Use these links to rapidly review the document
TABLE OF CONTENTS
INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

Table of Contents

As confidentially submitted to the Securities and Exchange Commission on November 6, 2017

Registration No. 333-

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, DC 20549

FORM F-1

REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

LexinFintech Holdings Ltd.

(Exact name of Registrant as specified in its charter)

Not Applicable
(Translation of Registrant's name into English)

Cayman Islands	**6199**	**Not Applicable**
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification Number)

27/F CES Tower
No. 3099 Keyuan South Road
Nanshan District, Shenzhen 518052
The People's Republic of China
+86 755 3368 8788
(Address, including zip code, and telephone number, including area code, of Registrant's principal executive offices)

Law Debenture Corporate Services Inc.
801 2nd Avenue, Suite 403
New York, NY 10017
(212) 750-6474
(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies to:

Z. Julie Gao, Esq. **Will H. Cai, Esq.** **Skadden, Arps, Slate, Meagher & Flom LLP** **c/o 42/F, Edinburgh Tower** **The Landmark** **15 Queen's Road Central** **Hong Kong** **+852 3740-4700**	**Matthew D. Bersani, Esq.** **Shearman & Sterling LLP** **c/o 12th Floor, Gloucester Tower** **The Landmark** **15 Queen's Road Central** **Hong Kong** **+852 2978-8000**

Approximate date of commencement of proposed sale to the public:
as soon as practicable after the effective date of this registration statement.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box. o

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933. Emerging growth company ☒

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards† provided pursuant to Section 7(a)(2)(B) of the Securities Act. o

CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered	Proposed maximum aggregate offering price[(2)(3)]	Amount of registration fee
Class A Ordinary Shares, par value US$0.0001 per share[(1)]	$	$

(1) American depositary shares issuable upon deposit of Class A ordinary shares registered hereby will be registered under a separate registration statement on Form F-6 (Registration No. 333-). Each American depositary share represents Class A ordinary shares.

(2) Includes Class A ordinary shares that are issuable upon the exercise of the underwriters' over-allotment option. Also includes Class A ordinary shares initially offered and sold outside the United States that may be resold from time to time in the United States either as part of their distribution or within 40 days after the later of the effective date of this registration statement and the date the shares are first bona fide offered to the public. These Class A ordinary shares are not being registered for the purpose of sales outside the United States.

(3) Estimated solely for the purpose of determining the amount of registration fee in accordance with Rule 457(o) under the Securities Act of 1933.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

† The term "new or revised financial accounting standard" refers to any update issued by the Financial Accounting Standards Board to its Accounting Standards Codification after April 5, 2012.

Table of Contents

The information in this preliminary prospectus is not complete and may be changed. These securities may not be sold until the registration statement filed with the Securities and Exchange Commission is effective. This preliminary prospectus is not an offer to sell nor does it seek an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

SUBJECT TO COMPLETION, DATED , 2017

American Depositary Shares

LexinFintech Holdings Ltd.

Representing Class A Ordinary Shares

This is an initial public offering of American depositary shares, or ADSs, of LexinFintech Holdings Ltd., or Lexin. Lexin is offering ADSs. Each ADS represents of our Class A ordinary shares, par value $0.0001 per share.

Prior to this offering, there has been no public market for our ADSs or our Class A ordinary shares. It is currently estimated that the initial public offering price per ADS will be between $ and $. We will apply to list the ADSs on the NASDAQ Global Market under the symbol "LX."

We are an "emerging growth company" under applicable U.S. federal securities laws and are eligible for reduced public company reporting requirements.

Investing in the ADSs involves risks. See "Risk Factors" beginning on page 12.

PRICE $ PER ADS

	Price to Public	Underwriting Discounts and Commission	Proceeds to Lexin
Per ADS	$	$	$
Total	$	$	$

We have granted the underwriters an option to purchase up to an additional ADSs to cover over-allotments.

Immediately prior to the completion of this offering, our outstanding share capital will consist of Class A ordinary shares and Class B ordinary shares. Holders of Class A ordinary shares and Class B ordinary shares have the same rights except for voting and conversion rights. Each Class A ordinary share is entitled to one vote, and each Class B ordinary share is entitled to ten votes and is convertible into one Class A ordinary share. Immediately after the completion of this offering, our founder Mr. Jay Wenjie Xiao will beneficially own all of our issued and outstanding Class B ordinary shares. Class B ordinary shares beneficially owned by our founder immediately after the completion of this offering will constitute approximately % of our total issued and outstanding share capital and % of the aggregate voting power of our total issued and outstanding share capital.

The United States Securities and Exchange Commission and state regulators have not approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The underwriters expect to deliver the ADSs against payment in U.S. dollars to purchasers on or about , 2017.

Goldman Sachs (Asia) L.L.C. **BofA Merrill Lynch** **Deutsche Bank Securities** **China Renaissance**

Prospectus dated , 2017.

Table of Contents

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TABLE OF CONTENTS

No dealer, salesperson or other person is authorized to give any information or to represent anything not contained in this prospectus or in any free writing prospectus we may authorize to be delivered or made available to you. You must not rely on any unauthorized information or representations. This prospectus is an offer to sell only the ADSs offered hereby, but only under circumstances and in jurisdictions where it is lawful to do so. The information contained in this prospectus is current only as of its date.

Neither we nor any of the underwriters has done anything that would permit this offering or possession or distribution of this prospectus or any filed free writing prospectus in any jurisdiction where action for that purpose is required, other than in the United States. Persons outside the United States who come into possession of this prospectus or any filed free writing prospectus must inform themselves about, and observe any restrictions relating to, the offering of the ADSs and the distribution of this prospectus or any filed free writing prospectus outside of the United States.

Until , 2017 (the 25th day after the date of this prospectus), all dealers that buy, sell or trade ADSs, whether or not participating in this offering, may be required to deliver a prospectus. This is in addition to the obligation of dealers to deliver a prospectus when acting as underwriters and with respect to their unsold allotments or subscriptions.

PROSPECTUS SUMMARY

The following summary is qualified in its entirety by, and should be read in conjunction with, the more detailed information and financial statements appearing elsewhere in this prospectus. In addition to this summary, we urge you to read the entire prospectus carefully, especially the risks of investing in our ADSs discussed under "Risk Factors," before deciding whether to invest in our ADSs. This prospectus contains information from a report commissioned by us and prepared by Oliver Wyman Consulting (Shanghai) Limited, or Oliver Wyman, a leading global management consulting firm, to provide information on the online consumer finance industry in China.

Business

We are a leading online consumer finance platform in China in terms of the outstanding principal balance of loans originated on our platform as of June 30, 2017, according to Oliver Wyman. We strategically focus on serving the credit needs of educated young adults in China. We grow with our customers by offering convenient and innovative loan products to meet their credit needs at different stages of life. We had approximately 3.0 million active customers in 2016 and 2.5 million active customers in the six months ended June 30, 2017, representing a 103% increase and a 19% increase from 2015 and the six months ended June 30, 2016, respectively. As of June 30, 2017, we had over 5.6 million customers with an approved credit line and approximately 16.0 million registered users.

Our target customer cohort, educated young adults aged between 18 and 36 in China, includes both college students and educated young professionals who are typically college graduates. This customer cohort features young people with high income potential, high educational background, high consumption needs, a strong desire to build their credit profile, and an appreciation for efficient customer experience. As of June 30, 2017, this target customer group represented over 90% of our customer base. As college students transition into educated young professionals, their consumption requirements and ability to repay loans increase as they receive increasing income, creating long-term growth potential for us. A significant portion of educated young adults, however, have been underserved by traditional financial institutions, which lack the relevant credit information to make credit assessment and offer compelling financial products to address their credit needs.

Our online consumer finance platform, *Fenqile*, addresses our customers' credit needs by offering personal installment loans, installment purchase loans and other loan products. We offer comprehensive and competitively-priced products on our e-commerce channel and allow customers to use their credit lines to finance purchases. We match customer loans with diversified funding sources, including individual investors on our *Juzi Licai* online investment platform, institutional funding partners in our direct lending programs and investors of our asset-backed securities.

We have scalable and stable funding to meet our customers' needs and grow our platform. With the access to multiple funding sources and the ability to adjust allocation of funding needs to different sources, we are not dependent on any particular type of funding source, and we are able to withstand seasonality of demand and fluctuations in the supply and costs of funding. We connect qualified customer loan assets directly with the capital of our institutional funding partners in an automated process that minimizes manual review and approval by the institutional funding partners. This efficient and speedy arrangement demonstrates our funding partners' trust and confidence in the quality of loans originated by us and our risk management and technology capabilities.

We adopt a targeted and cost-effective customer acquisition strategy by leveraging our e-commerce channel, word-of-mouth referrals, as well as cooperation with reputable commercial banks. Our educated young adult customers are often geographically concentrated and socially connected, which enables us to achieve effective customer acquisition through customer referrals. In 2016 and the six months ended June 30, 2017, approximately 36% and 54%, respectively, of our new customers registered on our platform using a referral code obtained from an existing customer. We offer an

incentive of RMB10 (US$1.5) to RMB20 (US$3.0) in cash to an existing customer for each new customer who successfully signs up on *Fenqile* using the existing customer's referral code and has been granted a credit line. We cooperate with commercial banks, for example, by promoting co-branded credit cards issued by the bank to reach potential customers. The success of our effective customer acquisition strategy has been demonstrated by our low customer acquisition cost, which is defined as the amount of total costs we incur in connection with acquiring customers divided by the number of new active customers during a given time period. Our customer acquisition cost amounted to RMB114 per new active customer in 2015 and RMB127 (US$18.7) in 2016 and RMB138 (US$20.4) in the six months ended June 30, 2017.

We believe that we are well positioned to assess credit risks, predict spending and borrowing behavior, and serve the credit needs of educated young adults. Leveraging our data insights and technology capabilities, our *Hawkeye* credit assessment engine can predict the income potential and behavior of each customer through sophisticated algorithms and a dynamic model. We have developed more than 1,000 decisioning rules utilizing 5,000 potential data variables, and accumulated a massive amount of proprietary data from over 5 million customers and 19 million credit applications since inception. The customer behavior and risk profile data enable us to develop machine learning to improve our risk management capabilities. As a result of automation and our data capabilities, we are able to perform a more comprehensive credit analysis on our customers than traditional financial institutions.

We offer a superior customer experience through the highly efficient operation of our platform. Our technology infrastructure enables highly automated loan originations, cost-effective servicing and built-in scalability. Our simple and fast online credit application streamlines the often time-consuming and frustrating loan application process. In general, potential customers can complete the application for our credit line within a few minutes by providing basic personal information and authorizing us to collect information from various data sources. Approximately 95% of all loan applications are handled and approved automatically within seconds on average. Our data insights and technology capabilities enable us to assess credit risks and facilitate effective fraud detection and prevention, while requiring limited efforts by our customers.

We have expanded the scale of our platform rapidly since our inception. From our inception in August 2013 through June 30, 2017, we cumulatively originated RMB46.1 billion (US$6.8 billion) in loans. In 2016 and the six months ended June 30, 2017, we originated RMB22.2 billion (US$3.3 billion) and RMB17.3 billion (US$2.6 billion) in loans, respectively, representing a 263% increase and a 116% increase from 2015 and the six months ended June 30, 2016, respectively. As of December 31, 2015 and 2016 and as of June 30, 2017, our outstanding principal balance of loans was approximately RMB3.4 billion, RMB9.9 billion (US$1.5 billion) and RMB12.5 billion (US$1.8 billion), respectively. The weighted average tenor of loans originated on our platform in 2016 and the six months ended June 30, 2017 was approximately 10 months and 9 months, respectively. Our total operating revenue increased significantly from RMB2,525 million in 2015 to RMB4,339 million (US$625 million) in 2016, and increased from RMB1,883 million in the six months ended June 30, 2016 to RMB2,536 million (US$374 million) in the six months ended June 30, 2017. Our net loss decreased from RMB310 million in 2015 to RMB118 million (US$17.0 million) in 2016. We had a net income of RMB71.7 million (US$10.6 million) in the six months ended June 30, 2017, compared to a net loss of RMB103 million in the six months ended June 30, 2016.

Industry Overview

Private consumption in China is growing rapidly, allowing for the rapid development of the online consumer finance market. According to Oliver Wyman, the outstanding loan balance of the consumer finance market in China increased from RMB3,355 billion (US$495 billion) at the end of 2014 to RMB5,618 billion (US$829 billion) at the end of 2016, representing a compound annual growth rate, or

CAGR, of 29.4%, and is projected to further grow to RMB11,010 billion (US$1,624 billion) by the end of 2020, representing a CAGR of 18.3%.

