,092 shares issued, and 232,952,916 shares outstanding as of December 31, 2018; 656,508,828 shares authorized, 244,346,892 shares issued and 233,877,023 shares outstanding as of March 31, 2019) | | 161,442 | 162,059 | 24,330 |
| Class B Ordinary shares (US$0.0001 par value; 63,491,172 shares authorized, 63,491,172 shares issued, and outstanding as of December 31, 2018 and March 31, 2019, respectively) | | 43,836 | 43,836 | 6,349 |
| Treasury shares | *12* | (362,130,324) | (362,130,324) | (53,959,102) |
| Additional paid-in capital | | 6,160,445,929 | 6,185,101,347 | 921,608,855 |
| Accumulated other comprehensive loss | | (44,858,239) | (63,667,275) | (9,486,720) |
| Retained earnings | | 5,066,950,612 | 6,016,572,933 | 896,497,338 |
| **Total shareholders' equity** | | **10,820,613,256** | **11,776,082,576** | **1,754,691,050** |
| **TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY** | | **16,253,374,802** | **18,246,959,884** | **2,718,881,851** |

**QUDIAN INC.**
**UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**
**(AMOUNTS IN RENMINBI ("RMB") AND US DOLLAR ("US$"), EXCEPT FOR NUMBER OF SHARES AND PER SHARE DATA)**

| | | Three months ended March 31, | | |
|---|---|---|---|---|
| | Note | 2018 | 2019 | |
| | | *(Unaudited) RMB* | *(Unaudited) RMB* | *(Unaudited) US$* |
| **Revenues:** | | | | |
| Financing income | | 776,746,526 | 1,010,758,311 | 150,607,687 |
| Sales commission fee | | 111,378,875 | 135,854,284 | 20,242,920 |
| Sales income | | 546,033,586 | 136,971,295 | 20,409,360 |
| Penalty fee | | 4,885,515 | 10,140,160 | 1,510,931 |
| Loan facilitation income and others | | 277,577,471 | 644,412,085 | 96,020,397 |
| Referral service fee | | — | 158,723,969 | 23,650,609 |
| **Total revenues** | | **1,716,621,973** | **2,096,860,104** | **312,441,904** |
| **Cost of revenues:** | | | | |
| Cost of goods sold | | (503,128,140) | (114,079,973) | (16,998,446) |
| Cost of other revenues (including related party amounts of RMB17,287,999 and RMB nil (US$ nil) for the three months ended March 31, 2018 and 2019, respectively) | | (183,275,640) | (146,404,834) | (21,815,001) |
| **Total cost of revenues** | | **(686,403,780)** | **(260,484,807)** | **(38,813,447)** |
| **Operating expenses:** | | | | |
| Sales and marketing (including related party amounts of RMB20,746,270 and RMB nil (US$ nil) for the three months ended March 31, 2018 and 2019, respectively) | | (122,944,634) | (79,857,035) | (11,899,069) |
| General and administrative | | (55,989,550) | (82,895,823) | (12,351,863) |
| Research and development | | (43,520,889) | (63,508,094) | (9,463,001) |
| Loss on guarantee liabilities | | (43,186,803) | (108,581,234) | (16,179,109) |
| Provision for receivables | | (443,614,957) | (390,391,177) | (58,170,100) |
| **Total operating expenses** | | **(709,256,833)** | **(725,233,363)** | **(108,063,142)** |
| **Other operating income** | | **5,456,955** | **26,993,808** | **4,022,203** |
| **Income from operations** | | **326,418,315** | **1,138,135,742** | **169,587,518** |
| Interest and investment income, net | | 19,535,758 | 2,107,303 | 313,998 |
| Foreign exchange gain/loss, net | | (21,950,185) | 7,921,299 | 1,180,310 |
| Other income | | 672,368 | 1,226,710 | 182,785 |
| Other expenses | | (168,169) | (1,526,205) | (227,412) |
| **Net income before income taxes** | | **324,508,087** | **1,147,864,849** | **171,037,199** |
| Income tax expenses | 7 | (8,692,202) | (198,242,528) | (29,539,058) |
| **Net income** | | **315,815,885** | **949,622,321** | **141,498,141** |
| **Net income attributable to Qudian Inc.'s shareholders** | | **315,815,885** | **949,622,321** | **141,498,141** |

**QUDIAN INC.**
**UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME — CONTINUED**
**(AMOUNTS IN RENMINBI ("RMB") AND US DOLLAR ("US$"), EXCEPT FOR NUMBER OF SHARES AND PER SHARE DATA)**

| | Note | Three months ended March 31, 2018 | 2019 | |
|---|---|---|---|---|
| | | *(Unaudited) RMB* | *(Unaudited) RMB* | *(Unaudited) US$* |
| Earnings per share for Class A and Class B ordinary shares: | | | | |
| Basic | *9* | 0.97 | 3.20 | 0.48 |
| Diluted | *9* | 0.95 | 3.19 | 0.48 |
| Earnings per ADS (1 Class A ordinary share equals 1 ADSs): | | | | |
| Basic | *9* | 0.97 | 3.20 | 0.48 |
| Diluted | *9* | 0.95 | 3.19 | 0.48 |
| Weighted average number of Class A and Class B ordinary shares outstanding: | | | | |
| Basic | *9* | 326,372,211 | 296,766,678 | 296,766,678 |
| Diluted | *9* | 331,424,416 | 297,726,986 | 297,726,986 |
| **Other comprehensive loss** | | | | |
| Foreign currency translation adjustment | | (142,547,847) | (18,809,036) | (2,802,634) |
| **Total comprehensive income** | | **173,268,038** | **930,813,285** | **138,695,507** |
| **Total comprehensive income attributable to Qudian Inc.'s shareholders** | | **173,268,038** | **930,813,285** | **138,695,507** |

**QUDIAN INC.**
**UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY**
**(AMOUNTS IN RENMINBI ("RMB") AND US DOLLAR ("US$"), EXCEPT FOR NUMBER OF SHARES AND PER SHARE DATA)**

| | Class A and B Ordinary shares | | | | Accumulated other comprehensive loss/foreign currency translation adjustment | | |
|---|---|---|---|---|---|---|---|
| | Number of Shares Outstanding | Amount | Treasury shares | Additional paid-in capital | | Retained earnings | Total shareholders' equity |
| | | *RMB* | *RMB* | *RMB* | *RMB* | *RMB* | *RMB* |
| Balance at December 31, 2018 | 296,444,088 | 205,278 | (362,130,324) | 6,160,445,929 | (44,858,239) | 5,066,950,612 | 10,820,613,256 |
| Exercising of share options held by Share Based Payment Trust | 850,000 | 569 | — | (569) | — | — | — |
| Exercise of share options | 74,107 | 48 | — | 59 | — | — | 107 |
| Share-based compensation | — | — | — | 24,655,928 | — | — | 24,655,928 |
| Other comprehensive income | — | — | — | — | (18,809,036) | — | (18,809,036) |
| Net income | — | — | — | — | — | 949,622,321 | 949,622,321 |
| Balance at March 31, 2019 | **297,368,195** | **205,895** | **(362,130,324)** | **6,185,101,347** | **(63,667,275)** | **6,016,572,933** | **11,776,082,576** |
| Balance at December 31, 2017 | 325,838,455 | 220,976 | (421,164,802) | 7,571,703,230 | (77,947,461) | 2,467,554,858 | 9,540,366,801 |
| Adjustments due to the adoption of Topic 606 | — | — | — | — | — | 108,079,541 | 108,079,541 |
| Exercising of share options held by Share Based Payment Trust | 2,953,807 | 1,787 | — | (1,787) | — | — | — |
| Share-based compensation | — | — | — | 22,651,177 | — | — | 22,651,177 |
| Other comprehensive income | — | — | — | — | (142,547,847) | — | (142,547,847) |
| Net income | — | — | — | — | — | 315,815,885 | 315,815,885 |
| Balance at March 31, 2018 | **328,792,262** | **222,763** | **(421,164,802)** | **7,594,352,620** | **(220,495,308)** | **2,891,450,284** | **9,844,365,557** |

**QUDIAN INC.**
**UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**
**(AMOUNTS IN RENMINBI ("RMB") AND US DOLLAR ("US$"), EXCEPT FOR NUMBER OF SHARES AND PER SHARE DATA)**

| | Three months ended March 31, | | |
|---|---|---|---|
| | 2018 | 2019 | |
| | *(Unaudited) RMB* | *(Unaudited) RMB* | *(Unaudited) US$* |
| **Cash flows from operating activities:** | | | |
| Net income | 315,815,885 | 949,622,321 | 141,498,141 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | | |
| Provision for receivables | 443,614,957 | 390,391,177 | 58,170,100 |
| Depreciation and amortization | 556,574 | 5,065,935 | 754,848 |
| Loss on disposal of property and equipment | — | 1,028 | 153 |
| Share-based compensation expense | 22,651,177 | 24,655,928 | 3,673,848 |
| Share of (gain)/loss from equity method investment | (453,470) | 2,563,941 | 382,039 |
| Investment income from short-term investments | — | (664,622) | (99,032) |
| Foreign exchange loss/(gain), net | 21,950,185 | (7,921,299) | (1,180,310) |
| Changes in operating assets and liabilities: | | | |
| Financing service fee receivables | (5,725,117) | (80,890,315) | (12,053,033) |
| Finance lease receivables | (141,640) | 94,948,139 | 14,147,714 |
| Contract asset | (147,242,039) | (442,667,528) | (65,959,520) |
| Receivables from related parties | (3,893,541) | (41,629) | (6,203) |
| Deferred tax assets and liabilities | (57,416,208) | 33,470,148 | 4,987,208 |
| Other current and non-current assets | (149,394,981) | (139,195,330) | (20,740,751) |
| Interest payables | (50,177,410) | (330,457) | (49,240) |
| Payables to related parties | 1,840,303 | — | — |
| Guarantee liabilities | 95,746,284 | 264,025,721 | 39,341,060 |
| Other current liabilities | (106,378) | 104,358,589 | 15,549,915 |
| **Net cash provided by operating activities** | **487,624,581** | **1,197,391,747** | **178,416,937** |
| **Cash flows from investing activities:** | | | |
| Proceeds from redemption of short-term investments | 1,370,000,000 | — | — |
| Proceeds from collection of loan principal | 10,324,781,175 | 6,297,026,290 | 938,286,192 |
| Principal collection of finance lease receivables | 11,359,654 | — | — |
| Proceeds from disposal of long-term assets | — | 40,000 | 5,960 |
| Purchase of short-term investments | (1,070,000,000) | (30,000,000) | (4,470,139) |
| Purchases of property, equipment, intangible assets and land use right | (109,433,678) | (17,133,759) | (2,553,010) |
| Payments to originate loan principal | (11,005,806,641) | (7,704,266,948) | (1,147,971,592) |
| Purchase of current assets held for lease | (791,629,147) | — | — |
| **Net cash used in investing activities** | **(1,270,728,637)** | **(1,454,334,417)** | **(216,702,589)** |

**QUDIAN INC.**
**UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS — CONTINUED**
**(AMOUNTS IN RENMINBI ("RMB") AND US DOLLAR ("US$"), EXCEPT FOR NUMBER OF SHARES AND PER SHARE DATA)**

| | Three months ended March 31, | | |
|---|---|---|---|
| | 2018 | 2019 | |
| | *(Unaudited)* *RMB* | *(Unaudited)* *RMB* | *(Unaudited)* *US$* |
| **Cash flows from financing activities:** | | | |
| Proceeds from borrowings | 1,480,800,000 | 1,797,043,000 | 267,767,761 |
| Proceeds from related parties | 670,500,000 | — | — |
| Refund of guarantee deposits from Funding Partners | 87,443,431 | — | — |
| Proceeds from exercise of share options | — | 107 | 16 |
| Payments to related parties | (693,019,801) | — | — |
| Repayment of borrowings | (3,428,791,127) | (1,271,340,000) | (189,435,570) |
| Payments for IPO expenditure | (1,364,856) | — | — |
| Payment of guarantee deposits to Funding Partners | — | (29,093,958) | (4,335,135) |
| **Net cash (used in)/provided by financing activities** | **(1,884,432,353)** | **496,609,149** | **73,997,072** |
| Effect of exchange rate changes | (142,547,847) | (10,887,737) | (1,622,323) |
| Net (decrease)/increase in cash and cash equivalents, and restricted cash | (2,810,084,256) | 228,778,742 | 34,089,097 |
| Cash and cash equivalents, and restricted cash at beginning of the period | 9,084,951,709 | 2,841,014,916 | 423,324,430 |
| **Cash and cash equivalents, and restricted cash at end of the period** | **6,274,867,453** | **3,069,793,658** | **457,413,527** |
| **Reconciliation of cash and cash equivalents, and restricted cash to the condensed consolidated balance sheet** | | | |
| Cash and cash equivalents | 5,736,836,055 | 1,931,429,951 | 287,792,042 |
| Restricted cash | 538,031,398 | 1,138,363,707 | 169,621,485 |
| **Total cash and cash equivalents, and restricted cash** | **6,274,867,453** | **3,069,793,658** | **457,413,527** |
| **Supplemental disclosures of cash flow information:** | | | |
| Income taxes paid | 79,766,451 | 68,341,370 | 10,183,182 |
| Interest expense paid | 207,418,892 | 105,438,722 | 15,710,860 |

## 1. Organization, consolidation and presentation of financial statements

Qudian Inc. (the "Company", and where appropriate, the term "Company" also refers to its subsidiaries, variable interest entities and subsidiaries of the variable interest entities as a whole) is a limited company incorporated in the Cayman Islands under the laws of the Cayman Islands on November 16, 2016. The Company, through its subsidiaries, variable interest entities ("VIEs") and subsidiaries of the VIEs, are principally engaged in the operation of online platforms to provide small consumer credit products in the People's Republic of China (the "PRC"). The Company does not conduct any substantive operations of its own. As PRC law and regulations prohibit foreign control of companies involved in internet value-added business, the Company conducts its primary business operations through its VIEs and the subsidiaries of the VIEs.