Despite growing consumption levels, the consumer finance market in China is still highly underdeveloped and underpenetrated. According to Oliver Wyman, in 2016, the ratio of the balance of China's overall unsecured consumer loans to the GDP was 9%, compared to 15% in the United States, while the per capita outstanding consumer finance loan in China (excluding mortgages) was RMB4,082 (US$602), compared to US$7,647 in the United States. At the end of 2015, approximately 1 billion individuals, or 72% of the population in China, did not have credit ratings with the Credit Reference Center of the People's Bank of China, the operator of China's national centralized commercial and consumer credit reporting system, compared to 14% of the total population who did not have credit ratings in the United States.

The educated young adult segment represents a sizeable consumer finance market with enormous growth potential. Educated young adults undergo a path of consumption upgrade, and their increasing financial needs also correspond with rising income and thus the increasing ability to repay borrowings with their income. The rapid growth in the number of potential borrowers within the educated young adult segment, coupled with increasingly diverse and upgraded consumption needs, is expected to drive the significant growth of the finance market for this segment. The total outstanding loan balance of the educated young adult segment of the online consumer finance market is expected to grow from RMB68 billion (US$10.0 billion) at the end of 2016 to RMB491 billion (US$72.4 billion) by the end of 2020, representing a CAGR of 64.1%.

The following factors are key in successfully operating in China's online consumer finance market and, in particular, the educated young adult segment:

- cost-effective and targeted customer acquisition strategies;
- strong brand reputation and recognition that could successfully retain or increase borrower base and capture a borrower's lifetime value;
- prudent and data-driven risk management enabled by accumulation of historical credit data and credit assessment methodology; and
- access to diversified and sustainable funding at favorable rates.

Our Competitive Strengths

We believe the following competitive strengths are essential to our success and differentiate us from our competitors:

- a leading and fast-growing online consumer finance platform that is well positioned to capture the long-term growth potential of educated young adults in China;
- advanced and customized credit risk management;
- superior customer experience supported by an efficient and robust technology platform;
- targeted and cost-effective customer acquisition strategy;
- diversified and scalable funding; and
- self-reinforcing and demographically targeted ecosystem, creating powerful network effects.

Our Growth Strategies

To further grow our business and enhance our competitive position, we intend to pursue the following strategies:

- grow with our educated young adult customers and continue to serve their growing credit and consumption needs;
- further diversify and scale funding sources;
- invest in our technology;
- promote sustainable consumer finance and continue to lead industry best practices; and
- pursue strategic alliances, investments and acquisitions.

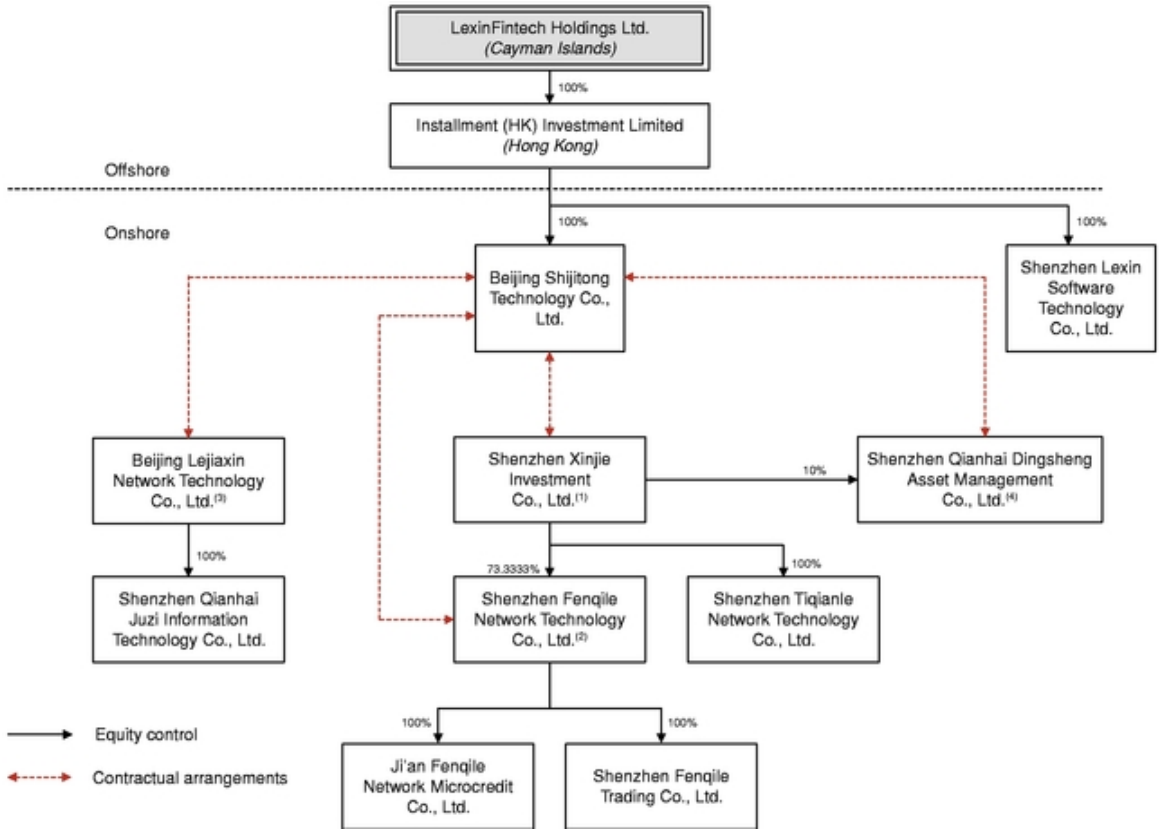
Our Challenges

The successful execution of our strategies is subject to risks and uncertainties related to our business, including those relating to:

- our limited operating history in China's evolving and emerging online consumer finance market;
- our ability to retain existing customers or attract new customers and to capture their long-term growth potential;
- our ability to ensure our business operations are in compliance with evolving laws and regulations governing the online consumer finance industry, including those governing campus online lending, which involve substantial uncertainties;
- our ability to effectively maintain the quality of our loan portfolio;
- our access to adequate and stable funding at reasonable costs;
- our expansion into offering our customers new products and services;
- our ability to maintain or achieve sufficient market acceptance with our existing and new loan products or financial services and to compete effectively;
- our ability to promote and maintain our brand and reputation;
- any negative publicity or customer complaints regarding us, the consumer finance industry or third-party service providers;
- our limited experience operating our current quality assurance program on *Juzi Licai*, which was established in July 2017; and
- our ability to compete effectively in the evolving online consumer finance market.

Corporate Structure

The following diagram illustrates our corporate structure as of the date of this prospectus, including our principal subsidiaries and our variable interest entities and their principal subsidiaries.



(1) The shareholders of Shenzhen Xinjie include Jay Wenjie Xiao (95%) and Wenbin Li (5%). Jay Wenjie Xiao is our chief executive officer and director, and Wenbin Li is a non-executive PRC employee.

(2) The shareholders of Shenzhen Fenqile include Shenzhen Xinjie (73.3333%), Jay Wenjie Xiao (26.5464%) and Richard Qiangdong Liu (0.1072%), an angel investor, and Tibet Xianfeng Management Consultation Co., Ltd. (0.0131%), whose shares were transferred from Tibet Xianfeng Huaxing Changqing Investment Co., Ltd., another angel investor.

(3) The shareholders of Beijing Lejiaxin include Jay Wenjie Xiao (94.12%) and Richard Qiangdong Liu (5.88%).

(4) The shareholders of Qianhai Dingsheng include Kris Qian Qiao (60%), our chief financing cooperation officer, Jianwei Wei (30%), a non-executive PRC employee, and Shenzhen Xinjie (10%).

Corporate Information

Our principal executive offices are located at 27/F, CES Tower, No. 3099 Keyuan South Road, Nanshan District, Shenzhen 518052, People's Republic of China. Our telephone number at this address is +86 755 3368 8788. Our registered office in the Cayman Islands is located at the offices of Osiris International Cayman Limited, Suit #4-210, Governors Square, 23 Lime Tree Bay Avenue, PO Box 32311, Grand Cayman KY1-1209, Cayman Islands. Our agent for service of process in the United States is Law Debenture Corporate Services Inc.

Investors should contact us for any inquiries through the address and telephone number of our principal executive offices. Our website is *lexinfintech.com.* The information contained on our website is not a part of this prospectus.

Implications of Being an Emerging Growth Company

As a company with less than US$1.07 billion in revenue for the last fiscal year, we qualify as an "emerging growth company" pursuant to the Jumpstart Our Business Startups Act of 2012, as amended, or the JOBS Act. An emerging growth company may take advantage of specified reduced reporting and other requirements that are otherwise applicable generally to public companies. These provisions include exemption from the auditor attestation requirement under Section 404 of the Sarbanes-Oxley Act of 2002, or Section 404, in the assessment of the emerging growth company's internal control over financial reporting. The JOBS Act also provides that an emerging growth company does not need to comply with any new or revised financial accounting standards until such date that a private company is otherwise required to comply with such new or revised accounting standards.

We will remain an emerging growth company until the earliest of (a) the last day of our fiscal year during which we have total annual gross revenues of at least US$1.07 billion; (b) the last day of our fiscal year following the fifth anniversary of the completion of this offering; (c) the date on which we have, during the previous three year period, issued more than US$1.07 billion in non-convertible debt; or (d) the date on which we are deemed to be a "large accelerated filer" under the Securities Exchange Act of 1934, as amended, or the Exchange Act, which would occur if the market value of our ADSs that are held by non-affiliates exceeds US$700 million as of the last business day of our most recently completed second fiscal quarter. Once we cease to be an emerging growth company, we will not be entitled to the exemptions provided in the JOBS Act discussed above.

Conventions that Apply to this Prospectus

Unless otherwise indicated or the context otherwise requires, all information in this prospectus reflects the following:

- "ABS" refers to asset-backed securities;
- "active customers" refer to, for a specified period, customers who made at least one transaction during that period on our online consumer finance platform;
- "ADSs" refer to our American depositary shares, each of which represents Class A ordinary shares;
- "APR" or "effective APR" refers to the percentage equal to the annualized actual amount of finance charges, including interest and service fees, generated from a customer loan, divided by the average outstanding principal balance for the loan;
- "big data" refer to voluminous structured and unstructured data from multiple sources and in multiple formats;
- "China" or the "PRC" refers to the People's Republic of China, excluding, for the purposes of this prospectus only, Hong Kong, Macau and Taiwan;
- "customers" refer to users with an approved credit line on our online consumer finance platform and shoppers on our e-commerce channel;
- "delinquency rate" refers to outstanding principal balance of loans that were 1 to 29, 30 to 59, 60 to 89 and 90 to 179 calendar days past due as a percentage of the total outstanding principal balance of the loans on our platform as of a specific date;

- "educated young adults" refer to (i) students enrolled in college programs or associate degree programs in colleges, or college students, and (ii) working population with college or associate degrees and under the age of 36, or educated young professionals;
- "GMV" refers to the total value of transactions completed for products purchased on the e-commerce channel of our platform, net of returns;
- "institutional funding partners" refer to banks and other institutions which have partnered with us on our direct lending programs to fund loans originated to our customers on *Fenqile*;
- "*Fenqile*" or "our platform" refers to our online consumer finance platform;
- *"Juzi Licai"* refers to our online investment platform where we match funding from individual investors with customer loans;
- "M6+ charge-off rate" refers to, with respect to loans originated during a specified time period, which we refer to as a vintage, the total outstanding principal balance of loans that become over six months delinquent during a specified period, divided by the total initial principal of the loans originated in such vintage;
- "ordinary shares" prior to the completion of this offering refer to our ordinary shares comprising Class A and Class B ordinary shares, par value US$0.0001 per share, and after the reclassification, re-designation of our ordinary shares and upon and after completion of this offering, refer to our ordinary shares comprising Class A and Class B ordinary shares, par value US$0.0001 per share;
- "originations" refer to the total principal amount of the loans we originate during the relevant period. The amount borrowed by customers using flexible repayment options to finance the repayment of certain principal amount of an original loan is calculated as a new loan principal amount. We treat off-balance sheet loans as part of our originations;
- "our variable interest entities" refer to Shenzhen Xinjie Investment Co. Ltd., or Shenzhen Xinjie, Shenzhen Fenqile Network Technology Co., Ltd., or Shenzhen Fenqile, Beijing Lejiaxin Network Technology Co., Ltd., or Beijing Lejiaxin, and Shenzhen Qianhai Dingsheng Asset Management Co., Ltd., or Qianhai Dingsheng, collectively;
- "RMB" or "Renminbi" refers to the legal currency of China; and
- "US$," "U.S. dollars," "$," or "dollars" refers to the legal currency of the United States.