On November 23, 2016, the Company set up a wholly-owned subsidiary, Qudian BVI in the BVI. On December 2, 2016, the Company set up another wholly-owned subsidiary, Qudian HK in Hong Kong. On December 5, 2016, the Company transferred all of its shares of Qudian HK to Qudian BVI. On December 9, 2016, Qudian HK acquired all the equity interests of Qufenqi Ganzhou from Qufenqi HK, for a consideration of US$100,000. From December 9, 2016 to November 22, 2018, Beijing Happy Time, Hunan Qudian, Ganzhou Qudian, Xiamen Qudian and Xiamen Weipujia signed a series of contractual agreements with Qufenqi Ganzhou and their shareholders (collectively, the "VIE Agreements").

The Company, through Qufenqi Ganzhou entered into power of attorney and an exclusive call option agreement with the nominee shareholders of the VIEs that gave Qufenqi Ganzhou the power to direct the activities that most significantly affect the economic performance of the VIEs and acquire the equity interests in the VIEs when permitted by the PRC laws, respectively. Certain exclusive agreements have been entered into with the VIEs through Qufenqi Ganzhou, which obligate Qufenqi Ganzhou to absorb a majority of the risk of loss from the VIEs' activities and entitle Qufenqi Ganzhou to receive a majority of their residual returns. In addition, the Company has entered into share pledge agreements for the equity interests in the VIEs held by the nominee shareholders of the VIEs. The Company agreed to provide unlimited financial support to the VIEs for their operations. In addition, pursuant to the resolutions of all shareholders of the Company and the resolutions of the board of directors of the Company (the "Resolutions"), the board of directors of the Company (the "Board of Directors") or any officer authorized by the Board of Directors (the "Authorized Officer") shall cause Qufenqi Ganzhou to exercise the rights under the power of attorney entered into among Qufenqi Ganzhou, the VIEs and the nominee shareholders of the VIEs and Qufenqi Ganzhou's rights under the exclusive call option agreement between Qufenqi Ganzhou and the VIEs. As a result of the Resolutions and the provision of unlimited financial support from the Company to the VIEs, the Company has been determined to be most closely associated with the VIEs within the group of related parties and was considered to be the Primary Beneficiary.

Despite the lack of technical majority ownership, the Company has effective control of the VIEs through the VIE Agreements and a parent-subsidiary relationship exists between the Company and the VIEs. Through the VIE Agreements, the shareholders of the VIEs effectively assigned all of their voting rights underlying their equity interest in the VIEs to the Company. In addition, through the other exclusive agreements, which consist of exclusive option agreement, exclusive business cooperation agreement, and equity pledge agreement, the Company, through its wholly-owned subsidiaries in the PRC, have the right to receive economic benefits from the VIEs that potentially could be significant to the VIEs. Lastly, through the financial support undertaking letter, the Company has the obligation to absorb losses of the VIEs that could potentially be significant to the VIEs. Therefore, the Company is considered the primary beneficiary of the VIEs and consolidates the VIEs and its consolidated subsidiaries as required by SEC Regulation S-X Rule 3A-02 and ASC topic 810 (“ASC 810”), *Consolidation*.

Except for all assets of the consolidated trusts, the deposits that were held by trust beneficiaries and other funding partners (collectively referred as the “Funding Partners”) as guarantee deposits, there was no other pledge or collateralization of the VIEs’ assets. Creditors of the VIEs have no recourse to the general credit of the Company, who is the primary beneficiary of the VIEs, through its 100% controlled subsidiary Qufenqi Ganzhou. The Company has not provided any financial or other support that it was not previously contractually required to provide to the VIEs during the periods presented. The following tables set forth the assets and liabilities of the VIEs included in the Company’s unaudited interim condensed consolidated balance sheets:

| | As of December 31, 2018 | As of March 31, 2019 | |
|---|---|---|---|
| | | *(Unaudited)* | *(Unaudited)* |
| | *RMB* | *RMB* | *US$* |
| Short-term loan principal and financing service fee receivables | 8,417,821,413 | 9,970,373,833 | 1,485,632,053 |
| Other current assets | 3,472,629,937 | 3,933,512,425 | 586,111,639 |
| **Total current assets** | **11,890,451,350** | **13,903,886,258** | **2,071,743,692** |
| Total non-current assets | 1,066,321,556 | 869,173,195 | 129,510,847 |
| **Total assets** | **12,956,772,906** | **14,773,059,453** | **2,201,254,539** |
| Total current liabilities | 5,045,698,262 | 5,659,000,887 | 843,217,441 |
| Total non-current liabilities | 413,400,000 | 691,614,246 | 103,053,738 |
| **Total liabilities** | **5,459,098,262** | **6,350,615,133** | **946,271,179** |

The following table sets forth the results of operations of the VIEs included in the Company's consolidated statements of comprehensive income:

| | Three months ended March 31, | | |
|---|---|---|---|
| | 2018 | 2019 | |
| | *(Unaudited)* RMB | *(Unaudited)* RMB | *(Unaudited)* US$ |
| Revenues | 1,159,169,786 | 1,793,128,229 | 267,184,442 |
| Net income | 369,971,187 | 911,214,602 | 135,775,212 |

The following table sets forth the cash flows of the VIEs included in the Company's consolidated statements of cash flows:

| | Three months ended March 31, | | |
|---|---|---|---|
| | 2018 | 2019 | |
| | *(Unaudited)* RMB | *(Unaudited)* RMB | *(Unaudited)* US$ |
| Net cash provided by operating activities | 658,093,847 | 924,949,426 | 137,821,765 |
| Net cash used in investing activities | (590,349,524) | (1,501,048,228) | (223,663,164) |
| Net cash (used in)/provided by financing activities | (1,687,297,263) | 552,757,199 | 82,363,392 |

***Consolidated trusts***

Since November 2016, the Company established several trusts to invest in loans through the Company's platform using both funds from third parties and the Company. Such trusts are administered by third party trust companies as the trustee. The Company provides loan facilitation service and financial guarantees to the trusts.

All assets of the consolidated trusts are collateral for the trusts' obligations and can only be used to settle the trusts' obligations.

***Share Based Payment Trust***

On December 30, 2016, the board of the Company approved and set up Qudian Inc. Equity Incentive Trust (the "Share Based Payment Trust") for the purpose of holding options awarded to certain employees and the underlying shares before they are exercised as instructed by the employees. Upon the exercise of the options, the shares will be transferred to the relevant employees. As the Company has the power to govern the financial and operating policies of the Share Based Payment Trust and derives benefits from the contributions of the employees who have been awarded the options of the Company through their continued employment with the Company, the assets and liabilities of the Share Based Payment Trust are included in the consolidated balance sheets.

## 2. Summary of Significant Accounting Policies

***Basis of presentation***

The unaudited interim condensed consolidated financial statements of the Company have been prepared in accordance with United States generally accepted accounting principles (“U.S. GAAP”).

***Principles of consolidation***

The consolidated financial statements include the financial statements of the Company, its subsidiaries, VIEs, the subsidiaries of the VIEs and the trusts. All inter-company transactions and balances have been eliminated.

***Unaudited interim condensed consolidated financial statements***

The accompanying interim condensed consolidated balance sheet as of March 31, 2019, the interim condensed consolidated statements of comprehensive income, shareholders’ equity and cash flows for the three months ended March 31, 2018 and 2019 are unaudited. The unaudited interim condensed consolidated financial statements have been prepared on the same basis as the audited annual financial statements, and reflect, in management’s opinion, all adjustments of a normal, recurring nature and the adoption of the new accounting standard that are necessary for the fair presentation of the Company’s financial position as of March 31, 2019 and its consolidated results of operations and cash flows for the three months ended March 31, 2018 and 2019. The results of operations for the three months ended March 31, 2019 is not necessarily indicative of the results to be expected for the full year ending December 31, 2019.

These unaudited interim condensed consolidated financial statements should be read in conjunction with the Company’s consolidated financial statements and the related notes included in the Form 20-F for the year ended December 31, 2018, filed with the SEC on April 15, 2019.

***Use of estimates***

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Significant accounting estimates reflected in the Company’s consolidated financial statements include, but are not limited to, allowance for loan principal and financing service fee receivables, allowance for finance lease receivables, allowance for other receivables, share-based compensation, valuation allowance for deferred tax assets, uncertain tax positions, estimate of variable consideration and fair value of guarantee liabilities. Actual results could differ from these estimates.

***Convenience translation for financial statements presentation***

Translations of amounts from RMB into US$ for the convenience of the reader have been calculated at the exchange rate of RMB6.7112 per US$1.00 on March 29, 2019, as published on the website of the United States Federal Reserve Board. No representation is made that the RMB amounts could have been, or could be converted into US$ at such rate.

***Revenue recognition***

*Referral service fee*

The Company entered into credit referral arrangements with certain Funding Partners. The Company refers borrowers to the Funding Partners which directly fund the credit drawdowns to the borrowers. For each successful referral, the Company typically receives a pre-agreed recurring service fee throughout the term of the loans. When borrowers make instalment repayments directly to the Funding Partners, the Funding Partners will remit the recurring referral service fees to the Company on a periodic basis.

The Company determines its customers to be both the Funding Partners and borrowers. The referral service is considered to be the performance obligation in the arrangement. The transaction price is the amount of consideration to which the Company expects to be entitled to in exchange for transferring the promised service to the customer, net of value-added tax. The transaction price includes variable service fees which are contingent on the borrower making timely repayments to the Funding Partners. Variable consideration is estimated using the expected value method based on historical default rate, current and forecasted borrower repayment trends and is limited to the amount of variable consideration that is probable not to be reversed in future periods. The Company will update its estimate of the variable consideration at the end of each reporting period. The estimation of variable consideration (including the amount of variable consideration constrained) involves significant judgement. Revenues from referral services are recognized when the Company successfully refers the borrower to the Funding Partner and the Funding Partner provides the funds to the borrower.

***Contract assets***

Contract assets as of December 31, 2018 and March 31, 2019 was RMB919,033,354 and RMB1,361,700,882 (US$202,899,762), respectively. The remaining unsatisfied performance obligations as of March 31, 2018 and 2019, pertaining to post-origination services amounted to RMB42,968,967 and RMB76,081,067 (US$11,336,433).

***Lease accounting — Lessor***

*Sales-type lease*

Beginning January 1, 2019, the Company determines the classification of the sales-type lease in accordance with ASC 842. In accordance with ASC 842 *Leases,* the Company classifies a lease as a sales-type lease when the lease meets any one of the following criteria at lease commencement:

a. The lease transfers ownership of the underlying asset to the lessee by the end of the lease term.

b. The lease grants the lessee an option to purchase the underlying asset that the lessee is reasonably certain to exercise.

c. The lease term is for a major part of the remaining economic life of the underlying asset.

d. The present value of the sum of the lease payments and any residual value guaranteed by the lessee that is not already reflected in the lease payments equals or exceeds substantially all of the fair value of the underlying asset.

e. The underlying asset is of such a specialized nature that it is expected to have no alternative use to the Company at the end of the lease term.

For sales-type leases, when collectability is probable at lease commencement, the Company derecognizes the underlying asset and recognizes the net investment in the lease which is the sum of the lease receivable and the unguaranteed residual asset and recognizes in net income the selling profit. Initial direct costs are expensed, at the commencement date, if the fair value of the underlying asset is different from its carrying amount. Interest income is recognized in financing income over the lease term using the interest method.

When none of the criteria above are met, the Company classifies a lease as either a direct financing lease or an operating lease. The Company will classify the lease as an operating lease unless (i) the present value of the sum of lease payments and any residual value guaranteed by the lessee and any other third party unrelated to the Company equals or exceeds substantially all the fair value of the underlying asset; and (ii) it is probable that the Company will collect the lease payments plus any amount necessary to satisfy a residual value guarantee. If both of the criteria above are met, the Company will classify the lease as a direct financing lease. The Company was not the lessor of any direct finance leases or operating leases in 2019.

***Lease accounting — Lessee***

At inception of a contract, the Company determines whether that contract is, or contains a lease. In accordance with ASC 842 Leases, the Company classifies a lease as a finance lease when the lease meets any one of the criteria specified as (a) to (e) in the “Lease accounting — Lessor” policy at lease commencement. When none of the criteria are met, the Company classifies a lease as an operating lease. The Company currently has no finance leases as a lessee.

The Company’s lease agreements may contain lease and non-lease components. Non-lease components primarily include payments for maintenance and utilities. Consideration for lease and non-lease components are allocated on a relative standalone selling price basis.