Our reporting currency is the Renminbi. This prospectus also contains translations of certain foreign currency amounts into U.S. dollars for the convenience of the reader. Unless otherwise stated, all translations from Renminbi to U.S. dollars were made at RMB6.7793 to US$1.00, the exchange rate set forth in the H.10 statistical release of the Board of Governors of the Federal Reserve System, or the Federal Reserve Board, on June 30, 2017, except those translations of balances in the Consolidated Balance Sheets, Consolidated Statements of Operations, Consolidated Statements of Comprehensive Loss and Consolidated Statements of Cash Flows as of and for the year ended December 31, 2016 from Renminbi into U.S. dollars, which were made at a rate of RMB6.9430, the exchange rate on December 30, 2016 set forth in the H.10 statistical release of the Federal Reserve Board. We make no representation that the Renminbi or U.S. dollar amounts referred to in this prospectus could have been or could be converted into U.S. dollars or Renminbi, as the case may be, at any particular rate or at all. The PRC government restricts or prohibits the conversion of Renminbi into foreign currency and foreign currency into Renminbi for certain types of transactions. On October 27, 2017, the exchange rate set forth in the H.10 statistical release of the Federal Reserve Board was RMB6.6498 to US$1.00.

THE OFFERING

Offering price	We currently estimate that the initial public offering price will be between US$ and US$ per ADS.
ADSs offered by us	ADSs (or ADSs if the underwriters exercise their over-allotment option in full).
ADSs outstanding immediately after this offering	ADSs (or ADSs if the underwriters exercise their over-allotment option in full).
Ordinary shares outstanding immediately after this offering	Class A ordinary shares (or ordinary shares if the underwriters exercise their over-allotment option in full) and 110,647,199 Class B ordinary shares. Our founder Mr. Jay Wenjie Xiao will beneficially own all of our issued and outstanding Class B ordinary shares. We have adopted a dual class ordinary share structure that will become effective immediately prior to the completion of this offering. Our authorized share capital upon completion of the offering will be US$500,000 divided into (i) 1,889,352,801 Class A ordinary shares at a par value of US$0.0001 each, (ii) 110,647,199 Class B ordinary shares at a par value of US$0.0001 each, and (iii) 3,000,000,000 shares at a par value of US$0.0001 each of such class or classes as our board of directors may determine in accordance with our post-offering amended and restated memorandum and articles of association.
The ADSs	Each ADS represents Class A ordinary shares of par value US$0.0001 per share. The depositary will hold ordinary shares underlying your ADSs. You will have rights as provided in the deposit agreement among us, the depositary and holders and beneficial owners of ADSs from time to time. We do not expect to pay dividends in the foreseeable future. If, however, we declare dividends on our Class A ordinary shares, the depositary will pay you the cash dividends and other distributions it receives on our Class A ordinary shares after deducting its fees and expenses in accordance with the terms set forth in the deposit agreement. You may surrender your ADSs to the depositary in exchange for Class A ordinary shares. The depositary will charge you fees for any exchange. We may amend or terminate the deposit agreement without your consent. If you continue to hold your ADSs after an amendment to the deposit agreement, you agree to be bound by the deposit agreement as amended.

	To better understand the terms of the ADSs, you should carefully read the "Description of American Depositary Shares" section of this prospectus. You should also read the deposit agreement, which is filed as an exhibit to the registration statement that includes this prospectus.
Over-allotment option	We have granted to the underwriters an option, exercisable within 30 days from the date of this prospectus, to purchase up to an aggregate of additional ADSs.
Use of proceeds	We expect that we will receive net proceeds of approximately US$ million from this offering, assuming an initial public offering price of US$ per ADS, which is the midpoint of the estimated range of the initial public offering price, after deducting underwriting discounts and commissions and estimated offering expenses payable by us. We plan to use the net proceeds of this offering primarily for general corporate purposes, which may include investment in product development, sales and marketing activities, technology infrastructure, capital expenditures, improvement of corporate facilities and other general and administrative matters. We may also use a portion of these proceeds for the acquisition of, or investment in, technologies, solutions or businesses that complement our business, although we have no present commitments or agreements to enter into any acquisitions or investments. See "Use of Proceeds" for more information.
Lock-up	We, our directors, executive officers, existing shareholders [and certain of our option holders] have agreed with the underwriters not to sell, transfer or dispose of any ADSs, ordinary shares or similar securities for a period of 180 days after the date of this prospectus. See "Shares Eligible for Future Sales" and "Underwriting."
Directed Share Program	At our request, the underwriters have reserved for sale, at the initial public offering price, up to an aggregate of ADSs offered in this offering to some of our directors, officers, employees, business associates and related persons through a directed share program.
Listing	We intend to apply to have the ADSs listed on the NASDAQ Global Market under the symbol "LX." Our ADSs and shares will not be listed on any other stock exchange or traded on any automated quotation system.
Payment and settlement	The underwriters expect to deliver the ADSs against payment therefor through the facilities of the Depository Trust Company on , 2017.
Depositary	The Bank of New York Mellon

SUMMARY CONSOLIDATED FINANCIAL DATA AND SUMMARY OPERATING DATA

The following summary consolidated statements of operations data for the years ended December 31, 2015 and 2016 and summary consolidated balance sheets data as of December 31, 2015 and 2016 have been derived from our audited consolidated financial statements included elsewhere in this prospectus. The following summary consolidated statements of operations data for the six months ended June 30, 2016 and 2017 and summary consolidated balance sheets data as of June 30, 2017 have been derived from our unaudited interim condensed consolidated financial statements included elsewhere in this prospectus. Our consolidated financial statements are prepared and presented in accordance with the generally accepted accounting principles in the United States of America, or U.S. GAAP. You should read this Summary Consolidated Financial Data and Summary Operating Data section together with our consolidated financial statements and the related notes and "Management's Discussion and Analysis of Financial Condition and Results of Operations" included elsewhere in this prospectus. Our historical results are not necessarily indicative of results expected for future periods.

	For the Year Ended December 31,			For the Six Months Ended June 30,		
	2015	2016		2016	2017	
	RMB	RMB	US$	RMB	RMB	US$
			(in thousands)			
Summary Consolidated Statements of Operations Data:						
Operating revenue:						
Online direct sales	2,164,393	2,770,634	399,054	1,317,169	1,193,959	176,118
Services and others	—	5,060	729	1,678	6,095	899
Online direct sales and services income	2,164,393	2,775,694	399,783	1,318,847	1,200,054	177,017
Interest and financial services income	325,601	1,373,559	197,834	509,799	1,131,609	166,921
Loan facilitation and servicing fees	661	54,201	7,807	7,100	106,981	15,781
Other revenue	34,287	135,232	19,477	46,935	97,077	14,320
Financial services income	360,549	1,562,992	225,118	563,834	1,335,667	197,022
Total operating revenue	2,524,942	4,338,686	624,901	1,882,681	2,535,721	374,039
Operating cost:						
Cost of sales	(2,309,586)	(2,894,025)	(416,826)	(1,387,666)	(1,261,266)	(186,047)
Funding cost	(168,470)	(491,695)	(70,819)	(212,836)	(359,059)	(52,965)
Processing and servicing cost[(1)]	(51,057)	(114,323)	(16,466)	(45,871)	(95,610)	(14,103)
Provision for credit losses	(68,287)	(236,611)	(34,079)	(77,614)	(271,215)	(40,006)
Total operating cost	(2,597,400)	(3,736,654)	(538,190)	(1,723,987)	(1,987,150)	(293,121)
Gross profit	(72,458)	602,032	86,711	158,694	548,571	80,918
Operating expenses:						
Sales and marketing expenses[(1)]	(243,463)	(376,313)	(54,201)	(169,570)	(190,018)	(28,029)
Research and development expenses[(1)]	(40,441)	(127,317)	(18,338)	(46,293)	(101,216)	(14,930)
General and administrative expenses[(1)]	(40,962)	(87,364)	(12,583)	(35,508)	(94,200)	(13,895)
Total operating expenses	(324,866)	(590,994)	(85,122)	(251,371)	(385,434)	(56,854)
Interest expense, net	(1,930)	(48,343)	(6,963)	(7,374)	(44,262)	(6,529)
Investment related impairment	—	(5,635)	(812)	—	—	—
Change in fair value of financial guarantee derivatives	—	(5,942)	(856)	(1,979)	14,762	2,178
Others, net	126	(10,799)	(1,555)	(7,820)	(6,456)	(952)
(Loss)/income before income tax expense	(399,128)	(59,681)	(8,597)	(109,850)	127,181	18,761
Income tax benefit/(expense)	88,934	(58,258)	(8,391)	6,777	(55,442)	(8,178)
Net (loss)/income	(310,194)	(117,939)	(16,988)	(103,073)	71,739	10,583
Preferred shares redemption value accretion	(51,524)	(62,299)	(8,973)	(30,515)	(33,404)	(4,927)
Income allocation to participating preferred shares	—	—	—	—	(38,335)	(5,656)
Deemed dividend to a preferred shareholder	—	(42,679)	(6,147)	(42,679)	—	—
Net loss attributable to ordinary shareholders	(361,718)	(222,917)	(32,108)	(176,267)	—	—

(1) Share-based compensation expenses are allocated to processing and servicing cost and operating expense items as follows:

	For the Year Ended December 31,			For the Six Months Ended June 30,		
	2015	2016		2016	2017	
	RMB	RMB	US$	RMB	RMB	US$
			(in thousands)			
Processing and servicing cost	472	1,067	154	587	2,321	342
Sales and marketing expenses	3,194	4,009	577	1,940	2,468	364
Research and development expenses	3,736	9,068	1,306	2,205	7,786	1,148
General and administrative expenses	7,086	9,855	1,419	3,852	22,115	3,262

	As of December 31,			As of June 30,	
	2015	2016		2017	
	RMB	RMB	US$	RMB	US$
			(in thousands)		
Summary Consolidated Balance Sheets Data:					
Cash and cash equivalents	135,371	479,605	69,077	982,056	144,861
Restricted cash	26,330	172,870	24,898	306,884	45,268
Short-term financing receivables, net	2,897,791	6,470,898	932,003	8,458,551	1,247,703
Inventories, net	44,295	107,704	15,513	124,704	18,395
Long-term financing receivables, net	320,957	1,066,148	153,557	1,287,102	189,858
Total assets	3,817,082	8,720,135	1,255,960	11,685,691	1,723,731
Short-term funding debts	3,159,154	6,968,488	1,003,671	9,534,553	1,406,421
Accrued expenses and other current liabilities	131,236	602,259	86,743	648,538	95,664
Convertible loans—current	—	—	—	738,631	108,954
Long-term funding debts	31,080	21,014	3,027	32,277	4,761
Convertible loans—non-current	—	698,179	100,559	—	—
Total liabilities	3,623,209	8,706,216	1,253,954	11,565,021	1,705,931
Total mezzanine equity	608,514	625,570	90,101	658,974	97,204
Total shareholders' deficit	(414,641)	(611,651)	(88,095)	(538,304)	(79,404)

The following table presents our summary operating data as of and for the periods ended December 31, 2015 and 2016 and June 30, 2016 and 2017. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Key Operating Metrics."

	As of or for the Year Ended December 31,			As of or for the Six Months Ended June 30,		
	2015	2016		2016	2017	
	RMB	RMB	US$	RMB	RMB	US$
			(except for number of customers)			
Summary Operating Data:						
Outstanding principal balance[1] (in millions)	3,390	9,899	1,460	5,392	12,485	1,842
Outstanding principal balance of on-balance sheet loans (in millions)	3,266	7,712	1,138	4,857	10,051	1,482
Outstanding principal balance of off-balance sheet loans (in millions)	124	2,187	323	535	2,434	359
Originations (in millions)[2]	6,110	22,197	3,274	8,013	17,324	2,555
Average customer loan balance[3]	2,881	4,838	714	3,384	5,460	805
Number of active customers who used our loan products (in thousands)	1,481	3,005	N/A	2,083	2,483	N/A
Number of new active customers who used our loan products (in thousands)	1,396	1,923	N/A	1,079	693	N/A
Customer acquisition cost[4]	114	127	18.7	107	138	20.4

(1) Outstanding principal balance represents the total amount of principal outstanding for loans originated on our platform at the end of the relevant period. Outstanding principal balance as of December 31, 2015 and 2016 and June 30, 2017 included RMB183 million, RMB2,228 million (US$320 million) and RMB2,609 million (US$385 million) respectively, associated with the use of flexible repayment options.