For both operating and finance leases, the Company records a lease liability and corresponding right-of-use (ROU) asset at lease commencement. Lease terms are based on the non-cancellable term of the lease and may contain options to extend the lease when it is reasonably certain that the Company will exercise the option. Lease liabilities represent the present value of the lease payments not yet paid, discounted using the discount rate for the lease at lease commencement. The discount rate is determined using the Company’s incremental borrowing rate at lease commencement since the rate implicit in the lease is not readily determinable. The Company uses its unsecured borrowing rate and adjusts the rate based on its credit risk and the effects of collateral to approximate a collateralized rate, which will be updated on an annual basis for measurement of new lease liabilities. The weighted average discount rate as of March 31, 2019 is 5.14%. ROU asset represents the right to use an underlying asset for the lease term and are recognized in an amount equal to the lease liability adjusted for any lease payments made prior to commencement date, less any lease incentives received and any initial direct costs incurred by the Company. The weighted average remaining lease term as of March 31, 2019 is 31 months.

After lease commencement, the Company measures the lease liability at the present value of the remaining lease payments using the discount rate determined at lease commencement. The ROU asset is measured at the amount of the lease liability and further adjusted for prepaid or accrued lease payments, the remaining balance of any lease incentives received, unamortized initial direct costs and impairment of the ROU asset.

Operating leases are presented as operating lease ROU assets, land use rights and lease liabilities on the consolidated balance sheet. Lease liabilities that become due within one year of the balance sheet date are classified as current liabilities. Operating lease expense is recognized as a single lease cost on a straight-line basis over the lease term and is included in general and administrative expenses.

***Land Use Rights***

All land in the PRC is owned by the PRC government. The PRC government may sell land use rights for a specified period of time. Land use rights represent operating leases in accordance with ASC 842. The purchase price of land use rights represents lease prepayments to the PRC government and is recorded as an operating lease ROU asset on the consolidated balance sheet. The ROU asset is amortized over the remaining lease term — 49 years.

***Recently adopted accounting pronouncements***

*Leases*

On January 1, 2019, the Company adopted Accounting Standards Update No. 2016-02, Leases (Topic 842), as amended, which supersedes the lease accounting guidance under Topic 840, and generally requires lessees to recognize operating and financing lease liabilities and corresponding ROU assets on the balance sheet and to provide enhanced disclosures surrounding the amount, timing and uncertainty of cash flows arising from leasing arrangements. The Company adopted the new guidance using the modified retrospective transition method by applying the new standard to all leases existing at the date of initial application and not restating comparative periods.

The Company elected the package of practical expedients for lessors and lessees as permitted under the transition guidance within the new standard. Accordingly, the Company has adopted these practical expedients and did not reassess: (1) whether any expired or existing contracts are or contains leases; (2) lease classification for any expired or existing leases; (3) initial direct costs for any existing leases. As a lessee, the Company also elected the practical expedient to account for non-lease components associated with leases and lease components as a single lease component.

The cumulative effect of the changes made to the Company's consolidated balance sheet as of January 1, 2019 for the adoption of Topic 842 is as follows:

| | Balance as of December 31, 2018 | Adjustments due to the adoption of Topic 842 | Balance as of January 1, 2019 |
|---|---|---|---|
| | *RMB* | *RMB* | *RMB* |
| Assets: | | | |
| Other current assets | 1,818,222,205 | (1,133,930) | 1,817,088,275 |
| Operating lease right-of-use assets | — | 160,918,648 | 160,918,648 |
| Land use right | 106,545,362 | (106,545,362) | — |
| Liabilities: | | | |
| Short-term lease liabilities | — | (26,675,013) | (26,675,013) |
| Long-term lease liabilities | — | (26,564,343) | (26,564,343) |

The impact of adopting Topic 842 on the Company's unaudited consolidated balance sheet as of March 31, 2019 are as follows:

| | As reported | Balances without the adoption of Topic 842 | Effect of change Higher/(lower) |
|---|---|---|---|
| | *RMB* | *RMB* | *RMB* |
| Assets: | | | |
| Other current assets | 1,760,531,886 | 1,762,932,486 | (2,400,600) |
| Operating lease right-of-use assets | 149,673,068 | — | 149,673,068 |
| Land use right | — | 105,881,854 | (105,881,854) |
| Liabilities: | | | |
| Short-term lease liabilities | (18,202,395) | — | (18,202,395) |
| Long-term lease liabilities | (23,188,219) | — | (23,188,219) |

The impact of adopting Topic 842 on the Company's statement of cash flows for the three months ended March 31, 2019 are as follows:

| | As reported | Amounts without the adoption of Topic 842 | Effect of change Higher/(lower) |
|---|---|---|---|
| | *RMB* | *RMB* | *RMB* |
| Operating activities | 1,197,391,747 | 1,122,475,934 | 74,915,813 |
| Investing activities | (1,454,334,417) | (1,379,418,604) | (74,915,813) |
| Financing activities | 496,609,149 | 496,609,149 | — |
| Effect of exchange rate changes | (10,887,737) | (10,887,737) | — |
| Net change in cash, cash equivalents, and restricted cash | 228,778,742 | 228,778,742 | — |

**3. Loan principal and financing service fee receivables**

3.1 Loan principal and financing service fee receivables consists of the following:

| | As of December 31, 2018 | As of March 31, 2019 | |
|---|---|---|---|
| | | *(Unaudited)* | *(Unaudited)* |
| | *RMB* | *RMB* | *US$* |
| **Short-term loan principal and financing service fee receivables:** | | | |
| Loan principal and financing service fee receivables | 8,987,655,812 | 10,682,740,600 | 1,591,778,013 |
| Less: allowance for loan principal and financing service fee receivables | (569,834,399) | (672,129,374) | (100,150,401) |
| Short-term loan principal and financing service fee receivables, net | 8,417,821,413 | 10,010,611,226 | 1,491,627,612 |
| **Long-term loan principal and financing service fee receivables:** | | | |
| Loan principal and financing service fee receivables | 681,153,632 | 397,493,216 | 59,228,337 |
| Less: allowance for loan principal and financing service fee receivables | (15,500,802) | (9,292,837) | (1,384,676) |
| Long-term loan principal and financing service fee receivables, net | 665,652,830 | 388,200,379 | 57,843,661 |

As of December 31, 2018 and March 31, 2019, RMB1,511,540,000 and RMB1,572,743,000 (US$234,387,928) respectively, have been transferred to certain Funding Partners, but were not derecognized upon transfer, as the loan principal and financing service fee receivables are not legally isolated in accordance with ASC 860, *Transfers and Servicing*.

3.2 The following table presents nonaccrual loan principal as of December 31, 2018 and March 31, 2019, respectively.

| | As of December 31, 2018 | As of March 31, 2019 | |
|---|---|---|---|
| | | *(Unaudited)* | *(Unaudited)* |
| | *RMB* | *RMB* | *US$* |
| Nonaccrual loan principal | 298,090,833 | 287,780,347 | 42,880,610 |
| Less: allowance for nonaccrual loan principal | (249,337,315) | (231,002,762) | (34,420,485) |
| Nonaccrual loan principal, net | 48,753,518 | 56,777,585 | 8,460,125 |

3.3 The following present the aging of past-due loan principal and financing service fee receivables as of December 31, 2018:

| | 1-30 days | 31-60 days | 61-90 days | 91-120 days | 121-150 days | 151-180 days | Total past due | Current | Total |
|---|---|---|---|---|---|---|---|---|---|
| | *RMB* | *RMB* | *RMB* | *RMB* | *RMB* | *RMB* | *RMB* | *RMB* | *RMB* |
| Domestic consumer loans (uncollateralized) | | | | | | | | | |
| — Loan principal | 153,188,330 | 108,534,529 | 104,483,171 | 103,666,846 | 99,037,153 | 95,386,834 | 664,296,863 | 8,882,336,723 | 9,546,633,586 |
| — Financing service fee receivables | 4,328,154 | 5,544,754 | 7,107,525 | — | — | — | 16,980,433 | 105,195,425 | 122,175,858 |
| | 157,516,484 | 114,079,283 | 111,590,696 | 103,666,846 | 99,037,153 | 95,386,834 | 681,277,296 | 8,987,532,148 | 9,668,809,444 |

The following present the aging of past-due loan principal and financing service fee receivables as of March 31, 2019 (unaudited):

| | 1-30 days | 31-60 days | 61-90 days | 91-120 days | 121-150 days | 151-180 days | Total past due | Current | Total | Total |
|---|---|---|---|---|---|---|---|---|---|---|
| | *(Unaudited)* *RMB* | *(Unaudited)* *RMB* | *(Unaudited)* *RMB* | *(Unaudited)* *RMB* | *(Unaudited)* *RMB* | *(Unaudited)* *RMB* | *(Unaudited)* *RMB* | *(Unaudited)* *RMB* | *(Unaudited)* *RMB* | *(Unaudited)* *US$* |
| Domestic consumer loan (uncollateralized) | | | | | | | | | | |
| — Loan principal | 184,703,775 | 146,222,247 | 121,821,864 | 97,937,085 | 94,880,065 | 94,963,197 | 740,528,233 | 10,177,093,303 | 10,917,621,537 | 1,626,776,364 |
| — Financing service fee receivables | 5,050,523 | 7,240,829 | 8,578,354 | — | — | — | 20,869,706 | 141,742,574 | 162,612,279 | 24,229,986 |
| | 189,754,298 | 153,463,076 | 130,400,218 | 97,937,085 | 94,880,065 | 94,963,197 | 761,397,939 | 10,318,835,877 | 11,080,233,816 | 1,651,006,350 |

As of March 31, 2019 and December 31, 2018, all loans which are past due 90 days or more are nonaccrual.

3.4 Movement of allowance for loan principal and financing service fee receivables is as follows:

| | As of March 31, 2019 | | | |
|---|---|---|---|---|
| | Loan principal | Financing service fee receivables | Total | |
| | *(Unaudited)* *RMB* | *(Unaudited)* *RMB* | *(Unaudited)* *RMB* | *(Unaudited)* *US$* |
| Balance at the beginning of the period | 568,224,324 | 17,110,877 | 585,335,201 | 87,217,666 |
| Additions | 326,811,226 | 5,720,029 | 332,531,255 | 49,548,703 |
| Charge-offs | (236,444,245) | — | (236,444,245) | (35,231,292) |
| Balance at the end of the period | 658,591,305 | 22,830,906 | 681,422,211 | 101,535,077 |
| Evaluated for impairment on a pooled basis | 658,591,305 | 22,830,906 | 681,422,211 | 101,535,077 |

## 4. Finance lease receivables

4.1 Finance lease receivables consists of the following:

| | As of December 31, 2018 | As of March 31, 2019 | |
|---|---|---|---|
| | | *(Unaudited)* | *(Unaudited)* |
| | *RMB* | *RMB* | *US$* |
| Gross investment in finance lease receivables | 1,381,250,930 | 1,282,351,374 | 191,076,317 |
| Less: unearned income | (194,596,102) | (164,307,359) | (24,482,560) |
| Net investment in finance lease receivables | 1,186,654,828 | 1,118,044,015 | 166,593,757 |
| Less: allowance for finance lease receivables | (28,765,413) | (56,283,228) | (8,386,462) |
| Finance lease receivables, net | 1,157,889,415 | 1,061,760,787 | 158,207,295 |

4.2 The following table presents nonaccrual finance lease receivables as of December 31, 2018 and March 31, 2019, respectively.

| | As of December 31, 2018 | As of March 31, 2019 | |
|---|---|---|---|
| | | *(Unaudited)* | *(Unaudited)* |
| | *RMB* | *RMB* | *US$* |
| Nonaccrual finance lease receivables | 15,486,171 | 27,549,552 | 4,105,011 |
| Less: allowance for nonaccrual finance lease receivables | (2,399,986) | (13,430,407) | (2,001,193) |
| Nonaccrual finance lease receivables, net | 13,086,185 | 14,119,145 | 2,103,818 |

4.3 The following table presents the aging of past-due finance lease receivables as of December 31, 2018:

| | 1-30 days | 31-60 days | 61-90 days | 91-180 days | Total past due | Current | Total |
|---|---|---|---|---|---|---|---|
| | *RMB* | *RMB* | *RMB* | *RMB* | *RMB* | *RMB* | *RMB* |
| Finance lease receivables | 28,615,122 | 16,647,141 | 11,380,743 | 15,486,171 | 72,129,177 | 1,114,525,651 | 1,186,654,828 |

The following table presents the aging of past-due finance lease receivables as of March 31, 2019 (unaudited):

| | 1-30 days | 31-60 days | 61-90 days | 91-180 days | Total past due | Current | Total | Total |
|---|---|---|---|---|---|---|---|---|
| | *(Unaudited)* | *(Unaudited)* | *(Unaudited)* | *(Unaudited)* | *(Unaudited)* | *(Unaudited)* | *(Unaudited)* | *(Unaudited)* |
| | *RMB* | *RMB* | *RMB* | *RMB* | *RMB* | *RMB* | *RMB* | *US$* |
| Finance lease receivables | 35,058,959 | 17,176,386 | 11,574,127 | 27,549,552 | 91,359,024 | 1,026,684,991 | 1,118,044,015 | 166,593,756 |

As of December 31, 2018 and March 31, 2019, all finance lease receivables which are past due 90 days or more are nonaccrual.

4.4 The following table presents the future minimum lease payments to be received:

| | Less than 1 year | 1-2 years | 2-3 years | 3-4 years | 4-5 years | Total |
|---|---|---|---|---|---|---|
| **As of December 31, 2018** | | | | | | |
| Finance lease receivables (RMB) | 550,315,459 | 496,391,986 | 284,434,371 | 50,109,114 | — | 1,381,250,930 |
| **As of March 31, 2019, unaudited** | | | | | | |
| Finance lease receivables (RMB) | 530,304,800 | 489,728,485 | 238,126,406 | 24,191,683 | — | 1,282,351,374 |
| **As of March 31, 2019, unaudited** | | | | | | |
| Finance lease receivables (US$) | 79,017,881 | 72,971,821 | 35,481,941 | 3,604,673 | — | 191,076,316 |

4.5 Movement of allowance for finance lease receivables for the three months ended March 31, 2019 is as follows:

| | *RMB* | *US$* |
|---|---|---|
| Balance at the beginning of the period | 28,765,413 | 4,183,756 |
| Additions | 39,275,138 | 3,490,763 |
| Charge-offs | (11,757,323) | (2,235,395) |
| Balance at the end of the period | 56,283,228 | 5,439,124 |
| Evaluated for impairment on a portfolio basis | 56,283,228 | 5,439,124 |

## 5. Short-term borrowings and long-term borrowings

In the ordinary course of business, the Company transfers loan principals to certain Funding Partners. However, in accordance with ASC 860 *Transfers and Servicing* the loan principals are not derecognized upon transfer as they are not legally isolated. Hence, the Company continues to report the transferred loan principal in the consolidated balance sheets and account for the proceeds from the transfer as a secured borrowing with pledge of collateral.

The following table presents short-term borrowings as of December 31, 2018 and March 31, 2019. Short-term borrowings include borrowings with terms shorter than one year, the current portion of the long-term borrowings and long-term borrowings with early repayment options that are exercisable by the Funding Partners on demand:

| Funding Partners | Fixed annual interest rate (%) | Term * | As of December 31, 2018 | As of March 31, 2019 | |
|---|---|---|---|---|---|
| | | | | *(Unaudited)* | *(Unaudited)* |
| | | | *RMB* | *RMB* | *US$* |
| Trust beneficiaries | 7.0%-10.5% | 12 months to 24 months | 2,250,801,743 | 2,255,490,306 | 336,078,541 |
| Banks | 7.8%-9.6% | 1 month to 12 months | 55,728,040 | 364,971,040 | 54,382,382 |
| Other institutions | 7.8%-8.0% | 181 days to 368 days | 1,553,910,792 | 1,581,251,772 | 235,613,865 |
| | | | 3,860,440,575 | 4,201,713,118 | 626,074,788 |

* Includes current portion of borrowings greater than 1 years.

The following table presents long-term borrowings from the Funding Partners as of December 31, 2018 and March 31, 2019:

| Funding Partners | Fixed annual interest rate (%) | Term | As of December 31, 2018 | As of March 31, 2019 | |
|---|---|---|---|---|---|
| | | | | *(Unaudited)* | *(Unaudited)* |
| | | | *RMB* | *RMB* | *US$* |
| Trust beneficiaries | 8.0%-10.0% | 13 to 36 months | 413,400,000 | 597,500,000 | 89,030,278 |

The weighted average interest rate for the outstanding borrowings was approximately 7.91% and 7.84% as of December 31, 2018 and March 31, 2019, respectively.

The following table sets forth the contractual obligations which has not included impact of discount of time value as of December 31, 2018 and March 31, 2019:

| | Payment due by period | | | |
|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | Total |
| **As of December 31, 2018** | | | | |
| Long-term borrowings and interest payables (RMB) | 36,560,000 | 159,548,333 | 289,673,333 | 485,781,666 |
| **As of March 31, 2019, unaudited** | | | | |
| Long-term borrowings and interest payables (RMB) | 54,632,500 | 356,806,375 | 284,340,000 | 695,778,875 |
| **As of March 31, 2019, unaudited** | | | | |
| Long-term borrowings and interest payables (US$) | 8,140,496 | 53,165,809 | 42,367,982 | 103,674,287 |

## 6. Guarantee liabilities

The movement of guarantee liabilities during the three months ended March 31, 2019 is as follows:

| | As of March 31, 2019 | |
|---|---|---|
| | *(Unaudited)* *RMB* | *(Unaudited)* *US$* |
| Balance at the beginning of the period | 302,604,578 | 45,089,489 |
| Fair value of guarantee liabilities upon the inception of new loans | 405,748,184 | 60,458,366 |
| Performed guarantee | (250,303,697) | (37,296,415) |
| Change in fair value of guarantee liabilities | 108,581,234 | 16,179,109 |
| Balance at end of the period | 566,630,299 | 84,430,549 |

As of December 31, 2018 and March 31, 2019, the maximum potential undiscounted future payment the Company would be required to make was RMB10,703 million and RMB15,202 million (US$2,265 million), respectively The term of the guarantee is the same as the term of loans facilitated under the arrangements with the financial institutions, which ranges from 1 month to 4 years, as of March 31, 2019.

**7. Income taxes**

The tax provision for interim periods is determined using an estimated annual effective tax rate, adjusted for discrete items arising in that quarter. In each quarter, the Company updates the estimated annual effective tax rate and makes a year-to-date adjustment to the provision.

The VIEs and their subsidiaries domiciled in the PRC were subject to a 25% statutory income tax rate in the years presented. As stipulated by the Taxation Law of the PRC, the subsidiaries in Ganzhou are qualified enterprises engaged in industry under the Western Development Strategy and are therefore entitled to a preferential tax rate of 15%. Xinjiang Qudian Technology Co., Ltd. is a qualified enterprise engaged in industry as a company established in the special economic development zone and is therefore entitled to an exemption from income tax from January 1, 2017 to December 31, 2020. Xiamen Qudian Technology Co., Ltd. was recognized as Software Enterprise and was thereby entitled to an income tax exemption for two years beginning from its first profitable taxation year of 2017, and a 50% reduction for the subsequent three years starting from the year of 2019.

The Company recorded income tax expense of RMB8,692,202 and RMB198,242,528 (US$29,539,058), representing effective tax rates of 2.7% and 17.3%, for the three months ended March 31, 2018 and 2019, respectively. The primary difference between the PRC statutory tax rate of 25% and the effective tax rate for the three months ended March 31, 2018 and 2019 is primarily due to the above-mentioned preferential tax rate for VIEs and their subsidiaries.

**8. Fair value measurements**

***Assets and liabilities disclosed at fair value***

The Company measures its cash and cash equivalents, restricted cash, short-term investments, loan principal and financing service fee receivables, finance lease receivables and borrowings at amortized cost. The carrying value of short-term loan principal and financing service fee receivables approximate their fair value due to their short-term nature and are considered a level 3 measurement. The fair value was estimated by discounting the scheduled cash flows through to estimated maturity using estimated discount rates based on current offering rates of comparable institutions with similar services. The carrying value of the Company's debt obligations approximate fair value as the borrowing rates are similar to the market rates that are currently available to the Company for financing obligations with similar terms and credit risks and represent a level 2 measurement. The guarantee liabilities are presented as a level 3 measurement, with fair value estimated by discounting expected future payouts, net charge off rates, expected collection rates and a discount rate for time value.

***Assets measured at fair value on a nonrecurring basis***

The Company measured its property and equipment, intangible assets and equity method investment at fair value on a nonrecurring basis whenever events or changes in circumstances indicate that the carrying value may no longer be recoverable.

***Assets and liabilities measured at fair value on a recurring basis***

The Company measured its guarantee liabilities at fair value on a recurring basis. As the Company's guarantee liabilities are not traded in an active market with readily observable prices, the Company uses significant unobservable inputs to measure the fair value of guarantee liabilities. Guarantee liabilities are categorized in the Level 3 valuation hierarchy based on the significance of unobservable factors in the overall fair value measurement. The Company did not transfer any assets or liabilities in or out of level 3 during the year ended December 31, 2018 and three months ended March 31, 2019.

The following table summarizes the Company's financial assets and liabilities measured and recorded at fair value on recurring basis as of December 31, 2018 and March 31, 2019:

| | As of December 31, 2018 | | | |
|---|---|---|---|---|
| | Active market (Level 1) | Observable inputs (Level 2) | Non-observable inputs (Level 3) | Total |
| | *RMB* | *RMB* | *RMB* | *RMB* |
| **Liabilities:** | | | | |
| Guarantee liabilities | — | — | 302,604,578 | 302,604,578 |

| | As of March 31, 2019 | | | |
|---|---|---|---|---|
| | Active market (Level 1) | Observable inputs (Level 2) | Non-observable inputs (Level 3) | Total |
| | *(Unaudited)* *RMB* | *(Unaudited)* *RMB* | *(Unaudited)* *RMB* | *(Unaudited)* *RMB* |
| **Liabilities:** | | | | |
| Guarantee liabilities | — | — | 566,630,299 | 566,630,299 |

| | As of March 31, 2019 | | | |
|---|---|---|---|---|
| | Active market (Level 1) | Observable inputs (Level 2) | Non-observable inputs (Level 3) | Total |
| | *(Unaudited)* *US$* | *(Unaudited)* *US$* | *(Unaudited)* *US$* | *(Unaudited)* *US$* |
| **Liabilities:** | | | | |
| Guarantee liabilities | — | — | 84,430,549 | 84,430,549 |

At December 31, 2018 and March 31, 2019, the discounted cash flow methodology is used to estimate the fair value of guarantee liabilities. The significant unobservable inputs used in the fair value measurement of guarantee liabilities include the discount rate and expected delinquency rates applied in the valuation models. These inputs in isolation can cause significant increases or decreases in fair value. Specifically, when a discounted cash flow model is used to determine fair value, the significant input used in the valuation model is the discount rate applied to present value the projected cash flows. Increases in the discount rate can significantly lower the fair value of guarantee liabilities; conversely a decrease in the discount rate can significantly increase the fair value of the guarantee liabilities. The discount rate is determined based on the market rates. Increase in the expected delinquency rates can significantly increase the fair value of guarantee liabilities; conversely a decrease in the expected delinquency rates can significantly decrease the fair value of guarantee liabilities.

***Significant Unobservable Inputs***

| Financial Liabilities | Unobservable Input | As of March 31, 2019 Range of Inputs Weighted-Average |
|---|---|---|
| Guarantee liabilities | Discount rates | 4.89% |
| | Expected delinquency rates | 0.98% to 6.88% |

Refer to Note 6 for additional information about Level 3 guarantee liabilities measured at fair value on a recurring basis for the three months ended March 31, 2019.

## 9. Earnings per share

The following table sets forth the computation of basic net income per ordinary share for the period ended March 31, 2018 and 2019:

| | Three months ended March 31, | | | | | |
|---|---|---|---|---|---|---|
| | 2018 | | 2019 | | | |
| | Class A | Class B | Class A | Class A | Class B | Class B |
| | *(Unaudited)* *RMB* | *(Unaudited)* *RMB* | *(Unaudited)* *RMB* | *(Unaudited)* *US$* | *(Unaudited)* *RMB* | *(Unaudited)* *US$* |
| **Earnings per share — basic:** | | | | | | |
| ***Numerator:*** | | | | | | |
| Allocation of net income attributable to Qudian Inc. for basic computation | 254,378,299 | 61,437,586 | 746,457,213 | 111,225,595 | 203,165,108 | 30,272,546 |
| ***Millions of Shares (denominator):*** | | | | | | |
| Weighted average number of ordinary shares outstanding — basic | 262.88 | 63.49 | 233.28 | 233.28 | 63.49 | 63.49 |
| Denominator used for basic earnings per share | 262.88 | 63.49 | 233.28 | 233.28 | 63.49 | 63.49 |
| **Earnings per share — basic** | **0.97** | **0.97** | **3.20** | **0.48** | **3.20** | **0.48** |

The following table sets forth the computation of diluted net income per ordinary share for the period ended March 31, 2018 and 2019:

| | Three months ended March 31, | | | | | |
|---|---|---|---|---|---|---|
| | 2018 | | 2019 | | | |
| | Class A | Class B | Class A | Class A | Class B | Class B |
| | *(Unaudited)* *RMB* | *(Unaudited)* *RMB* | *(Unaudited)* *RMB* | *(Unaudited)* *US$* | *(Unaudited)* *RMB* | *(Unaudited)* *US$* |
| **Earnings per share — diluted:** | | | | | | |
| ***Numerator:*** | | | | | | |
| Allocation of net income attributable to Qudian Inc. for diluted computation | 255,314,849 | 60,501,036 | 747,112,515 | 111,323,238 | 202,509,806 | 30,174,903 |
| Reallocation of net income attributable to Qudian Inc. as a result of conversion of Class B to Class A shares | 60,501,036 | — | 202,509,806 | 30,174,903 | — | — |
| Allocation of net income attributable to Qudian Inc. | 315,815,885 | 60,501,036 | 949,622,321 | 141,498,141 | 202,509,806 | 30,174,903 |
| ***Millions of Shares (denominator):*** | | | | | | |
| Weighted average number of ordinary shares outstanding — basic | 262.88 | 63.49 | 233.28 | 233.28 | 63.49 | 63.49 |
| Conversion of Class B to Class A ordinary shares | 63.49 | — | 63.49 | 63.49 | — | — |
| Adjustments for dilutive share options | 5.05 | — | 0.96 | 0.96 | — | — |
| Denominator used for diluted earnings per share | 331.42 | 63.49 | 297.73 | 297.73 | 63.49 | 63.49 |
| **Earnings per share — diluted** | **0.95** | **0.95** | **3.19** | **0.48** | **3.19** | **0.48** |