(2) Originations associated with the use of flexible repayment options amounted to RMB297 million, RMB4,281 million (US$617 million) and RMB3,001 million (US$443) million in 2015, 2016 and the six months ended June 30, 2017, respectively.

(3) Average customer loan balance is calculated by dividing the outstanding principal balance by the number of customers with outstanding loans at the end of the relevant period.

(4) Customer acquisition cost refers to the amount of our total costs incurred in connection with acquiring customers divided by the number of the new active customers during the relevant period.

RISK FACTORS

An investment in our ADSs involves a high degree of risk. You should consider carefully all of the information in this prospectus, including the risks and uncertainties described below, before making an investment in our ADSs. Any of the following risks could have a material and adverse effect on our business, financial condition and results of operations. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial may also materially and adversely affect our business, prospects, financial condition, results of operations, cash flows and ability to pay dividends, and you may lose all or part of your investment.

Risks Related to Our Business and Industry

We have a limited operating history in China's online consumer finance market, an emerging and evolving industry, which makes it difficult to evaluate our future prospects.

China's online consumer finance industry is new and may not develop as rapidly as expected. The regulatory framework for this industry is also evolving and may remain uncertain for the foreseeable future. China's online consumer finance industry in general remains at a relatively preliminary stage of development and may not develop at the anticipated growth rate. Online consumer finance is a new industry, and there are few established players with business models that we can follow or build upon. In particular, there are a limited number of comparable online consumer finance platforms with e-commerce business. Potential customers and investors may not be familiar with this new industry and may have difficulty distinguishing our services from those of our competitors. Attracting and retaining customers, investors and institutional funding partners is critical to increasing the loan originations on our platform. The emerging and evolving online consumer finance market makes it difficult to effectively assess our future prospects. In addition, our business has grown substantially in recent years, but our past growth rates may not be indicative of our future growth.

It is also possible that the PRC laws and regulations may change in ways that do not favor our development. In particular, the PRC laws and regulations may impose more stringent requirements and regulatory burdens relating to certain of our target customers. If that happens, there may not be adequate loans originated on our platform.

We launched our online consumer finance platform *Fenqile* in 2013 and our online investment platform *Juzi Licai* in 2014, and have a limited operating history. As our business develops, or in response to competition, we may continue to introduce new products or make adjustments to our existing products, or make adjustments to our business model. In connection with the introduction of new products or in response to general economic conditions, we may impose more stringent customer qualifications to ensure the quality of loans on *Fenqile*, which may negatively affect the growth of our business. It is therefore difficult to effectively assess our future prospects. You should consider our business and prospects in light of the risks and challenges we encounter or may encounter in this developing and rapidly evolving market. These risks and challenges include our ability to, among other things:

- navigate an evolving regulatory environment;
- expand our customer base on *Fenqile*;
- enhance our risk management capabilities;
- diversify our funding sources;
- improve our operational efficiency;
- continue to scale our technology infrastructure to support the growth of our platforms and higher transaction volume;

- broaden our product and service offerings;
- operate without being adversely affected by the negative publicity about the industry in general and our company in particular, if any;
- maintain the security of our platforms and the confidentiality of the information provided and utilized across our platforms;
- cultivate a vibrant consumer finance ecosystem;
- attract, retain and motivate talented employees; and
- defend ourselves in litigation, and against regulatory, intellectual property, privacy or other claims.

If our market does not develop as we expect, if we fail to educate potential customers and funding sources about the value of our platforms and services, or if we fail to address the needs of our target customers, our reputation, business and results of operations will be materially and adversely affected.

If we are unable to retain existing customers or attract new customers, or if we fail to meet the financial needs of our customers as they evolve and are therefore unable to capture their long-term growth potential, our business and results of operations will be materially and adversely affected.

The volume of loans we originate has grown rapidly over the past few years. From our inception in August 2013 through June 30, 2017, we cumulatively originated RMB46.1 billion (US$6.8 billion) in loans. In 2016 and the six months ended June 30, 2017, we originated RMB22.2 billion (US$3.3 billion) and RMB17.3 billion (US$2.6 billion) in loans, respectively, for approximately 3.0 million and 2.5 million active customers, representing a 263% increase and a 116% increase in loan originations and a 103% increase and a 19% increase in active customers from 2015 and the six months ended June 30, 2016, respectively. We strategically focus on serving educated young adults and seek to capture their long-term growth potential. To maintain the high growth momentum of our platform, we must continuously increase loan originations by retaining current customers and attracting more customers. If there is insufficient demand for our loan products, investors and institutional funding partners may not be able to deploy their funds in a timely or efficient manner, and may seek alternative investment opportunities. If there are insufficient commitments from investors or institutional funding partners, customers may not be able to obtain capital through our platform and may turn to other sources for their borrowing needs. If we are unable to attract qualified customers and sufficient commitments from investors or institutional funding partners, we might not be able to increase our loan originations and operating revenue as we expect, and our business and results of operations may be adversely affected.

In addition, the success of our business depends on our ability to continue to serve our customers' growing credit needs as their consumption requirements change and their ability to repay loans increases with their increasing income. Moreover, we depend on repeat borrowing to cultivate customer loyalty, accumulate customer data and credit history, grow with our customers and offer them better products and services. Of all active customers on our platform in 2015, 2016 and the six months ended June 30, 2017, approximately 63%, 74% and 87%, respectively, were repeat customers who had successfully borrowed on our platform at least once previously. If we fail to retain our existing customers as they enter the workforce, or if we fail to retain these customers by offering products and services that cater to their evolving consumption needs, or if we fail to maintain or increase repeat borrowing on our platform, we may not be able to capture their long-term growth potential, and our business and results of operations may be adversely affected.

The laws and regulations governing the online consumer finance industry and microcredit companies in China are developing and evolving rapidly. If any of our business practices is deemed to violate any PRC laws or regulations, our business, financial condition and results of operations would be materially and adversely affected.

Due to the relatively short history of the online consumer finance industry in China, the PRC government has yet to establish a comprehensive regulatory framework governing our industry. Before any industry-specific regulations were introduced in mid-2015, the PRC government relied on general and basic laws and regulations for governing the online consumer finance industry, including the PRC Contract Law and related judicial interpretations promulgated by the Supreme People's Court. Since mid-2015, the PRC government and relevant regulatory authorities have issued various laws and regulations governing the online consumer finance industry, including, among others, the Guidelines on Promoting the Healthy Development of the Online Finance Industry, or the Guidelines, the Interim Measures on Administration of Business Activities of Online Lending Information Intermediaries, or the Interim Measures, and Guidelines on Online Lending Funds Custodian Business, or the Custodian Guidelines. See "Regulation—Regulations Relating to Online Consumer Finance Services."

According to the Guidelines and the Interim Measures, intermediaries that provide online lending information services may not engage in certain activities, including, among others, (i) fund-raising for the online lending information intermediaries themselves, (ii) holding investors' fund or setting up capital pools with investors' fund, (iii) providing security or guarantee to investors as to the principals and returns of the investment, (iv) issuing or selling any wealth management products, (v) splitting the terms of any financing project, (vi) securitization, (vii) promoting its financial products on physical premises, and (viii) equity crowd-funding. The Interim Measures also require the intermediaries that provide online lending information services to strengthen their risk management, enhance screening and verifying efforts on the customers' and investors' information, and to set up custody accounts with qualified banks to hold customer funds. The Interim Measures also introduced a record-filing and licensing regime, which requires online lending information intermediaries to register with the local financial regulatory authority, and obtain a telecommunication business license from the relevant telecommunication regulatory authority. Our online investment platform, *Juzi Licai*, operated by Shenzhen Qianhai Juzi Information Technology Co., Ltd., a subsidiary of one of our variable interest entities, would be required to obtain certain telecommunications service license in accordance with the Interim Measures and the relevant provisions of telecommunications authorities after completing record-filing with a local financial regulator. However, the specific requirements and detailed implementation rules regarding such registration and licensing regime are still pending further clarification by the relevant governmental authorities. The Interim Measures also provide a twelve-month rectification period for intermediaries to make necessary adjustments. However, as of the date of this prospectus, local financial regulatory authorities are still in the process of making detailed implementation rules regarding the filing procedures, and to our knowledge, none of the online information intermediaries including us has been permitted to submit such application for record-filing. We are uncertain as to when we will be able to submit such application for record-filing and license, and we cannot assure you that once submitted, our application will be accepted by the relevant government authorities.

To comply with existing laws, regulations, rules and governmental policies relating to the online consumer finance industry, including but not limited to the Guidelines on Information Disclosure of Business Activities of Online Lending Information Intermediaries, which were issued by the General Office of the CBRC in August 2017, we have implemented and will continue to implement various policies and procedures to conduct our business and operations. However, due to the lack of detailed rules and the fact that the relevant laws, regulations and rules are expected to continue to evolve, we cannot be certain that our existing practices would not be deemed to violate any existing or future rules, laws and regulations. For instance, we have entered into an agreement with China Guangfa Bank,

under which the bank provides custodian services for funds of customers and investors. Although we have established the custodian mechanism in this agreement to be in compliance with the requirement of the Custodian Guidelines or the regulatory authorities, we may need to amend the agreement to comply with the Custodian Guidelines in the event of any newly promulgated detailed implementation rules pursuant to the Custodian Guidelines, or other new laws and regulations regulating the custodian mechanism applicable to online lending information intermediaries.

In addition, the Interim Measures require that the balance of loans borrowed by the same individual must not exceed RMB200,000 (US$29,502) on a single online lending information intermediary and not exceed RMB1 million (US$147,508) in the aggregate on all online lending information intermediaries in the PRC. We currently do not offer loans to the same individual in an aggregate amount exceeding RMB200,000 (US$29,502). We determine whether customers have outstanding loans through consumer finance platforms using external databases at the time they obtain a loan from us. We also compare our customer's name with the list in the databases on a regular basis. However, due to the lack of an industry-wide information sharing arrangement, there is no assurance that the aggregate amount borrowed by any customer through our platform and other online lending information intermediaries does not exceed the RMB1 million (US$147,508) borrowing limit set out by the Interim Measures.

Furthermore, the Interim Measures prohibit online lending information intermediaries from providing any security interest or guarantee to investors on the principal or return of their investments. There are also certain legal requirements governing guarantee companies under PRC laws and regulations. We believe that our current quality assurance program, which was established in July 2017, does not constitute providing any security interest or guarantee to investors on the principal or return of their investments under the Interim Measures. As set forth in the agreement relating to the quality assurance program between *Juzi Licai* and the individual investors, the purpose of the quality assurance program operated by *Juzi Licai* is to provide make-up payments to individual investors on *Juzi Licai* when a customer fails to satisfy their principal or interest repayment obligations, and not to provide individual investors with guarantees on repayment of the loan principal and interest. In addition, the amount to be transferred from each customer's monthly repayment to our quality assurance funds is limited to a certain percentage, currently equal to 4.5%, of the outstanding principal balance at the beginning of the relevant monthly period, divided by 12, and the investors have acknowledged that *Juzi Licai* reserves the final right of interpretation on the rules for establishing and using the quality assurance funds. For the above reasons, we do not believe that the quality assurance program provides a security or guarantee to investors under the Interim Measures. In addition, we provide a deposit to our funding partners in our direct lending programs with our own funds equal to a percentage of the total loans funded by the institutional funding partners and are required to replenish such deposit from time to time, in order to compensate them for the principal and interest repayment of loans in the event of a customer default. As of the date of this prospectus, the deposit we provide to our funding partners has not been deemed to be a financing guarantee under applicable PRC laws and regulations. However, it is uncertain how the Interim Measures and the PRC laws and regulations governing guarantee companies will be interpreted due to the lack of detailed implementation rules. As a result, we cannot rule out the possibility that we might be viewed by the PRC regulatory authorities as providing a security interest or guarantee to our individual investors or a financing guarantee to institutional funding partners under the relevant PRC laws and regulations as their interpretation and implementation evolve. In such event, we may be required to change our business operations relating to the protection of individual investors and institutional funding partners, which may make us less attractive to our funding sources, and may materially and adversely affect our business, financial condition and results of operations. Our online consumer finance platform, *Fenqile*, does not itself engage in direct loan facilitation between peers. *Fenqile* merely facilitates transactions that are funded by our institutional funding partners and *Juzi Licai*. As such, we do not consider *Fenqile* as an "online information intermediary" regulated under the Interim Measures. However, we cannot assure you that

the CBRC or other regulatory agencies would not expand the applicability of the Interim Measures and/or otherwise regard Shenzhen Fenqile, as an online lending information intermediary. In the event that *Fenqile* is deemed as an online lending information intermediary by the PRC regulatory authorities in the future, we may be required to register with local financial regulatory authorities and our current business practices would be modified to adapt to the regulatory requirements as an online lending information intermediary. Therefore, our business, financial conditions and results of operations could be materially and adversely affected.