The following table sets forth the computation of basic and diluted earnings per ADS for the period ended March 31, 2018 and 2019:

| | Three months ended March 31, | | | | | |
|---|---|---|---|---|---|---|
| | 2018 | | 2019 | | | |
| | Class A | Class B | Class A | Class A | Class B | Class B |
| | *(Unaudited)* RMB | *(Unaudited)* RMB | *(Unaudited)* RMB | *(Unaudited)* US$ | *(Unaudited)* RMB | *(Unaudited)* US$ |
| **Earnings per share — ADS:** | | | | | | |
| Denominator used for earnings per ADS — basic | 38.59 | | 175.73 | 175.73 | | |
| Denominator used for earnings per ADS — diluted | 38.59 | | 176.30 | 176.30 | | |
| **Earnings per ADS — basic** | **0.97** | | **3.20** | **0.48** | | |
| **Earnings per ADS — diluted** | **0.95** | | **3.19** | **0.48** | | |

## 10. Related party balances and transactions

***Related parties***

| Name of related parties | Relationship with the Company |
|---|---|
| Luo Min | Founder, chief executive officer and controlling shareholder of the Company |
| Qufenqi Inc. | Company controlled by Founder |
| Qufenqi Holding Limited | Company controlled by Founder |
| Ganzhou Happy Share Capital Management LLP | Company controlled by Founder |
| Alipay.com Co., Ltd. | Company controlled by party that has significant influence over the Company before December 8, 2018 |
| Zhima Credit Management Co., Ltd. | Company controlled by party that has significant influence over the Company before December 8, 2018 |
| Ant Zhixin (Hangzhou) Information Technology Co., Ltd. | Company controlled by party that has significant influence over the Company before December 8, 2018 |

| Name of related parties | Relationship with the Company |
|---|---|
| Alibaba Cloud Computing Co., Ltd. | Company controlled by party that has significant influence over the Company before December 8, 2018 |
| Chongqing Alibaba Small Loan Co., Ltd. | Company controlled by party that has significant influence over the Company before December 8, 2018 |
| Guosheng Financial Holding Inc. | Company controlled by Director until August 24, 2018 |
| Guosheng Securities Asset Management Co., Ltd. | Company controlled by Director until August 24, 2018 |
| Key management and their immediate families | The Company's key management and their immediate families |

Details of related party balances and transactions as of December 31, 2018 and March 31, 2019 are as follows:

10.1 Amounts due from related parties

| | *Note* | As of December 31, 2018 | As of March 31, 2019 | |
|---|---|---|---|---|
| | | | *(Unaudited)* | *(Unaudited)* |
| | | *RMB* | *RMB* | *US$* |
| **Short-term amounts due from related parties** | | | | |
| Qufenqi Inc. | | — | 25,614 | 3,817 |
| Qufenqi Holding Limited | | — | 16,015 | 2,386 |
| Ganzhou Happy Share Capital Management LLP | | 2,071 | 2,071 | 309 |
| Total short-term amounts due from related parties | | 2,071 | 43,700 | 6,512 |

The movement of the loan principal and financing service fee receivables due from key management and their immediate families is as follows:

| | As of December 31, 2018 | As of March 31, 2019 | |
|---|---|---|---|
| | | *(Unaudited)* | *(Unaudited)* |
| | *RMB* | *RMB* | *US$* |
| Balance at the beginning of the year/period | 1,000,000 | — | — |
| Payments | (1,000,000) | — | — |
| Balance at end of the year/period | — | — | — |

As of December 31, 2018 and March 31, 2019, the amount due from these related parties, which was on demand, interest free and uncollateralized was RMB nil and RMB nil (US$ nil), respectively.

The Company does not plan to enter into similar transactions with related parties in the future.

10.2 Transactions with related parties

| | Three months ended March 31, | | |
|---|---|---|---|
| | 2018 | 2019 | |
| | | *(Unaudited)* | *(Unaudited)* |
| | *RMB* | *RMB* | *US$* |
| **Cost of revenues** | | | |
| Alipay.com Co., Ltd. | 15,799,479 | — | — |
| Zhima Credit Management Co., Ltd. | 1,640,847 | — | — |
| Alibaba Cloud Computing Co. Ltd. | 9,670,420 | — | — |
| Chongqing Alibaba Small Loan Co., Ltd. | 725,245 | — | — |
| Guosheng Securities Asset Management Co., Ltd. | 1,975,654 | — | — |
| Guosheng Financial Holding Inc. | 14,020,548 | — | — |
| | 43,832,193 | — | — |
| **Sales and marketing expense** | | | |
| Zhima Credit Management Co., Ltd. | 78,996 | — | — |
| Alipay.com Co., Ltd. | 17,580,391 | — | — |
| | 17,659,387 | — | — |

## 11. Commitments and contingencies

***Operating lease commitments***

The Company leases certain office premises under non-cancelable leases. Rental expenses under operating leases for the three months ended March 31, 2018 and 2019 were RMB14,934,158 and RMB6,699,589 (US$998,270) respectively.

Future minimum lease payments under non-cancelable operating leases agreements consist of the following as of March 31, 2019 (unaudited):

| | *RMB* | *US$* |
|---|---|---|
| 1 year (Including 1 year) | 20,834,812 | 3,104,484 |
| 1 year to 2 years (Including 2 years) | 13,768,244 | 2,051,532 |
| 2 years to 3 years (Including 3 years) | 12,765,399 | 1,902,104 |
| Total lease payment | 47,368,455 | 7,058,120 |
| Less: imputed interest | (5,977,841) | (890,727) |
| Present value of lease liabilities | 41,390,614 | 6,167,393 |

The Company’s operating lease commitments have no renewal options, rent escalation clauses and restriction or contingent rents.

***Capital Commitments***

The Company’s capital commitments relate primarily to commitments in connection with its plan to build an office building and innovation center. Total capital commitments contracted but not yet reflected in the financial statements amounted to RMB99,183,342 (US$14,778,779) as of March 31, 2019. All of the commitments relating to the construction will be settled in installments.

***Investment Commitment***

The Company has a RMB70 million relates to future contribution commitment to its equity method investee Ganzhou QuCampus Technology Co., Ltd.

***Supplemental lease cash flow disclosures***

| | Three months ended March 31, | | |
|---|---|---|---|
| | 2018 | 2019 | |
| | *(Unaudited)* *RMB* | *(Unaudited)* *RMB* | *(Unaudited)* *US$* |
| Operating cash flows used in operating leases | — | 8,039,823 | 1,197,971 |
| ROU assets obtained in exchange for new operating lease liabilities | — | 7,080,958 | 1,055,096 |

**12. Treasury shares**

On November 11, 2017, the Board of Directors of the Company authorized a share repurchase program (“Share Repurchase Program”), pursuant to which the Company was authorized to repurchase its own issued and outstanding American depositary shares (“ADSs”) up to an aggregate value of US$100 million from the open market, in negotiated transactions off the market, or through other legally permissible means in accordance with applicable securities laws from time to time.

On November 25, 2017, the Board of Directors of the Company authorized an amendment to the Share Repurchase Program by increasing the maximum amount from US$100 million to US$300 million.

On December 13, 2018, the Board of Directors of the Company authorized another share repurchase program, pursuant to which the Company was authorized to repurchase its own issued and outstanding ADS up to an aggregate value of US$300 million from the open market, in negotiated transactions off the market, or through other legally permissible means in accordance with applicable securities laws from time to time.

As of March 31, 2019, the Company repurchased under the Share Repurchase Program an aggregate of 37,774,874 ADSs, representing 37,774,874 Class A ordinary shares, at an average price of $7.24 per ADS, for US$273,577,191 (RMB1,831,387,268). As of March 31, 2019, 27,302,698 shares were canceled. The remaining balance of treasury shares represents 10,472,176 Class A ordinary shares, at an average price of $5.01 per ADS, for US$52,423,156 (RMB362,130,324).

**13. Segment reporting**

The operations of the Company are organized into two segments, consisting of installment credit services and automobile financing services. Installment credit services represents traditional online installment credit business, including cash installment credit services and merchandise installment credit services. Automobile financing services represents the business of sales-type lease and vehicle sales with guarantee.

The Company derives the results of the segments directly from its internal management reporting system. The CODM measures the performance of each segment based on metrics of total assets, revenues and earnings from operations and uses these results to evaluate the performance of, and to allocate resources to, each of the segments. The Company does not allocate any share-based compensation expenses to its segments as the CODM does not use this information to measure the performance of the operating segments. As substantially all of the Company’s long-lived assets and revenues are located in and derived from the PRC, geographical segments are not presented.

The table below provides a summary of the Company’s operating segment results for the three months ended March 31, 2018 and 2019.

| | For the three months ended March 31, | | |
|---|---|---|---|
| | 2018 | 2019 | |
| | *RMB* | *RMB* | *US$* |
| **Revenues:** | | | |
| Installment credit services | 1,159,178,718 | 1,934,343,906 | 288,226,235 |
| — *Financing income* | *765,337,983* | *986,534,752* | *146,998,264* |
| — *Sales commission fee* | *111,378,875* | *135,854,284* | *20,242,920* |
| — *Penalty fees* | *4,884,389* | *10,073,064* | *1,500,934* |
| — *Loan facilitation income and others* | *277,577,471* | *643,157,837* | *95,833,508* |
| — *Referral service fee* | — | *158,723,969* | *23,650,609* |
| Automobile leasing services | 557,443,255 | 162,516,198 | 24,215,669 |
| — *Financing income* | *11,408,543* | *24,223,559* | *3,609,423* |
| — *Sales income* | *546,033,586* | *136,971,295* | *20,409,360* |
| — *Penalty fees* | *1,126* | *67,096* | *9,997* |
| — *Loan facilitation income and others* | — | *1,254,248* | *186,889* |
| **Total consolidated revenues** | **1,716,621,973** | **2,096,860,104** | **312,441,904** |
| **Income from operations:** | | | |
| Installment credit services | 375,361,898 | 1,194,353,254 | 177,964,189 |
| Automobile leasing services | (26,292,406) | (31,561,584) | (4,702,823) |
| **Total segment income from operations** | **349,069,492** | **1,162,791,670** | **173,261,366** |
| Unallocated expenses | (22,651,177) | (24,655,928) | (3,673,848) |
| **Total consolidated income from operations** | **326,418,315** | **1,138,135,742** | **169,587,518** |
| Total other (expense)/income, net | (1,910,228) | 9,729,107 | 1,449,681 |
| **Net income before income taxes** | **324,508,087** | **1,147,864,849** | **171,037,199** |

## 14. Restricted Net Assets

The Company's ability to pay dividends is primarily dependent on the Company receiving distributions of funds from its subsidiaries. Relevant PRC statutory laws and regulations permit payments of dividends by the VIEs and subsidiaries of the VIEs incorporated in PRC only out of their retained earnings, if any, as determined in accordance with PRC accounting standards and regulations. The consolidated results of operations reflected in the consolidated financial statements prepared in accordance with U.S. GAAP differ from those reflected in the statutory financial statements of the Company's subsidiaries.

Under PRC law, the Company's subsidiaries, VIEs and the subsidiaries of the VIEs located in the PRC (collectively referred as the "PRC entities") are required to provide for certain statutory reserves, namely a general reserve, an enterprise expansion fund and a staff welfare and bonus fund. The PRC entities are required to allocate at least 10% of their after tax profits on an individual company basis as determined under PRC accounting standards to the statutory reserve and has the right to discontinue allocations to the statutory reserve if such reserve has reached 50% of registered capital on an individual company basis. In addition, the registered capital of the PRC entities is also restricted.

Under PRC regulations, the subsidiaries of the VIEs in the PRC with microloan license are required to provide a statutory reserve, which is appropriated from net income as reported in the Company's statutory accounts. The Company is required to allocate 1.5% of its balance of loan principal to the statutory reserve. The statutory reserves can only be used for specific purposes and not distributable as cash dividends.

Appropriations to the enterprise expansion fund and staff welfare and bonus fund are at the discretion of the Board of Directors of the subsidiaries. The PRC entities are also subject to similar statutory reserve requirements. These reserves can only be used for specific purposes and are not transferable to the Company in the form of loans, advances or cash dividends.

Amounts restricted that include paid-in capital and statutory reserve funds, as determined pursuant to PRC GAAP, were RMB6,482 million and RMB6,424 million (US$957 million) as of December 31, 2018 and March 31, 2019.

## 15. Subsequent events

In June 2019, the Company invested RMB180 million for a 9% equity interest in Beijing Changba Technology Co., Ltd ("Changba").

In June 2019, the Company announced to offer convertible senior notes due 2026 (the "notes") up to a certain aggregate principal amount in a capital markets transaction. The conversion rate and other terms of the notes have not been finalized and will be determined at the time of the offering.

Exhibit 99.2

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

*You should read the following discussion and analysis of our financial condition and results of operations in conjunction with the unaudited interim condensed consolidated financial statements and the notes thereto set forth in this offering memorandum, and the section titled "Operating and Financial Review and Prospects" in our 2018 Annual Report and the audited consolidated financial statements and the notes thereto set forth in such annual report. This discussion may contain forward-looking statements based upon current expectations that involve risks and uncertainties. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of various factors, including those set forth under "Risk factors" or in other parts of this offering memorandum.*

### Overview

As a provider of online credit products, we use big data-enabled technologies, such as artificial intelligence and machine learning, to transform the consumer finance experience in China. We target hundreds of millions of quality, unserved or underserved consumers in China. They are young, mobile-active consumers who need access to small credit for their discretionary spending, but are underserved by traditional financial institutions due to their lack of traditional credit data and the operational inefficiency of traditional financial institutions. We believe our operating efficiency and big data analytics capability to understand our prospective borrowers from different behavioral and transactional perspectives, assess their credit profiles and offer them instantaneous and affordable credit products with customized terms distinguishes our business and offerings.

We mainly offer small credit products, which are comprised of cash credit products and merchandise credit products. We mainly generate (i) financing income and loan facilitation income and others from cash credit products and (ii) financing income, sales commission fee and loan facilitation income and others from merchandise credit products. In addition to small credit products, we also offer traffic referral service for other financial service providers and transaction referral service for licensed financial institutions. We generate referral service fee from such traffic and transaction referral services we provide on the open platform, and we do not bear credit risk for such services. As of March 31, 2019, we have referred (i) approximately 2.5 million users to financial service providers that signed up for our traffic referral service and (ii) 136.6 thousands borrowers for loans provided by licensed financial institutions that signed up for our transaction referral service. As of March 31, 2019, the cumulative amount of transactions referred by us reached approximately RMB1.8 billion. We historically offered budget auto financing products, from which we generated financing income, sales income and loan facilitation income and others. We have started to wind down our budget auto financing business in the second quarter of 2019 to focus on our core consumer finance business.

We are a leading provider of online small consumer credit products in China. We successfully reached over one million quarterly active users in 2016 and continued to engage more active users. In the three months ended March 31, 2019, we facilitated approximately RMB17.1 billion (US$2.5 billion) in transactions, and we had a cumulative number of borrowers of 17.2 million as of March 31, 2019. Small credit products serve consumers' immediate needs for discretionary consumption. They typically have short durations, enabling us to quickly understand a borrower's behavior and further refine our data analytics and credit assessment model upon the completion of transaction cycles. During the three months ended March 31, 2019, we processed an average of 34 thousand transactions (including both credit drawdowns and repayments) per hour. Since the inception of our business, we have accumulated over 185 million transactions.

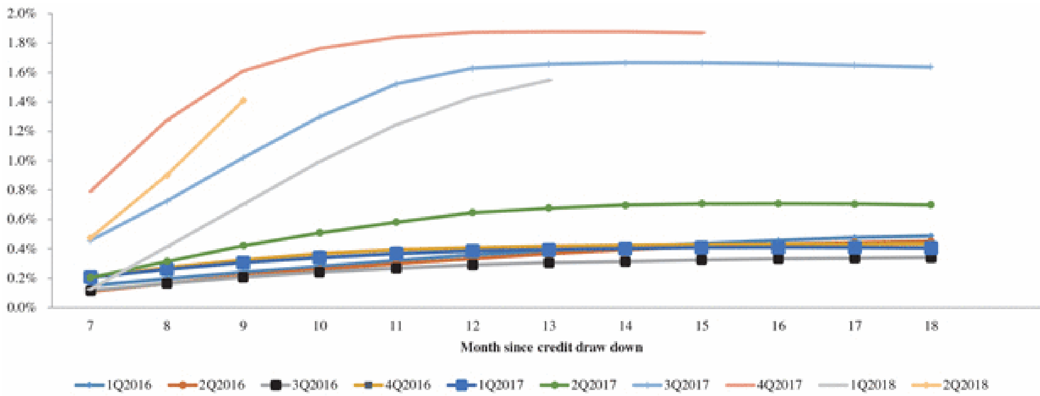
We have experienced robust credit performance. Our vintage charge-off rate for transactions in every three-month period since January 1, 2016 through June 30, 2018 (which is the latest vintage to which our charge-off policy was applicable as of March 31, 2019) was less than 1.9% as of March 31, 2019.

We have achieved significant scale and experienced strong growth in our results of operations. Our total revenues increased from RMB4,775.4 million in 2017 to RMB7,692.3 million (US$1,146.2 million) in 2018, and grew from RMB1,716.6 million in the three months ended March 31, 2018 to RMB2,096.9 million (US$312.4 million) in the same period in 2019. We recorded net income of RMB2,164.5 million, RMB2,491.3 million (US$371.2 million) and RMB949.6 million (US$141.5 million) in 2017 and 2018 and the three months ended March 31, 2019, respectively.

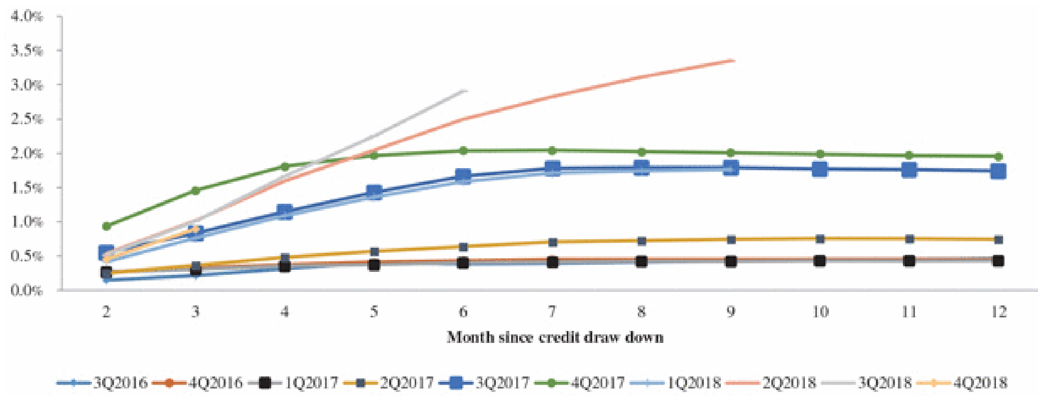
**Credit Performance**

The credit performance of the transactions we facilitate affects our financial condition and results of operations. We monitor the credit performance measured by vintage charge-off rate and M1+ delinquency rate by vintage.

The following chart displays vintage charge-off rate for the quarters indicated. "Vintage charge-off rate" refers to, with respect to on- and off-balance sheet transactions of a certain vintage, the total outstanding principal balance of credit drawdowns that are charged off as of a specified time, divided by the total initial principal of the credit drawdowns facilitated in such vintage.



The following chart displays the historical lifetime cumulative M1+ delinquency rate by vintage from the second month after credit drawdowns up to the twelfth month after such transactions for all transactions for each of the quarters indicated, without taking into account charge-offs:




As of March 31, 2019, our M1+ delinquency coverage ratio was 1.2x.

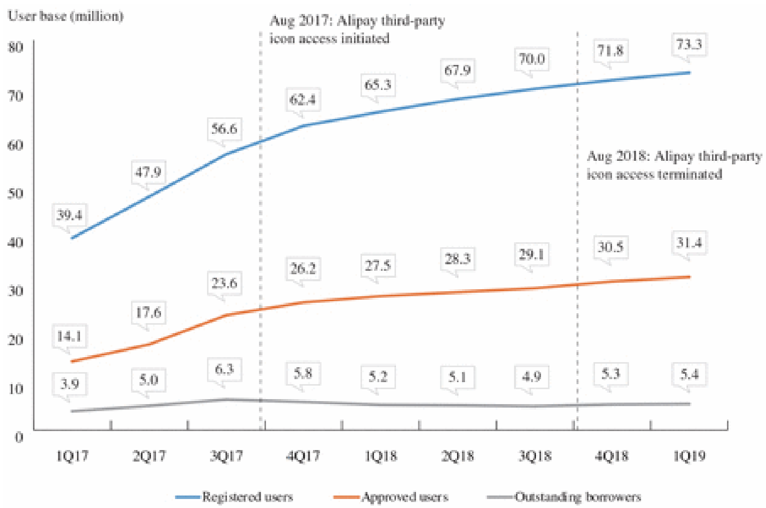
**Our User Engagement and Funding Sources**

We have experienced significant growth in the number of borrowers since inception. The table below sets forth a number of key metrics relating to user engagement we regularly review to evaluate our business, measure our performance, identify trends, formulate financial projections and make strategic decisions:

| | As of December 31, | | | | | As of March 31, |
|---|---|---|---|---|---|---|
| | **2014** | **2015** | **2016** | **2017** | **2018** | **2019** |
| | | | *(in thousands)* | | | |
| Registered users | 675 | 7,625 | 33,933 | 62,439 | 71,766 | 73,255 |
| Outstanding borrowers | 163 | 867 | 3,607 | 5,832 | 5,260 | 5,400 |
| Cumulative number of borrowers | 166 | 1,305 | 6,755 | 14,517 | 16,716 | 17,240 |
| Number of transactions | 199 | 2,687 | 40,599 | 92,655 | 40,426 | 8,705 |

As of December 31, 2016, 2017 and 2018 and March 31, 2019, approximately 11.2 million, 26.2 million, 30.5 million and 31.4 million registered users were approved with credit, respectively. As of March 31, 2019, our registered users grew to 73.3 million while outstanding borrower base reached 5.4 million. As of the same date, new borrowers represented approximately 18.0% of our outstanding borrowers.

The chart below further illustrates the changes of the numbers of our registered users, approved users and outstanding borrowers from January 1, 2017 to March 31, 2019:




We maintain diversified funding sources. As of March 31, 2018, funding through trust companies, our own equity, off-balance sheet arrangements, financial asset exchange, borrowings from P2P institutions and others constituted 38.2%, 29.1%, 24.5%, 2.0%, 1.1% and 7.0% of our total outstanding loan principal as of the same date, respectively. As of March 31, 2019, funding through off-balance sheet arrangements, our own equity, trust companies and others constituted 55.4%, 28.7%, 10.7% and 5.3% of our total outstanding loan principal as of the same date, respectively.

**Results of Operations**

The following table sets forth a summary of our consolidated results of operations for the fiscal years ended December 31, 2016, 2017 and 2018 and the three months ended March 31, 2018 and 2019. This information should be read together with our audited consolidated financial statements as of and for the fiscal years ended December 31, 2016, 2017 and 2018 and our unaudited condensed consolidated financial statements as of March 31, 2019 and for the three months ended March 31, 2018 and 2019 and the related notes contained elsewhere in or incorporated by reference in this offering memorandum. The operating results in any period are not necessarily indicative of the results that may be expected for any future period.

| | Year Ended December 31, | | | | | | | Three Months Ended March 31, | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2016 | | 2017 | | 2018 | | | 2018 | | 2019 | | |
| | *RMB* | *%* | *RMB* | *%* | *RMB* | *US$* | *%* | *RMB* | *%* | *RMB* | *US$* | *%* |
| | | | | | | *(in thousands)* | | | | | | |
| **Revenues:** | | | | | | | | | | | | |
| Financing income | 1,271,456 | 88.1 | 3,642,184 | 76.3 | 3,535,276 | 526,773 | 46.0 | 776,747 | 45.2 | 1,010,759 | 150,608 | 48.2 |
| Sales commission fee | 126,693 | 8.8 | 797,167 | 16.7 | 307,492 | 45,818 | 4.0 | 111,379 | 6.5 | 135,854 | 20,243 | 6.5 |
| Sales income | — | — | 26,083 | 0.5 | 2,174,789 | 324,054 | 28.3 | 546,034 | 31.8 | 136,971 | 20,409 | 6.5 |
| Penalty fees | 22,943 | 1.6 | 7,922 | 0.2 | 28,013 | 4,174 | 0.4 | 4,886 | 0.3 | 10,140 | 1,511 | 0.5 |