The regulatory regime and practice with respect to online microcredit companies are also evolving and subject to uncertainty. Our consolidated variable interest entity, Ji'an Fenqile Network Microcredit Co., Ltd., has obtained approval from the relevant competent local authorities to provide up to RMB900 million (US$133 million) in loans. We also fund loans through trusts established in collaboration with trust companies. We cannot assure you that our existing practice of using Ji'an Fenqile Network Microcredit Co., Ltd. or our collaboration with trust companies will be deemed to be in full compliance with applicable existing or future PRC laws, regulations or rules. The funding of loans by us without going through online microcredit companies or trusts may render us to be deemed as a lender or a provider of financial services by the PRC regulatory authorities, and we may be subject to supervision and restrictions on lending under applicable PRC laws and regulations. See "Regulation—Regulations Relating to Online Consumer Finance Services." There are uncertainties as to the interpretation of the relevant PRC laws and regulations and their applicability to our business. In the event that we were subject to or be deemed to violate such PRC laws and regulations, we may be subject to certain administrative penalties, including the confiscation of illegal revenue, fines up to five times the amount of the illegal revenue and suspension of business operations. Furthermore, our current service fees and various other fees charged to our customers might be fully or partially deemed as interest, which shall be subject to the restrictions on interest rate as specified in applicable rules on private lending. See "Regulation—Regulations Relating to Online Consumer Finance Services—Regulations Relating to Loans Between Individuals."

In April 2017, the Office of Leading Group on Special Rectification of Risks in the Online Lending, or the National Rectification Office, issued the Notice on the Conduction of Check and Rectification of Cash Loan Business Activities and a supplementary notice, or the Notice on Cash Loan. The Notice on Cash Loan requires the local branches of the National Rectification Office to conduct a comprehensive review and inspection of the cash loan business of online lending platforms and require such platforms to implement necessary improvements and remediation within a specific period to comply with the relevant requirements under the applicable laws and regulations. The Notice on Cash Loan focuses on preventing malicious fraudulent activities, loans that are offered at excessive interest rates and violence in the loan collection processes in the cash loan business operation of online lending platforms. The National Rectification Office also issued a list of cash loan business activities that are to be examined. As of the date of this prospectus, we have not been subject to any inspection as may be required under the Notice on Cash Loan. Due to the uncertainties with respect to the interpretation and application of the laws and regulations relating to cash loan business , we cannot assure you our business practice will be deemed to be in full compliance with all such existing or future laws and regulations, and we may be required to modify our current business practices or be subject other penalties, which could be costly, and as a result, our business, financial condition and results of operations might be materially and adversely affected.

We have cooperated with our institutional funding partners, whose compliance with PRC laws and regulations may affect our business. Our collaboration with institutional funding partners has exposed us to and may continue to expose us to additional regulatory uncertainties faced by such institutional funding partners. We cannot assure you that the business operations of our institutional funding partners currently are or will be in compliance with the relevant PRC laws and regulations, and in the event that our institutional funding partners do not operate their businesses in accordance with the

relevant PRC laws and regulations, they will be exposed to various regulatory risks and therefore, our business, financial condition and prospects would be materially and adversely affected.

As of the date of this prospectus, we have never been subject to any material fines or other penalties under any PRC laws or regulations, including those governing the online consumer finance industry and microcredit companies in China. However, to the extent that we are not able to fully comply with any existing or new regulations when they are promulgated, our business, financial condition and results of operations may be materially and adversely affected. We are unable to predict with certainty the impact, if any, that future legislation, judicial precedents or regulations relating to the online consumer finance industry will have on our business, financial condition and results of operations. Furthermore, the growth in the popularity of online consumer finance increases the likelihood that the PRC government will seek to further regulate this industry.

Our operations have been and may need to continue to be modified to ensure full compliance with the laws and regulations governing the online consumer finance industry, including those governing campus online lending, which may materially and adversely affect our business and results of operations.

The laws, regulations, rules and governmental policies in the online consumer finance industry, including those governing campus online lending, are expected to continue to evolve. For a detailed discussion of relevant laws, regulations, rules and notices, see "Regulation—Regulations Relating to Campus Online Lending."

To ensure full compliance with evolving laws and regulations of the online consumer finance industry, we have modified certain aspects of our business operations and may need to do so again in the future. For example, in March 2017, we received two letters from Shenzhen Finance Development Service Office, or the SFO, relating to regulatory compliance of our *Juzi Licai* and *Fenqile* businesses. The letters we received identified various regulatory requirements applicable to *Juzi Licai* and *Fenqile*. These requirements include, among other things, (i) limits on the use of loans, (ii) termination of agency relationships with sales agents who are students, (iii) limits on penalties we can charge delinquent customers, (iv) prohibition on splitting of any loan, (v) settlement of investors' funds and customers' loans through third-party custody accounts, and (vi) prohibition on promotion activities claiming full guarantee on the principal and return of investment programs. The letters identified certain non-compliance issues in our businesses relating to the foregoing regulatory requirements and requested us to submit rectification plans. We submitted such plans and have been providing reports on our progress of implementation of these plans to the SFO on an ongoing basis.

We are implementing certain measures to ensure timely and full compliance with the relevant regulatory requirements addressed in the letters and the applicable laws and regulations. With respect to the non-compliance issues mentioned above, we have implemented the following measures, which were included in the rectification plans we submitted to the SFO: (i) we require our customers to select in their loan applications one of the specified permissible uses of loan proceeds and require college student customers to use loans only for completing education, starting business or other uses that help promote work-related skills; (ii) in 2016, we terminated our contracts with college students who were sales agents promoting our products and services; (iii) the APR charged to customers for late repayments (including penalty interest charged by the funding source and service fees and collection service fees charged by us) will not exceed 36%; (iv) we have also modified our service terms and conditions on *Juzi Licai* to ensure that the transfer of investors' rights for outstanding loan obligation at the time of investor exits are fully authorized by such investors; (v) we have entered into an agreement with China Guangfa Bank to set up separate custody accounts for the funds of customers and investors; and (vi) we ceased promotion activities claiming full guarantee on the principal and return of investment programs. While we have implemented the above measures, it is uncertain that these measures will be sufficient to ensure our compliance with the regulatory requirements under the relevant laws and regulations as their implementation and interpretation evolve and due to the lack of

detailed interpretation and implementation rules currently. In addition, we may be required to make further rectifications by the SFO. If we are unable to fully satisfy the regulatory requirement, our application for registering *Juzi Licai* as an online lending information intermediary may be delayed or even denied. Failure to register as an online lending information intermediary, if deemed as a violation of the Interim Measures or any other relevant regulations or rules, may result in, among others, regulatory warning, correction order, condemnation, fines or criminal liability to us, or may cause us not to be able to conduct our current business on *Juzi Licai* in the future. If such situations occur, our business, financial condition, results of operations and prospects would be materially and adversely affected.

In addition, in May 2017, the CBRC, the Ministry of Education and Ministry of Human Resources and Social Security issued the Notice on Further Strengthening the Regulation and Management Work of Campus Online Lending Business, or the CBRC Circular 26. See "Regulation—Regulations Relating to Campus Online Lending." To comply with the requirements under the CBRC Circular 26, we have immediately implemented certain rectification measures, including, among others: (i) all our current outstanding loans that were originated to college students underlying the investment provided to individual investors on *Juzi Licai* will be gradually repaid; and (ii) new borrowings by college students will not be matched with funds from individual investors on *Juzi Licai* and will instead be matched with funds from our institutional funding partners approved by the relevant banking regulatory authority, including but not limited to, banks and consumer finance companies that are licensed by the CBRC. However, we cannot assure you that the foregoing changes to our business operations will not have any material adverse impact on our financial conditions or results of operations. For example, we may be unable to secure sufficient funding from our institutional funding partners that are licensed by the CBRC to fund our current or future borrowings by our college student customers and may incur higher funding cost, or our funding partners may interpret the CBRC Circular 26 differently from us and are thus unwilling to provide funding to our college student customers. In addition, we may be unable to find alternative investment opportunities for individual investors on *Juzi Licai* and use their funding to fund borrowings by our customers other than our college student customers, therefore limiting our ability to grow our online investment platform. If any of the foregoing were to occur, our business, financial condition and prospects would be materially and adversely affected. Moreover, due to the lack of detailed procedures and rules and the fact that the CBRC Circular 26 only stipulates basic principles rather than detailed implementation rules, we cannot assure you that our current practice would not be deemed to violate the CBRC Circular 26 or any other existing or future laws or regulations, or that our rectification measures are sufficient to satisfy the requirements under the CBRC Circular 26. If we are deemed to violate the CBRC Circular 26, we may be required to implement additional measures to modify our business operations, and our financial conditions and results of operations may be materially and adversely impacted.

We have been in frequent communication with the governmental authorities to clarify the relevant regulatory requirements and to ensure our full compliance with the laws and regulations. However, it is possible that new laws and regulations may be adopted, or existing laws and regulations may be interpreted in new ways, which, along with any possible changes needed to fully comply with any existing or newly released regulations, could require us to further modify our business or operations. The cost to comply with such laws or regulations would increase our operating expenses, and modifications of our business may have a material and adverse impact on our business, financial condition and results of operations.

If we are unable to effectively maintain the quality of our loan portfolio, our business, financial conditions and results of operations may be materially and adversely affected.

Our financial condition and results of operations are affected by our ability to effectively maintain the quality of our loan portfolio. There is no assurance that the quality of our loan portfolio will remain at the current level or improve. In 2016 and the six months ended June 30, 2017, we originated RMB

22.2 billion (US$3.3 billion) and RMB17.3 billion (US$2.6 billion) in loans, respectively. As of December 31, 2016 and June 30, 2017, our outstanding principal balance of loans was approximately RMB9.9 billion (US$1.5 billion) and RMB12.5 billion (US$1.8 billion), respectively. Our financing receivables amounted to RMB3,219 million, RMB7,537 million (US$1,086 million) and RMB9,746 million (US$1,438 million) as of December 31, 2015 and 2016 and June 30, 2017, respectively. Our M6+ charge-off rates as of June 30, 2017 were generally below 2% for each vintage of a three-month period from January 1, 2015 through March 31, 2017. The quality of our loan portfolio may be negatively affected by a variety of factors, many of which are beyond our control. These factors include, among others, the slowdown and structural reform of the PRC economy, adverse development in general economic conditions, an increase in unemployment rates among our target customers, and natural disasters. The quality of our loan portfolio may also deteriorate if we are not able to manage credit risks. In addition, we may experience an adverse change in customer credit risk as we expand our customer base and offer new product features and higher credit lines to customers. For example, while we have set certain requirements for the use of flexible repayment options, such as requiring minimum monthly repayments and keeping the customer's credit line at the approved amount, the flexible repayment options may affect our loan delinquencies and charge-offs as the outstanding principal balance of the new loan borrowed by a customer using the flexible repayment options will be considered as current, as long as the customer meets the payment schedule of the new loan agreed to by the customer and us. We may also experience an adverse change in customer credit risk if our credit assessment and control process fails to effectively contain the credit exposures of higher-risk customers in using our existing or new credit products. Moreover, our risk management system and policies are subject to change from time to time. We cannot assure you that our risk management system and policies have been, or will be, effective in managing our credit risks and hence the asset quality of our loan portfolio.

Furthermore, we use our proprietary *Hawkeye* engine to assess credit risks of our customers. While we continually improve our risk management capabilities as we accumulate customer data, the *Hawkeye* engine may inaccurately predict future credit losses under certain circumstances. For instance, after initial credit lines are granted, a customer's risk profile may change due to a variety of factors, such as deteriorating financial situations, and there is no assurance that such changes will be captured by the *Hawkeye* engine in a timely manner. The models and algorithms used by the *Hawkeye* engine may contain errors, flaws or other deficiencies that may lead to inaccurate credit assessment, and the data provided by customers and externa data sources may be incorrect or obsolete. If any of the foregoing were to occur in the future, our loan pricing and approval process could be negatively affected, resulting in misclassified loans or incorrect approvals or denials of credit applications.