| | Year Ended December 31, | | | | | | | Three Months Ended March 31, | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2016 | | 2017 | | 2018 | | | 2018 | | 2019 | | |
| | *RMB* | *%* | *RMB* | *%* | *RMB* | *US$* | *%* | *RMB* | *%* | *RMB* | *US$* | *%* |
| | | | | | | *(in thousands)* | | | | | | |
| Loan facilitation income and others | 21,754 | 1.5 | 302,010 | 6.3 | 1,646,773 | 245,377 | 21.3 | 277,577 | 16.2 | 644,412 | 96,020 | 30.7 |
| Referral service fee | — | — | — | — | — | — | — | — | — | 158,724 | 23,651 | 7.6 |
| **Total revenues** | **1,442,846** | **100.0** | **4,775,366** | **100.0** | **7,692,343** | **1,146,195** | **100.0** | **1,716,623** | **100.0** | **2,096,860** | **312,442** | **100.0** |
| **Cost of revenues:** | | | | | | | | | | | | |
| Cost of goods sold | — | — | (23,895) | (0.5) | (2,003,642) | (298,552) | (26.1) | (503,128) | (29.3) | (114,080) | (16,998) | (5.4) |
| Cost of other revenues | (267,862) | (18.6) | (856,951) | (17.9) | (731,786) | (109,040) | (9.5) | (183,276) | (10.7) | (146,405) | (21,815) | (7.0) |
| **Total cost of revenues** | **(267,862)** | **(18.6)** | **(880,846)** | **(18.4)** | **(2,735,428)** | **(407,591)** | **(35.6)** | **(686,404)** | **(40.0)** | **(260,485)** | **(38,813)** | **(12.4)** |
| **Operating expenses:** | | | | | | | | | | | | |
| Sales and marketing | (182,458) | (12.6) | (431,749) | (9.0) | (540,551) | (80,545) | (7.0) | (122,945) | (7.2) | (79,857) | (11,900) | (3.8) |
| General and administrative | (108,786) | (7.5) | (183,674) | (3.8) | (255,867) | (38,125) | (3.3) | (55,990) | (3.3) | (82,896) | (12,352) | (4.0) |
| Research and development | (52,275) | (3.6) | (153,258) | (3.2) | (199,560) | (29,735) | (2.6) | (43,521) | (2.5) | (63,508) | (9,463) | (3.0) |
| Loss on guarantee liabilities | (861) | (0.1) | (150,152) | (3.1) | (116,593) | (17,373) | (1.5) | (43,187) | (2.5) | (108,581) | (16,179) | (5.2) |
| Provision for receivables | (132,176) | (9.2) | (605,164) | (12.9) | (1,178,723) | (175,635) | (15.3) | (443,614) | (25.8) | (390,391) | (58,170) | (18.6) |
| **Total operating expenses** | **(476,556)** | **(33.0)** | **(1,523,997)** | **(31.9)** | **(2,291,294)** | **(341,413)** | **(29.8)** | **(709,257)** | **(41.3)** | **(725,233)** | **(108,064)** | **(34.6)** |
| **Other operating income** | **14,646** | **1.0** | **50,703** | **1.1** | **23,748** | **3,539** | **0.3** | **5,457** | **0.3** | **26,994** | **4,022** | **1.3** |
| **Income from operations** | **713,074** | **49.4** | **2,421,226** | **50.7** | **2,689,369** | **400,728** | **35.0** | **326,418** | **19.0** | **1,138,136** | **169,587** | **54.3** |
| Interest and investment income, net | 1,857 | 0.1 | 4,211 | 0.1 | 35,740 | 5,325 | 0.5 | 19,536 | 1.1 | 2,107 | 314 | 0.1 |
| Foreign exchange loss, net | (9,651) | (0.7) | (7,177) | (0.2) | (90,771) | (13,525) | (1.2) | (21,950) | (1.2) | 7,921 | 1,180 | 0.3 |
| Other income | 47 | 0.0 | 2,108 | 0.0 | 15,231 | 2,269 | 0.2 | 672 | 0.0 | 1,227 | 183 | 0.1 |
| Other expenses | (1,834) | (0.0) | (363) | (0.0) | (522) | (78) | (0.0) | (168) | 0.0 | (1,526) | (227) | (0.1) |
| **Net income before income taxes** | **703,493** | **48.8** | **2,420,005** | **50.7** | **2,649,047** | **394,720** | **34.5** | **324,508** | **18.9** | **1,147,865** | **171,037** | **54.7** |
| Income tax expenses | (126,840) | (8.8) | (255,546) | (5.4) | (157,731) | (23,503) | (2.1) | (8,692) | (0.5) | (198,243) | (29,539) | (9.5) |
| **Net income** | **576,653** | **40.0** | **2,164,459** | **45.3** | **2,491,316** | **371,218** | **32.4** | **315,816** | **18.4** | **949,622** | **141,498** | **45.2** |

***Comparison of Three Months Ended March 31, 2019 and Three Months Ended March 31, 2018***

*Total Revenue.* Our total revenues in the three months ended March 31, 2019 increased by 22.2% to RMB2,096.9 million (US$312.4 million) from RMB1,716.6 million in the same period in 2018, primarily due to an increase in loan facilitation income and others and an increase in financing income, partially offset by a decrease in revenue from sales income as we scaled back the operation of our Dabai Auto business. Financing income increased by 30.1% to RMB1,010.8 million (US$150.6 million) in the three months ended March 31, 2019 from RMB776.7 million in the same period in 2018, primarily due to an increase in the volume of on-balance sheet transactions. Loan facilitation income and others increased to RMB644.4 million (US$96.0 million) in the three months ended March 31, 2019, increased by 132.2% from RMB277.6 million in the same period in 2018, as a result of the substantial increase in the volume of off-balance sheet transactions. We started recognizing referral service fee generated from our loan recommendation and referral services on our open platform as a separate line item in the first quarter of 2019. Such service fee was recognized under loan facilitation income and others in 2018. In the three months ended March 31, 2019, our referral service fee totaled RMB158.7 million (US$23.7 million). Sales commission fee increased by 22.0% to RMB135.9 million (US$20.2 million) in the three months ended March 31, 2019 from RMB111.4 million in the same period in 2018, as a result of an increase in gross merchandise value. Sales income substantially decreased to RMB137.0 million (US$20.4 million) in the three months ended March 31, 2019 from RMB546.0 million in the same period in 2018 as we scaled back the operation of our Dabai Auto business.

*Total cost of revenues and operating expenses.* Total cost of revenues and operating expenses decreased by 29.4% to RMB985.7 million (US$146.9 million) in the three months ended March 31, 2019 from RMB1,395.7 million in the same period in 2018.

- *Cost of revenues.* Our cost of revenues substantially decreased by 62.1% to RMB260.5 million (US$38.8 million) in the three months ended March 31, 2019 from RMB686.4 million in the same period in 2018, primarily due to a decrease in costs incurred by the Dabai Auto business and a decrease in funding costs associated with our core online consumer finance businesses. After excluding cost of revenues related to Dabai Auto business, our cost of revenues represented 18%, 9%, 11% and 6% of our total revenues in 2017 and 2018 and the three months ended March 31, 2017 and 2018, respectively.

- *Sales and marketing expenses.* Our sales and marketing expenses decreased by 35.0% to RMB79.9 million (US$11.9 million) in the three months ended March 31, 2019 from RMB122.9 million in the same period in 2018. The decrease was primarily due to a decrease in marketing expenses associated with the scale-back of the Dabai Auto business.

- *General and administrative expenses.* Our general and administrative expenses increased by 48.1% to RMB82.9 million (US$12.4 million) in the three months ended March 31, 2019 from RMB56.0 million in the same period in 2018. The increase was primarily attributable an increase in staff salary and third-party service fees, partially offset by a decrease in administrative fees payable to trust companies due to decreased use of trust funding in this quarter.

- *Research and development expenses.* Our research and development expenses increased by 45.9% to RMB63.5 million (US$9.5 million) in the three months ended March 31, 2019 from RMB43.5 million in the same period in 2018. The increase was primarily as a result of an increase in staff salary.

- *Provision for receivables.* Our provision for receivables decreased by 12.0% to RMB390.4 million (US$58.2 million) in the three months ended March 31, 2019 from RMB443.6 million in the same period in 2018. The decrease was primarily due to a decrease in past-due on-balance sheet outstanding principal receivables compared to the first quarter of 2018, partially offset by a write-down relating to the Dabai Auto business of RMB38.0 million (US$5.7 million).

*Income from operations.* Our income from operations in the three months ended March 31, 2019 was RMB1,138.1 million (US$169.6 million), representing an 248.7% increase from RMB326.4 million in the same period in 2018.

*Income tax expenses.* Our income tax expenses increased significantly to RMB198.2 million (US$29.5 million) in the three months ended March 31, 2019 from RMB8.7 million in the same period in 2018, primarily attributable to an increase in taxable income and the changes in the preferential tax treatment that certain of our subsidiaries previously enjoyed.

*Net income.* Our net income totaled RMB949.6 million (US$141.5 million) in the three months ended March 31, 2019, up 200.7% from RMB315.8 million in the same period in 2018. Net income attributable to the Company's shareholders per diluted share was RMB3.19 (US$0.48), compared with RMB0.95 in the three months ended March 31, 2018.

*Adjusted net income.* Our adjusted net income attributable to the Company's shareholders, which excludes share-based compensation expenses, increased by 187.9% to RMB974.3 million (US$145.2 million) from RMB338.5 million in the same period in 2018. Adjusted net income attributable to the Company's shareholders per diluted share increased to RMB3.27 (US$0.49) from RMB1.02 in the three months ended March 31, 2018.

**Liquidity and Capital Resources**

Our primary sources of liquidity have been cash provided by operating activities and funds provided by our shareholders, including through the issuance of equity securities, which have historically been sufficient to meet our working capital and substantially all of our capital expenditure requirements. In October 2017, we completed our initial public offering in which we issued and sold an aggregate of 35,625,000 ADSs, representing 35,625,000 Class A ordinary shares, resulting in net proceeds to us of approximately US$799.6 million.

In 2016, 2017, 2018 and the three months ended March 31, 2019, we had net cash provided by operating activities of RMB794.1 million, RMB2,797.8 million, RMB3,332.3 million (US$496.5 million) and RMB1,197.4 million (US$178.4 million), respectively.

As of March 31, 2019, we had cash and cash equivalents of RMB1,931.4 million (US$287.8 million), as compared to cash and cash equivalents of RMB2,501.1 million (US$372.7 million) as of December 31, 2018.

As of March 31, 2019, we had short-term amounts due from Alipay of RMB579.6 million (US$86.4 million), as compared to short-term amounts due from Alipay of RMB718.4 million (US$107.0 million) as of December 31, 2018. These represent amounts deposited in our Alipay accounts, and are unrestricted as to withdrawal and use and readily available to us on demand.

In January, February and March 2019, Xiamen Qudian, our consolidated VIE, entered into three term loans with China Construction Bank with an aggregate amount of RMB295.0 million (US$44.0 million). Each term loan has a fixed interest rate of 3.915% per annum and a term of 12 months. As a collateral for such borrowings, our subsidiary Qufengqi (HK) Limited has deposited US$50.2 million in a bank account designated by China Construction Bank. We receive interest on such deposits at rates ranging from 3.28% to 3.41% per annum.

The following table sets forth our total assets, total liabilities and total net assets as of the dates indicated.

| | As of December 31, | | | | As of March 31, | |
|---|---|---|---|---|---|---|
| | 2016 | 2017 | 2018 | | 2019 | |
| | *RMB* | *RMB* | *RMB* | *US$* | *RMB* | *US$* |
| | | | *(in thousands)* | | | |
| Total assets | 7,117,599 | 19,380,416 | 16,253,375 | 2,421,828 | 18,246,960 | 2,718,882 |
| Total liabilities | 4,604,010 | 9,840,049 | 5,432,762 | 809,507 | 6,470,877 | 964,191 |
| Total net assets(1) | 2,513,589 | 9,540,367 | 10,820,613 | 1,612,321 | 11,776,083 | 1,754,691 |

(1) Defined as total assets minus total liabilities.

Our total net assets further increased from RMB10,820.6 million (US$1,612.3 million) as of December 31, 2018 to RMB11,776.1 million (US$1,754.7 million) as of March 31, 2019, primarily as a result of net income of RMB949.6 million (US$141.5 million) in the three months ended March 31, 2019.

The table below sets forth certain balance sheet items related to our cash and merchandise credit products. Such line items generally increased from December 31, 2018 to March 31, 2019, which is in line with our business growth.

| | As of December 31, | | | | As of March 31, | |
|---|---|---|---|---|---|---|
| | 2016 | 2017 | 2018 | | 2019 | |
| | *RMB* | *RMB* | *RMB* | *US$* | *RMB* | *US$* |
| | | | *(in thousands)* | | | |
| Short-term loan principal and financing service fee receivables | 4,826,791 | 8,758,545 | 8,417,821 | 1,254,294 | 10,010,611 | 1,491,628 |
| Short-term contract assets | — | — | 903,436 | 134,616 | 1,338,853 | 199,495 |
| Long-term loan principal and financing service fee receivables | 87,822 | — | 665,653 | 99,185 | 388,200 | 57,844 |
| Long-term contract assets | — | — | 15,597 | 2,324 | 22,848 | 3,405 |
| Short-term borrowings and interest payables | 4,183,231 | 7,979,415 | 3,860,441 | 575,224 | 4,201,713 | 626,075 |
| Guarantee liabilities | 6,208 | 46,981 | 302,605 | 45,090 | 566,630 | 84,431 |
| Long-term borrowings and interest payables | 76,052 | 510,024 | 413,400 | 61,599 | 597,500 | 89,030 |

We believe that the cash we received from our initial public offering and the anticipated cash flows from operating activities will be sufficient to meet our anticipated working capital requirements and capital expenditures in the ordinary course of business for the next 12 months. We may, however, need additional cash resources in the future if we experience changes in business conditions or other developments, or if we find and wish to pursue opportunities for investment, acquisition, capital expenditure or similar actions. If we determine that our cash requirements exceed the amount of cash and cash equivalents we have on hand at the time, we may seek to issue equity or debt securities or obtain credit facilities. The issuance and sale of additional equity would result in further dilution to our shareholders. The incurrence of indebtedness would result in increased fixed obligations and could result in operating covenants that would restrict our operations. We cannot assure you that financing will be available in amounts or on terms acceptable to us, if at all. See "Risk Factors — Risks Relating to Our Business and Our Industry — We may need additional capital to pursue business objectives and respond to business opportunities, challenges or unforeseen circumstances, and financing may not be available on terms acceptable to us, or at all."

Our ability to manage our working capital, including receivables and other assets and accrued expenses and other liabilities, may materially affect our financial condition and results of operations.