If we are unable to effectively maintain and manage the quality of our loan portfolio due to any reason, the delinquency rates and the charge-offs of our loan portfolio may increase. Moreover, if the quality of our loan portfolio were to deteriorate, investors may try to rescind their affected investments, institutional funding partners may decide not to continue to cooperate with us, and customers may seek to revise the terms of their loans or reduce the use of our platform for borrowing. If any of the foregoing were to occur, our business, competitive position, financial condition and results of operations may be materially and adversely affected.

We need adequate funding at reasonable cost to successfully operate our business, and access to adequate funding at a reasonable cost cannot be assured.

The growth and success of our operations depend on the availability of adequate funding to meet customer demand for loans on our platform. We derive our funding for our platform from a variety of sources and types of investors, including individual investors on *Juzi Licai*, our institutional funding partners in our direct lending programs and investors of asset-backed securities. While we strive to maintain the diversity of our funding sources, we obtained the majority of our funding from *Juzi Licai* in each of 2015 and 2016. To the extent there is insufficient funding from investors or funding partners willing to accept the risk of default posed by potential customers or the particular type of funding could

be matched to only certain group of our customers due to restrictions imposed by current or existing laws or regulations, our platform will be unable to fund loan originations. If adequate funds are not available to meet customers' demand for loans, loan originations on our platform may be significantly impacted. Also, to the extent that risk-adjusted return requirements of our funding sources change, funding sources may choose not to fund loans originated on our platform. In addition, our growth strategy involves offering our customers competitively-priced financial products and services. As the online consumer finance market is intensely competitive, we may attempt to further reduce our funding cost by modifying the investment products offered to our investors and the terms and conditions of cooperation agreements with our funding partners. To the extent that our funding sources find the risk-adjusted returns with us less attractive, we may not be able to obtain the requisite level of funding. If our platform is unable to provide potential customers with loans or fund the loans on a timely basis due to insufficient funding or less favorable pricing compared to that of our competitors, it would harm our business, financial condition and results of operations.

Our expansion into offering our customers higher credit lines, new loan products and financial services, and new product categories on our e-commerce channel, and our expansion into serving increased numbers of educated young adult customers, may expose us to new challenges and more risks.

We have a limited operating history and have been rapidly expanding our products and services and our customer base since our inception. For example, we started to offer personal installment loans to our customers in addition to installment purchase loans in 2014. In 2015, we began to offer flexible repayment options, which allow customers who meet our criteria to reschedule or postpone their current monthly payment. We have also expanded our product offerings on our e-commerce channel to include a wider range of products, including more apparel, cosmetics and home appliances. To serve our expanded customer base and our customers' evolving credit needs, we continuously offer new credit products and offer our customers higher credit lines as they obtain higher incomes with greater ability to repay. Expansion into diverse new products and service categories involves new risks and challenges. Our lack of familiarity with these new product and service offerings and lack of relevant customer data may make it more difficult for us to anticipate customer demand and preferences and manage credit risk. We may misjudge customer demand, resulting in inventory buildup and possible inventory write-down. We cannot assure you that we will be able to recoup our investments in introducing these new product and service categories. In addition, as our customer base shifts to consist of more educated young professionals, it may also make it more difficult for us to accurately assess the credit risks of these new customers due to our lack of credit data and experience. Higher credit limit products may also carry more risks, and we may not be able to adequately address the default risk of our loans originated under these higher credit limit products due to lack of historical data. Serving a changing customer base may also expose us to new challenges and more risks. If we fail to execute our growth strategies, or if we fail to address the challenges and risks we encounter when executing our growth strategies, our business and results of operations could be materially and adversely affected.

If our existing and new loan products or financial services do not maintain or achieve sufficient market acceptance, our financial results and competitive position will be harmed.

We have devoted significant resources to, and will continue to put an emphasis on, upgrading and marketing our existing loan products and enhancing their market awareness. We also incur expenses and expend resources upfront to develop and market new loan products and financial services that incorporate additional features, improve functionality or otherwise make our platform more attractive to customers. New loan products and financial services must achieve high levels of market acceptance in order for us to recoup our investments in developing and marketing them.

Our existing and new loan products and financial services could fail to attain sufficient market acceptance for many reasons, including:

- customers may not find the terms of our loan products, such as the costs and credit limits, competitive or appealing;
- we may fail to predict market demand accurately and provide loan products and financial services that meet this demand in a timely fashion;
- customers, investors and institutional funding partners using our platforms may not like, find useful or agree with, the changes we make;
- there may be defects, errors or failures on our platforms;
- there may be negative publicity about our loan products or financial services, or our platform's performance or effectiveness;
- regulatory authorities may take the view that the new products, financial services or platform changes do not comply with PRC laws, regulations or rules applicable to us; and
- there may be competing products or services introduced or anticipated to be introduced by our competitors.

If our existing and new loan products and services and investment products do not maintain or achieve adequate acceptance in the market, our competitive position, results of operations and financial condition could be materially and adversely affected.

If we fail to promote and maintain our brand in an effective and cost-efficient way, our business and results of operations may be harmed.

We believe that developing and maintaining awareness of our brand effectively is critical to attracting and retaining customers. This in turn depends largely on the effectiveness of our customer acquisition strategy, our marketing efforts, our cooperation with institutional funding partners and the success of the channels we use to promote our platform. If any of our current customer acquisition strategies or marketing channels becomes less effective, more costly or no longer feasible, we may not be able to attract new customers in a cost-effective manner or convert potential customers into active customers.

Our efforts to build our brand have caused us to incur expenses, and it is likely that our future marketing efforts will require us to incur additional expenses. These efforts may not result in increased operating revenue in the immediate future or any increases at all and, even if they do, any increases in operating revenue may not offset the expenses incurred. If we fail to successfully promote and maintain our brand while incurring additional expenses, our results of operations and financial condition would be adversely affected, and our ability to grow our business may be impaired.

Any negative publicity or customer complaints with respect to us, the consumer finance industry in general and our third-party service providers may materially and adversely affect our business and results of operations.

The reputation of our brands is critical to our business and competitiveness. Any malicious or negative publicity or any publicized incidents in connection with the use of our products or services, whether or not we are negligent or at fault, including but not limited to those relating to our management, business, compliance with the law, financial conditions or prospects, whether with or without merit, could severely compromise our reputation and harm our business and operating results.

As China's consumer finance industry is new and the regulatory framework for this industry is also evolving, negative publicity about this industry and the market segment in which we operate may arise

from time to time. Negative publicity about China's consumer finance industry in general may also have a negative impact on our reputation, regardless of whether or not we have engaged in any inappropriate activities. The PRC government has recently instituted specific rules, including the Guidelines, Interim Measures and the CBRC Circular 26, to develop a more transparent regulatory environment for the online consumer finance industry. See "Regulation—Regulations Relating to Online Consumer Finance Services." Any players in China's online consumer finance industry who are not in compliance with these regulations may adversely impact the reputation of the industry as a whole. Furthermore, any negative development or perception of the consumer finance industry as a whole, including campus lending, even if factually incorrect or based on isolated incidents or as result of conduct by other market players, could compromise our image, undermine our trust and credibility, and negatively impact our ability to attract new customers, investors and institutional funding partners. Negative developments in the consumer finance industry, such as widespread customer defaults, fraudulent behavior, the closure of other online consumer finance platforms, or incidents indirectly resulting from the accumulation of large amounts of debt and inability to repay by any particular customer, may also lead to tightened regulatory scrutiny of the sector and limit the scope of permissible business activities that may be conducted by market players in the consumer finance industry. For instance, since 2015, there has been a number of reports of business failures of, or accusations of fraud and unfair dealing against, certain companies in the consumer finance industry in China. If customers, investors or institutional funding partners associate our company with these companies, they may be less willing to engage in borrowing or funding activities on our platform. If any of the foregoing takes place, our business and results of operations could be materially and adversely affected.

We have limited experience operating our current quality assurance program, which was established in July 2017. If we under- or over-fund our quality assurance funds, or if we fail to accurately forecast the expected payouts or otherwise implement the quality assurance program successfully, our financial results and competitive position may be harmed.

We have limited experience operating our new quality assurance program, which was established in July 2017 for *Juzi Licai*. We set aside a portion of each repayment equal to certain percentage of the outstanding principal balance of the loan and transfer such amount to a custody account managed by China Guangfa Bank, which we refer to as our quality assurance funds. Our quality assurance funds provide make-up payments to an investor when a customer fails to satisfy his interest or principal repayment obligations. Under our agreements with investors relating to the quality assurance program, the amount of make-up payments we are required to make to an investor is limited to the currently available balance of the quality assurance funds.

We have a limited operating history, and as a result, we have limited information regarding the default rates on loans funded by individual investors on *Juzi Licai*. In addition, we have recently modified our loan matching mechanism due to changes in relevant laws and regulations. As a result of continued introduction of new products and changes in the composition of the underlying loan assets, we have limited information on historical delinquency rates and charge-off rates, and we may not be able to accurately forecast delinquencies and charge-offs for our target customer cohort. Given these challenges, it is possible that we will under- or over-fund our quality assurance funds. If we under-fund our quality assurance funds, and we do not or are unable to replenish the quality assurance funds to a sufficient level in time, individual investors may not be fully protected from losses, which may result in negative publicity and reduce the attractiveness of our online investment platform. Conversely, if we over-fund our quality assurance funds, this will reduce the amount of our working capital, as we cannot use the funds set aside in the quality assurance funds for our operations. In the event any investor is not fully compensated by our quality assurance funds for delinquent payments, a dispute may arise between the investor and us as a result of the investor's uncompensated loss, which may adversely affect our reputation, the perception of us by the investors and regulatory authorities, or our business.

Should any of the foregoing occur, our competitive position as well as our results of operations could be materially and adversely affected.

If we fail to maintain sufficient liquidity to originate loans to our customers, our reputation, results of operations and financial condition may be materially and adversely affected.

We currently offer our individual investors on *Juzi Licai* a variety of investment programs. Upon maturity of an investment program with fixed maturities or a withdrawal request made by an individual investor in step-up returns investment programs that allow weekly or monthly withdrawals on specified dates during each weekly or monthly period, the loans underlying such investment program held by the individual investor may be transferred to another investment program as part of the underlying loan portfolios. In the event that investors request to withdraw a substantial amount of their investments at the same time or within a short time period, it may cause a run on our investment programs. Although we have developed sophisticated algorithms and systems to match the investment and redemption requests among the investors to provide liquidity, we cannot guarantee that we will be able to maintain the liquidity at a sufficient level that every withdrawal request from our investors who subscribe to our investment programs can be met on a timely basis, or at all.

Our institutional funding partners typically agree to provide funding to our customers who meet their predetermined criteria, subject to their approval process. These agreements have fixed terms ranging from one to two years. Some of these agreements have automatic renewal options upon expiration. In addition, while our customers' loan requests are usually approved if they fall within the parameters set and agreed upon by us and our institutional funding partners, they may implement additional requirements in their approval process outside of our monitor and control. Thus, there is no assurance that our institutional funding partners could provide reliable, sustainable and adequate funding to support the required liquidity, either because they could decline to fund customer loans originated on our platform or decline to renew or renegotiate their participation in our direct lending programs.

The smooth operations of our business require sufficient liquidity on a consistent basis. We are in the process of establishing a liquidity risk management system. However, if any of the risks described above were to occur, our reputation, results of operations, financial condition and business prospect may be materially and adversely affected.

We may not be able to sustain our historical growth rates.

We have experienced rapid growth since we commenced our online consumer finance business. Our total operating revenue increased significantly from RMB2,525 million in 2015 to RMB4,339 million (US$625 million) in 2016, and increased from RMB1,883 million in the six months ended June 30, 2016 to RMB2,536 million (US$374 million) in the six months ended June 30, 2017. We originated RMB22.2 billion (US$3.3 billion) and RMB17.3 billion (US$2.6 billion) in loans in 2016 and the six months ended June 30, 2017, representing a 263% increase and a 116% increase from 2015 and the six months ended June 30, 2016, respectively. However, there is no assurance that we will be able to maintain our historical growth rates in future periods. Our revenue growth may slow, or our operating revenue may decline for a number of possible reasons, including decreasing consumer spending, changes in regulations and government policies, increasing competition, slowing the growth of China's online consumer finance industry, emergence of alternative business models, and general economic conditions. If our growth rate declines, investors' perceptions of our business and business prospects may be adversely affected and the market price of our ADSs could decline.

We have incurred net losses in the past and may incur net losses in the future.

We have incurred net losses in the past. We anticipate that our operating expenses will increase in the foreseeable future as we seek to continue to grow our business, attract potential customers, investors and partners, and further enhance and develop product and service offerings. These efforts

may prove more expensive than we currently anticipate, and we may not succeed in increasing our operating revenue sufficiently to offset these higher expenses. We strategically focus on serving educated young adults and seek to capture their long-term growth potential. To the extent we are unable to execute this strategy or if we are unable to generate increased revenue on repeat customers, we may not generate net income. In addition, we historically had relatively low charge-off rates. Our M6+ charge-off rates as of June 30, 2017 for each vintage of a three-month period from January 1, 2015 through March 31, 2017 were generally under 2%. If our charge-off rates were to increase in the future, we may incur more losses. If any of the foregoing occurs, we may continue to incur net losses and may be unable to achieve or maintain profitability on a quarterly or annual basis for the foreseeable future.

Our business is dependent on our ability to maintain relationships with our business partners and other third parties, and at the same time, we are subject to risks associated with our business partners and other third parties.

We currently rely on a number of business partners and other third parties in various aspects of our business. For example, we source products from third-party suppliers for our online direct sales. In particular, we have formed a strategic partnership with JD.com, from which we source a significant portion of products that we offer on our e-commerce channel. We cannot assure you that our current suppliers will continue to sell products to us on commercially acceptable terms, or at all, after the current agreement expires. In addition, if we fail to attract new suppliers to sell their products to us due to any reason, our business and growth prospects may be materially and adversely affected. In addition, we have third-party sellers on our online marketplace on the e-commerce channel. We do not have as much control over the quality, storage and delivery of products sold on our online marketplace as we do over the products that we sell directly ourselves. If any third-party seller does not control the quality of the products that it sells on our website, or if it does not deliver the products or delivers them late or delivers products that are materially different from its description of them, or if it sells certain products without licenses or permits as required by the relevant laws and regulations, we could face claims that we should be held liable for any losses or face product liability claims. We may also incur liability or become subject to administrative penalties for counterfeit or unauthorized products sold on our website, or for products sold on our website or content posted on our website that infringe on intellectual property rights, or for other misconduct.

In addition, we cooperate with a number of business partners and other third parties to fulfill and deliver our products to our customers. For example, we use the warehousing and delivery infrastructure of JD.com and SF Express for fulfilling customer orders on our e-commerce channel. Our ability to process and fulfill orders accurately and provide high-quality customer service depends on the fulfillment infrastructure of our business partners and other third parties. Any interruptions to or failures in their delivery and fulfillment services could prevent the timely or proper delivery of our products to customers. Our business, financial condition and results of operations may be adversely affected by any disruptions to their delivery and fulfillment services.

Furthermore, since we rely on certain third-party service providers, such as third-party payment platforms and custody and settlement service providers, in conducting our business, if these third-party service providers fail to function properly, we cannot assure you that we would be able to find an alternative in a timely and cost-efficient manner, or at all.

Pursuing, establishing and maintaining relationships with business partners and other third parties, as well as integrating their data and services with our system, require significant time and resources. Our current agreements with partners and other third parties generally do not prohibit them from working with our competitors or from offering competing services. Our competitors may be more effective in providing incentives to our partners to favor our competitors' products or services. Certain types of partners may devote more resources to support their own businesses which compete with us. For example, JD Finance conducts consumer finance business and is supported with the significant resources available from JD.com.

The smooth operation of our business also depends on the compliance by our business partners and other third parties with applicable laws and regulations. Any negative publicity about business partners and other third parties, such as negative publicity about their loan collection practices and any failure by them to adequately protect the information of our customers and investors, to comply with applicable laws and regulations or to otherwise meet required quality and service standards, could harm our reputation. If any of the foregoing were to occur, our business and results of operations could be materially and adversely affected. Our reputation is associated with these business partners and other third parties, and if any of the foregoing were to occur, our reputation may suffer.

Fraudulent activities on our platforms or that target our customers could negatively impact our operating results, brand and reputation.

We are subject to risks associated with fraudulent activities on our platforms as well as risks associated with handling customer and investor information. Our resources, technologies and fraud detection tools may be insufficient to accurately detect and prevent fraud. In addition, our educated young adult customers may be more susceptible to fraud due to their limited financial knowledge and experience in using financial services. They may not be well equipped to detect sophisticated fraudulent schemes that directly target them. For instance, our customers may be encouraged by third parties or organized criminal groups to incur personal installment loans on our platform and transfer the proceeds to them, who have no intention to repay, ultimately resulting in default. We provide our customers with education on financial planning and management, including on the concept of credit, credit and personal information protection, fraud and identity theft prevention. However, we cannot assure you that these efforts will be effective in preventing fraud. While we have not historically experienced any significant incident of fraud that caused material losses to us, significant increases in fraudulent activities on our platform could negatively impact our brand and reputation, result in losses to us and our funding sources, reduce loan originations on our platform and lead us to take additional steps to reduce the risk of fraud, which could increase our costs and expenses. High-profile fraudulent activity could even lead to regulatory intervention, and may divert our management's attention and cause us to incur additional expenses and costs. If any of the foregoing were to occur, our business, results of operations and financial condition could be materially and adversely affected.

Any lack of requisite approvals, licenses or permits applicable to our business may have a material and adverse impact on our business, financial condition and results of operations.

Our business is subject to governmental supervision and regulation by the relevant PRC governmental authorities. Together, these government authorities promulgate and enforce regulations that cover many aspects of the operation of the online retail and the online finance industries. The PRC government extensively regulates the internet industry. See "Regulation." As a result, in certain circumstances it may be difficult to determine what actions or omissions may be deemed to be in violation of applicable laws and regulations.

In addition, the e-commerce industry is highly regulated by the PRC government. We are required to obtain various licenses and permits from different regulatory authorities in order to distribute certain categories of products on our website. We have made efforts to obtain all the applicable licenses and permits, but due to the large number and variety of products sold on our websites, we may not always be able to do so, and we may be penalized by governmental authorities for selling products without proper licenses. As we increase our product selection, we may also become subject to new or existing laws and regulations that did not affect us before. We only have contractual control over our websites or mobile applications. Furthermore, we do not directly own the websites or mobile internet applications due to the restriction of foreign investment in businesses providing value-added telecommunication services in China. This may significantly disrupt our business, subject us to sanctions, compromise enforceability of related contractual arrangements, or have other harmful effects on us. Our online consumer finance platform, *Fenqile*, has obtained certain value-added telecommunications service license for the operations of internet content service from the Guangdong Administration of Telecommunications in April 2017, which will

remain valid until May 2019 and certain value-added telecommunications service license for the operation of domestic call center service and content service (excluding internet content service) from MIIT in July 2017, which will remain valid until July 2022. We cannot assure you that we have obtained all the permits or licenses required for conducting our business in China or will be able to maintain our existing licenses or obtain new ones. If the PRC government determines that we are operating without the proper approvals, licenses or permits or promulgates new laws and regulations that require additional approvals or licenses or imposes additional restrictions on the operation of any part of our business, it has the power, among other things, to levy fines, confiscate our income, revoke our business licenses, and require us to discontinue the relevant parts of our business or to impose restrictions on the affected portion of our business. Any of these actions by the PRC government may have a material adverse effect on our business and results of operations.

Our current level of fee rates may decline in the future. Any material reduction in our fee rates could reduce our profitability.

We primarily generate financial services income by charging fees to customers for services we provide on loans originated on our platform. These fee rates may also be affected by a change over time in the mix of the types of products we provide to our customers and investors, the macroeconomic factors, as well as the competition in the online consumer finance industry. Any material reduction in our fee rates could have a material adverse effect on our business, results of operations and financial condition.

Fluctuations in interest rates could negatively affect our business.

The profitability of our business depends on the interest rates at which our customers are willing to borrow, and the interest rates at which our funding partners are willing to lend. If we fail to respond to the fluctuations in interest rates in a timely manner and reprice our loan products, our loan products may become less attractive to our customers. For example, in a falling interest rate environment, potential customers may seek lower priced loans from other channels if we do not lower the interest rates on our loan products. Similarly, if we fail to respond to fluctuations in interest rates in a timely manner and reprice our investment products, our investment products may lose competitiveness. For example, in a rising interest rate environment, potential investors may seek higher return investments from other channels if we do not increase the return on our investment products. Moreover, if we are unable to reprice our loan products and investment products correspondingly, the spreads between the interest rates on our loan products and the interest rates on our investment products may be reduced, and our profitability may be adversely affected.

We rely on the sale of computers, smartphones and other consumer electronics for a significant portion of our loans originated to finance customer purchases on our e-commerce channel.

Historically, online sales of electronic products, including computers and smartphones, have accounted for a majority of purchases on our e-commerce channel, and thus a significant portion of online direct sales and services income. Electronic products sold on our e-commerce channel accounted for approximately 93%, 77% and 61% of our total loans originated to finance customer purchases on our e-commerce channel in 2015, 2016 and the six months ended June 30, 2017, We expect that sales of these products will continue to translate into a significant portion of our total operating revenue and loans originated to finance customer purchases on our e-commerce channel in the near future. We have increased our offerings on our e-commerce channel to include other product categories, and we have continuously added new products within each product category. However, due to the demographic characteristics of our target customer cohort and their demand, our sales of these new products and services may not increase to a level that would substantially reduce our dependence on the sales of electronic products. We face intense competition from online sellers of electronic products and from

established companies with physical stores that are moving into online retail, such as Taobao.com, Tmall.com, JD.com and Suning. Any event that results in a reduction in our sales of electronic products could materially and adversely affect our ability to maintain or increase the level of our operating revenue and loan originations and to maintain or improve our business prospects.

If we fail to manage our inventory effectively, our results of operations, financial condition and liquidity may be materially and adversely affected.

Our scale and business model require us to manage our inventory effectively. We depend on our demand forecasts for various kinds of products to make purchase decisions and to manage our inventory. Demand for products, however, can change significantly between the time inventory is ordered and the date by which we hope to sell it. Demand may be affected by seasonality, new product launches, changes in product cycles and pricing, product defects, changes in consumer spending patterns, changes in consumer tastes and other factors, and our customers may not order products in the quantities that we expect. In addition, when we begin selling a new product, it may be difficult to establish supplier relationships, determine appropriate product selection, and accurately forecast demand. The acquisition of certain types of inventory may require significant lead time and prepayment and they may not be returnable.

Furthermore, as we plan to continue expanding our product offerings, we expect to include more products in our inventory, which will make it more challenging for us to manage our inventory and logistics effectively. If we fail to manage our inventory effectively, we may be subject to a heightened risk of inventory obsolescence, a decline in inventory value, and significant inventory write-downs or write-offs. In addition, we may be required to lower sale prices in order to reduce inventory level, which may lead to lower gross margins. High inventory levels may also require us to commit substantial capital resources, preventing us from using that capital for other purposes. Any of the above may materially and adversely affect our results of operations and financial condition. On the other hand, if we underestimate demand for our products, or if our suppliers fail to supply quality products in a timely manner, we may experience inventory shortages, which might result in missed sales, diminished brand loyalty and lost revenues, any of which could harm our business and reputation.

Limited liquidity exists for investments made on Juzi Licai, which may make these investments less attractive to investors.

There currently exists no trading market for the loans invested by individual investors on *Juzi Licai*. Individual investors are not permitted to directly transfer their investments to other individual investors prior to maturity. For fixed maturities investment programs, investors are only allowed to withdraw their funds upon maturity. For step-up returns investment programs, individual investors are allowed to withdraw their funds on the condition that withdrawals be made on specified dates during each weekly or monthly period. In the event that investors request to withdraw a substantial amount of their investments at the same time or within a short time period, it may cause a run on our investment programs and we may be unable to meet the investors' withdrawal demands on a timely basis, or at all. To the extent that individual investors are not able to transfer loans at all or withdraw their funds when needs for liquidity arise, individual investors may be discouraged from investing on *Juzi Licai* in the future, which may have a material and adverse effect on our business and competitive position.

Misconduct, errors and failure to perform by our employees could harm our business and reputation.