The following table sets forth a summary of our cash flows for the periods presented:

| | As of December 31, | | | | As of March 31, | | |
|---|---|---|---|---|---|---|---|
| | 2016 | 2017 | 2018 | | 2018 | 2019 | |
| | *RMB* | *RMB* | *RMB* | *US$* | *RMB* | *RMB* | *US$* |
| | | | | *(in thousands)* | | | |
| **Summary Consolidated Cash Flow Data:** | | | | | | | |
| Net cash provided by operating activities | 794,063 | 2,797,809 | 3,332,319 | 496,531 | 487,625 | 1,197,392 | 178,417 |
| Net cash used in investing activities | (3,598,137) | (4,422,319) | (2,790,734) | (415,832) | (1,270,729) | (1,454,334) | (216,703) |
| Net cash provided by/(used in) financing activities | 3,379,730 | 10,001,639 | (6,727,839) | (1,002,479) | (1,884,432) | 496,609 | 73,997 |
| Cash and cash equivalents, and restricted cash at beginning of period | 210,114 | 785,770 | 9,084,952 | 1,353,700 | 9,084,952 | 2,841,015 | 423,324 |
| Cash and cash equivalents, and restricted cash at end of period | 785,770 | 9,084,952 | 2,841,015 | 423,324 | 6,274,867 | 3,069,794 | 457,414 |

***Operating Activities***

Net cash provided by operating activities was RMB1,197.4 million (US$178.4 million) in the three months ended March 31, 2019, primarily due to net income of RMB949.6 million (US$141.5 million), adjusted for (i) provision for receivables of RMB390.4 million (US$58.2 million), (ii) share-based compensation expenses of RMB24.7 million (US$3.7 million), (iii) share of loss from equity method investment of RMB2.6 million (US$0.4 million), and (iv) changes in working capital. Adjustment for changes in working capital primarily consisted of (i) an increase in guarantee liabilities of RMB264.0 million (US$39.3 million), primarily due to an increase in the amount of off-balance sheet transactions facilitated, (ii) an increase in other current liabilities of RMB104.4 million (US$15.5 million), mainly attributable to an increase in income tax payable of RMB96.4 million (US$14.4 million), and (iii) a decrease in finance lease receivables of RMB94.9 million (US$14.1 million), primarily as a result of the scale-back of the operation of our Dabai Auto business, which was partially offset by (i) an increase in contract asset of RMB442.7 million (US$66.0 million), primarily as a result of the increase in the amount of off-balance sheet transactions facilitated, (ii) an increase in other current and non-current assets of RMB139.2 million (US$20.7 million), mainly attributable to the increase of prepayments, other current assets held for sale, guarantee deposits held by institutional funding partners and receivables from service providers, and (iii) an increase in financing service fee receivables of RMB80.9 million (US$12.1 million), primarily due to the increase in amount of transactions we facilitated.

***Investing Activities***

Net cash used in investing activities was RMB1,454.3 million (US$216.7 million) in the three months ended March 31, 2019, which was attributable to RMB7,704.3 million (US$1,148.0 million) in payment to originate loan principal, which was partially offset by RMB6,297.0 million (US$938.3 million) in proceeds from collection of loan principal.

***Financing Activities***

Net cash provided by financing activities was RMB496.6 million (US$74.0 million) in the three months ended March 31, 2019, which was primarily attributable to proceeds from borrowings of RMB1,797.0 million (US$267.8 million), which was partially offset by (i) repayment of borrowings of RMB1,271.3 million (US$189.4 million) and (ii) payment of guarantee deposits to funding partners of RMB29.1 million (US$4.3 million).

**Capital Expenditures**

We made capital expenditures of RMB17.1 million (US$2.5 million) in the three months ended March 31, 2019, respectively. In such period, our capital expenditures were mainly used for purchases of equipment and intangible assets and leasehold improvements. We will continue to make capital expenditures to meet the expected growth of our business.

**Holding Company Structure**

Qudian Inc. is a holding company with no material operations of its own. We conduct our operations primarily through our subsidiary, consolidated VIEs and their subsidiaries in China. As a result, Qudian Inc.'s ability to pay dividends or to meet its monetary obligations depends upon dividends paid by our PRC subsidiary. If our existing PRC subsidiary or any newly formed ones incur debt on their own behalf in the future, the instruments governing their debt may restrict their ability to pay dividends to us. In addition, our wholly foreign-owned subsidiary in China is permitted to pay dividends to us only out of its retained earnings, if any, as determined in accordance with PRC accounting standards and regulations. Under PRC law, each of our subsidiary, our consolidated VIEs and their subsidiaries in China is required to set aside at least 10% of its after-tax profits each year, if any, to fund certain statutory reserve funds until such reserve funds reach 50% of its registered capital. In addition, our wholly foreign-owned subsidiary in China may allocate a portion of its after-tax profits based on PRC accounting standards to enterprise expansion funds and staff bonus and welfare funds at its discretion, and our consolidated VIEs and their subsidiaries may allocate a portion of its after-tax profits based on PRC accounting standards to a discretionary surplus fund at their discretion. The statutory reserve funds and the discretionary funds are not distributable as cash dividends. Remittance of dividends by a wholly foreign-owned company out of China is subject to examination by the banks designated by SAFE. Our PRC subsidiary has not paid dividends and will not be able to pay dividends until they generate accumulated profits and meet the requirements for statutory reserve funds.

**Off-Balance Sheet Arrangements**

Since September 2016, we have entered into several arrangements with financial institutions that provides funding directly to borrowers for transactions that we facilitate. Since April 2018, we have also entered into vehicle sales with guarantee arrangements with financial institutions that provides funding directly to car buyers. As of March 31, 2019, guarantee liabilities related to such arrangements were RMB566.6 million (US$84.4 million). As of March 31, 2019, the maximum potential undiscounted future payment we would be required to make was RMB15,202.3 million (US$2,265.2 million).

**Contractual Obligations**

The following table sets forth our operating lease commitments and long-term borrowings and interest payable as of March 31, 2019:

| | Payment due by period | | | | | |
|---|---|---|---|---|---|---|
| | Total | | Less than 1 Year | 1-3 Years | 3-5 Years | More than 5 Years |
| | *RMB* | *US$* | *RMB* | | | |
| | *(in thousands)* | | | | | |
| Operating lease commitments | 47,369 | 7,058 | 20,835 | 26,534 | — | — |
| Long-term borrowings and interest payable | 695,779 | 103,674 | 54,633 | 641,146 | — | — |

Operating lease obligations represent leasing arrangements relating to the lease of our office premises.

Our capital commitments relate primarily to commitments in connection with our plan to build an office building and innovation center. Total capital commitments contracted but not yet reflected in the financial statements amounted to RMB99.2 million (US$14.8 million) as of March 31, 2019. All of the commitments relating to the construction will be settled in installments.

Our investment commitment relates to our equity method investee Ganzhou QuCampus Technology Co., Ltd (“**Ganzhou QuCampus**”). On October 17, 2016, we made a commitment to invest RMB190.0 million in cash for 45.9% of the equity interest in Ganzhou QuCampus which mainly operates computer services, advisory, and online merchandise services. As of March 31, 2019, we contributed RMB70.0 million (US$10.4 million) in Ganzhou QuCampus and held a 45.9% equity interest in Ganzhou QuCampus.

**Exhibit 99.3**

**Qudian Inc. Announces Proposed Offering of US$250 Million Convertible Senior Notes**

XIAMEN, China, June 25, 2019/PRNewswire/ — Qudian Inc. ("Qudian" or the "Company") (NYSE: QD), a leading provider of online small consumer credit products in China, today announced that it proposes to offer (the "Notes Offering") up to US$250 million in aggregate principal amount of convertible senior notes due 2026 (the "Notes"). The initial conversion rate, interest rate and other terms of the Notes have not been finalized and will be determined at the time of pricing of the Notes Offering. The Company intends to grant the initial purchasers in the Notes Offering a 30-day option to purchase up to an additional US$37.5 million aggregate principal amount of the Notes. The Notes Offering is subject to market conditions and other factors.

The Notes will be convertible into American Depositary Shares ("ADSs") of the Company at the option of the holders at any time prior to the close of business on the second scheduled trading day immediately preceding July 1, 2026, and will mature on July 1, 2026, unless repurchased, redeemed or converted in accordance with their terms prior to such date. The Company will not have the right to redeem the Notes prior to maturity, unless certain changes in tax law or related events occur. It is contemplated that the holders of the Notes may require the Company to repurchase all or part of their Notes in cash on July 1, 2022, or in the event of certain fundamental changes, in each case at a repurchase price equal to 100% of the principal amount of the notes to be repurchased, plus any accrued and unpaid interest to, but excluding, the repurchase date or the fundamental change repurchase date, as the case may be.

The Company intends to use the net proceeds from the Notes Offering to pay the cost of certain capped call transactions described below and for general corporate purposes, including (i) strategic investments in complementary businesses, (ii) development of our open platform and (iii) potential share repurchases.

The Notes, the ADSs deliverable upon conversion of the Notes and the Class A ordinary shares represented thereby have not been and will not be registered under the Securities Act of 1933, as amended (the "Securities Act"), or any state securities laws. They may not be offered or sold within the United States or to U.S. persons absent registration, except to qualified institutional buyers in reliance on the exemption from registration provided by Rule 144A under the Securities Act and to certain non-U.S. persons in offshore transactions in reliance on Regulation S under the Securities Act.

In connection with the pricing of the Notes, the Company intends to enter into capped call transactions with one or more of the initial purchasers and/or their respective affiliates and/or other financial institutions (the "Option Counterparties"). The capped call transactions are generally expected to reduce potential dilution to existing holders of the Class A ordinary shares and ADSs of the Company upon conversion of the Notes, with such reduction subject to a cap, and subject to the Company's ability to elect, subject to certain conditions, to settle the capped call transactions in cash (in which case the Company would not receive any ADSs from the Option Counterparties upon settlement of the capped call transactions). If the initial purchasers exercise their option to purchase additional Notes, the Company expects to enter into additional capped call transactions. As part of establishing their initial hedges of the capped call transactions, the Option Counterparties or their respective affiliates expect to trade the ADSs and/or enter into various derivative transactions with respect to the Company's ADSs concurrently with, or shortly after, the pricing of the Notes. This activity could increase (or reduce the size of any decrease in) the market price of the ADSs or the price of the Notes at that time. The effect, if any, of this activity, including the direction or magnitude, on the market price of the Company's ADSs or the price of the Notes will depend on a variety of factors, including market conditions, and cannot be ascertained at this time.

In addition, the Option Counterparties or their respective affiliates may modify their hedge positions by entering into or unwinding various derivative transactions with respect to the Company's ADSs, the Notes or other securities of the Company and/or purchasing or selling the Company's ADSs, the Notes or other securities of the Company in secondary market transactions following the pricing of the Notes and prior to the maturity of the Notes (and are likely to do so following any conversion of the Notes, or repurchase of the Notes by the Company on any fundamental change repurchase date, the repurchase date or otherwise, in each case, if the Company exercises the relevant election under the capped call transactions). This activity could also cause or avoid an increase or a decrease in the market price of the ADSs or the price of the Notes, which could affect noteholders' decision to convert the Notes and, to the extent the activity occurs around the time of any conversion of the Notes, could affect the amount and value of the consideration that noteholders will receive upon conversion of such Notes.

This press release shall not constitute an offer to sell or a solicitation of an offer to purchase any of these securities, nor shall there be a sale of the securities in any state or jurisdiction in which such an offer, solicitation or sale would be unlawful.

This press release contains information about the pending offering of the Notes, and there can be no assurance that the offering will be completed.

**About Qudian Inc.**

Qudian Inc. ("Qudian") is a leading provider of online small consumer credit in China. The Company uses big data-enabled technologies, such as artificial intelligence and machine learning, to transform the consumer finance experience in China. With the mission to use technology to make personalized credit accessible, Qudian targets hundreds of millions of young, mobile-active consumers in China who need access to small credit for their discretionary spending but are underserved by traditional financial institutions due to lack of traditional credit data. Qudian's data technology capabilities combined with its operating efficiencies allow Qudian to understand prospective borrowers from different behavioral and transactional perspectives, assess their credit profiles with regard to both their willingness and ability to repay and offer them instantaneous and affordable credit products with customized terms, and distinguish Qudian's business and offerings.

For more information, please visit http://ir.qudian.com.

**Safe Harbor Statement**

This announcement contains forward-looking statements. These statements are made under the "safe harbor" provisions of the United States Private Securities Litigation Reform Act of 1995. These forward-looking statements can be identified by terminology such as "will," "expects," "anticipates," "future," "intends," "plans," "believes," "estimates" and similar statements. Among other things, the expectation of its collection efficiency and delinquency, contain forward-looking statements. Qudian may also make written or oral forward-looking statements in its periodic reports to the U.S. Securities and Exchange Commission ("**SEC**"), in its annual report to shareholders, in press releases and other written materials and in oral statements made by its officers, directors or employees to third parties. Statements that are not historical facts, including statements about Qudian's beliefs and expectations, are forward-looking statements. Forward-looking statements involve inherent risks and uncertainties. A number of factors could cause actual results to differ materially from those contained in any forward-looking statement, including but not limited to the following: Qudian's goal and strategies; Qudian's expansion plans; Qudian's future business development, financial condition and results of operations; Qudian's expectations regarding demand for, and market acceptance of, its credit products; Qudian's expectations regarding keeping and strengthening its relationships with borrowers, institutional funding partners, merchandise suppliers and other parties it collaborate with; general economic and business conditions; and assumptions underlying or related to any of the foregoing. Further information regarding these and other risks is included in Qudian's filings with the SEC. All information provided in this press release is as of the date of this press release, and Qudian does not undertake any obligation to update any forward-looking statement, except as required under applicable law.

**For investor and media inquiries, please contact:**

Qudian Inc.
Annie Huang
Tel: +86-592-591-1580
E-mail: ir@qudian.com

The Foote Group
Philip Lisio
Tel: +86-135-0116-6560
E-mail: qudian@thefootegroup.com

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