We are exposed to many types of operational risks, including the risk of misconduct and errors by our employees. Our business depends on our employees to interact with customers and investors, process large numbers of transactions and support the loan collection process, all of which involve the use and disclosure of personal information. We could be materially and adversely affected if transactions were redirected, misappropriated or otherwise improperly executed, if personal information

was disclosed to unintended recipients, or if an operational breakdown or failure in the processing of transactions occurred, whether as a result of human error, purposeful sabotage or fraudulent manipulation of our operations or systems. In addition, the manner in which we store and use certain personal information and interact with customers and investors is governed by various PRC laws. It is not always possible to identify and deter misconduct or errors by employees, and the precautions we take to detect and prevent this activity may not be effective in controlling unknown or unmanaged risks or losses. If any of our employees take, convert or misuse funds, documents or data or fail to follow protocol when interacting with customers and investors, we could be liable for damages and subject to regulatory actions and penalties. We could also be perceived to have facilitated or participated in the illegal misappropriation of funds, documents or data, or have failed to follow protocol, and therefore be subject to civil or criminal liability.

If our ability to collect delinquent loans is impaired, or if the collection efforts of our in-house team or third-party service providers are impaired, our business and results of operations might be materially and adversely affected.

Our in-house collection team handles the collection of delinquent loans. We also engage certain third-party collection service providers from time to time. If either our or our third-party service providers' collection methods, such as phone calls, text messages, in-person visits and legal letters, are not effective and we fail to respond quickly and improve our collection methods, our delinquent loan collection rate may decrease. While we have implemented and enforced policies and procedures relating to collection activities by us and third-party service providers, if those collection methods were to be viewed by the customers or regulatory authorities as harassments, threats or other illegal conducts, we may be subject to lawsuits initiated by the customers or prohibited by the regulatory authorities from using certain collection methods. If this were to happen and we fail to adopt alternative collection methods in a timely manner or the alternative collection methods are proven to be ineffective, we might not be able to maintain our delinquent loan collection rate and the funding sources' confidence in our platform may be negatively impacted. If any of the foregoing takes place and impairs our ability to collect delinquent loans, the loan originations on our platform will decrease, and our business and the results of operations could be materially and adversely affected.

Uncertainties relating to the growth and profitability of the online retail industry in China in general, and the e-commerce industry in particular, could adversely affect our operating revenue and business prospects.

Online direct sales on our e-commerce channel account for a significant portion of our total operating revenue and loan originations. Our future results of operations will depend on numerous factors affecting the development of the e-commerce industry in China, which may be beyond our control. These factors include:

- the growth of internet, broadband, personal computer and mobile penetration and usage in China, and the rate of any such growth;
- the level of trust and confidence of Chinese consumers in online shopping, as well as changes in customer demographics and consumer tastes and preferences;
- the selection, price and popularity of products that we and our competitors offer online;
- whether alternative retail channels or business models that better address the needs of consumers emerge in China; and
- the development of fulfillment, payment and other ancillary services associated with online purchases.

A decline in the popularity of online shopping in general, or any failure by us to adapt our website and improve the online shopping experience of our customers in response to trends and consumer requirements, may adversely affect our operating revenue and business prospects.

Furthermore, the e-commerce industry is subject to macroeconomic changes, and retail purchases tend to decline during recessionary periods. Many factors outside of our control, including inflation and deflation, currency exchange rate fluctuation, volatility of stock and property markets, interest rates, tax rates, other government policies, and unemployment rates, can adversely affect consumer confidence and spending, which could in turn materially and adversely affect our growth and profitability. Unfavorable developments in domestic and international politics, including military conflicts, political turmoil and social instability, may also adversely affect consumer confidence and reduce spending, which could in turn materially and adversely affect our growth and profitability.

Our delivery, return and exchange policies may materially and adversely affect our results of operations.

We have adopted customer-friendly return and exchange policies. We may also be required by law to adopt new or amend existing return and exchange policies from time to time. For example, pursuant to the PRC Consumer Rights and Interests Protection Law and the Measures on the Administration of Online Transactions promulgated by the SAIC in January 2014, which became effective in March 2014, or the Online Transaction Measures, consumers are entitled to return goods purchased online within seven days upon receipt of such goods for no reason, subject to certain exceptions. See "Regulation—Regulations Relating to Product Quality and Consumer Rights Protection." These policies improve customers' shopping experience and promote customer loyalty, which in turn help us acquire and retain customers. However, these policies also subject us to additional costs and expenses which we may not be able to recoup with increased revenue. Our ability to handle a large volume of returns is unproven. If our return and exchange policy is misused by a significant number of customers, our costs may increase significantly and our results of operations may be materially and adversely affected. If we revise these policies to reduce our costs and expenses, our customers may be dissatisfied, which may result in a loss of existing customers or failure to acquire new customers at a desirable pace, and may materially and adversely affect our results of operations as a result.

If we fail to compete effectively, our results of operations and market share could be harmed.

The online consumer finance industry in China is highly competitive and evolving. As a leading online consumer finance platform in China, we face competition from other online platforms, major internet players, traditional financial institutions as well as other installment loan service providers. Our competitors include, among others, Ant Financial Services Group, JD Finance and WeBank. We also compete with traditional financial institutions, including credit card issuers, consumer finance business units in commercial banks and other consumer finance companies.

Our competitors operate with different business models, have different cost structures or participate selectively in different market segments. They may ultimately prove more successful or more adaptable to new regulatory, technological and other developments. Some of our current and potential competitors have significantly more financial, technical, marketing and other resources than we do, and may be able to devote greater resources to the development, promotion, sale and support of their platforms. Our competitors may also have longer operating histories, more extensive customer or investor bases, larger amounts of data, greater brand recognition and loyalty, and broader partner relationships than we do. Additionally, a current or potential competitor may acquire one or more of our existing competitors or form a strategic alliance with one or more of our competitors. Any of the foregoing could adversely affect our business, results of operations, financial condition and future growth.

In addition, our competitors may be better at developing new products, responding to new technologies, charging lower fees on loans and undertaking more extensive marketing campaigns. When new competitors seek to enter our target market, or when existing market participants seek to increase their market share, they sometimes undercut the pricing and/or terms prevalent in that market, which could adversely affect our market share or ability to exploit new market opportunities. Also, since the online consumer finance industry in China is relatively new and fast evolving, potential investors and customers may not fully understand how our platform works. Our pricing and terms could deteriorate if we fail to act to meet these competitive challenges. Furthermore, to the extent that our competitors are able to offer more attractive terms to our business partners, such business partners may choose to terminate their relationships with us. If we are unable to compete with our competitors, or if we are forced to charge lower fees due to competitive pressures, we could experience reduced revenues or our platforms could fail to achieve market acceptance, any of which could materially and adversely affect our business and results of operations.

If the total addressable market for our target customer cohort is smaller than what we believe it is, our results of operations may be adversely affected and our business may suffer.

It is very difficult to estimate the total addressable market for our target customer cohort due to factors such as market demand, PRC regulations of the credit industry, competition, general economic conditions and the relatively short history of the online consumer finance industry in China. We believe that our total addressable market of customers consists of educated young adults. However, if there is less demand than we anticipate for loan products offered on our platform, it may materially and adversely impact our business, financial condition and results of operations.

Our quarterly results may fluctuate significantly due to the seasonality of our business and may not fully reflect the underlying performance of our business.

We experience some seasonality in our business, reflecting a combination of seasonal demand for consumer loans and seasonality patterns associated with the online retail industry. For example, we generally experience less user traffic and purchase orders during national holidays in China, particularly during the Chinese New Year holiday season in the first quarter of each year. Furthermore, e-commerce companies in China hold special promotional campaigns on November 11 each year, which improve our results for that quarter. The demand for our products and services is higher in March, April, September, October and November, which generally corresponds to the start of school and our promotional activities around November 11. While our rapid growth has somewhat masked this seasonality, our quarterly operating results could be affected by such seasonality in the future.

Therefore, our quarterly results of operations, including our operating revenue, expenses, net loss or income and other key metrics, may vary significantly in the future, and period-to-period comparisons of our operating results may not be meaningful. Accordingly, the results for any single quarter are not necessarily an indication of future performance.

We may not be able to obtain additional operating capital on favorable terms or at all.

While we incurred net losses in the past, we anticipate that the net proceeds we receive from this offering, together with our current cash, cash provided by operating activities and funds available through our bank loans and credit facilities, will be sufficient to meet our current and anticipated needs for general corporate purposes for at least the next 12 months. Based on such estimation, our consolidated financial statements have been prepared on a going concern basis. However, we need to make continued investments in facilities, hardware, software, technological systems and to retain talents to remain competitive. Due to the unpredictable nature of the capital markets and our industry, we cannot assure you that we will be able to raise additional capital on terms favorable to us, or at all, if and when required, especially if we experience disappointing operating results. If adequate capital is

not available to us as required, our ability to fund our operations, take advantage of unanticipated opportunities, develop or enhance our infrastructure or respond to competitive pressures could be significantly limited, which would adversely affect our business, financial condition and results of operations. In such event, there may also be significant doubt as to our ability to continue as a going concern. If we do raise additional funds through the issuance of equity or convertible debt securities, the ownership interests of our shareholders could be significantly diluted. These newly issued securities may have rights, preferences or privileges senior to those of existing shareholders.

We have obligations to verify information relating to customers and to detect fraud. If we fail to perform such obligations to meet the requirements of relevant laws and regulations, we may be subject to liabilities.

Our business of connecting individual investors and customers on *Juzi Licai* constitutes an intermediary service, and Qianhai Juzi's contracts with individual investors and/or customers on *Juzi Licai* are intermediation contracts under the PRC Contract Law. Under the PRC Contract Law, an intermediary that intentionally conceals any material information or provides false information in connection with the conclusion of the proposed contract, which results in harm to the client's interests, may not claim any service fee for its intermediary services and is liable for any damage incurred by the client. In addition, the Interim Measures have imposed on us additional obligations to verify the truthfulness of the information provided by or in relation to customers, and to actively detect fraud. Therefore, if we intentionally conceal any material information or provide false information to funding sources, or fail to verify the truthfulness of the information provided by or in relation to our customers or to actively detect fraud, we could be subject to liabilities as an intermediary under the PRC Contract Law and liabilities under the Interim Measures, and our results of operations and financial condition could be materially and adversely affected.

Changes in PRC regulations relating to interest rates and fees for online consumer finance platforms and micro-credit lending, including campus online lending, could have a material adverse effect on our business.

The interest rate permitted to be charged on loans originated on our platform is subject to limitations set forth in the Provisions on Several Issues Concerning Laws Applicable to Trials of Private Lending Cases issued by the Supreme People's Court in August 2015 and effective in September 2015, or the Private Lending Judicial Interpretations, which provide that (i) when the interest rate agreed between the borrower and investor does not exceed an annual interest rate of 24%, the People's Court will uphold the interest rate charged by the investor, and (ii) when the interest rate agreed between the borrower and investor exceeds an annual interest rate of 36%, the portion in excess of 36% is void and the People's Court will uphold the borrower's claim for return of the excess portion to the borrower. For loans with interest rates per annum between 24% and 36%, if the interest on the loans has already been paid to the funding sources, and so long as such payment has not damaged the interest of the state, the community or any third parties, the courts will likely not enforce the customer's demand for the return of such interest payment.

Our subsidiary, Ji'an Fenqile Network Microcredit Co., Ltd., is subject to regulations applicable to micro-credit companies incorporated in Ji'an municipality, Jiangxi Province, which are set forth by the Ji'an Municipality Government and Jiangxi Financial Service Office. These regulations provide that the interest rate of the loans issued by micro-credit companies must not be in contravention of relevant provisions of PRC laws or regulations. The loans originated on our platform and by Ji'an Fenqile Network Microcredit Co., Ltd. will be subject to the aforementioned interest rate restrictions, which could affect our ability to originate loans to certain customers and may have a material adverse effect on our business.

In addition, the Notice on Further Strengthening the Rectification of Campus Online Lending issued by six PRC regulatory agencies in October 2016 prohibits, among other things, providing

usurious loans by charging various fees such as procedure fee, overdue fine, service fee and recovery fee.

Certain Opinions Regarding Further Strengthening the Financial Judgment Work issued by the Supreme People's Court in August 2017, or the Opinions for Financial Judgment Work, provide more detailed rules on the legal limits of interest and fees charged in connection with a loan and specify that the intermediary service fees charged by an online lending intermediary to circumvent the legal limit of interest of private lending shall be invalid. See "Regulations—Regulations Relating to Online Consumer Finance Services—Regulations Relating to Loans between Individuals."

Currently, none of our loans has annual interest rate exceeding 36%. We believe our current service fees and various other fees charged to our customers are reasonable and in compliance with relevant requirements under the Notice on Further Strengthening the Rectification of Campus Online Lending, the CBRC Circular 26 and the Opinions for Financial Judgment Work. However, if our current fee level is deemed to be excessive or constitutes usurious loans under any existing or future relevant PRC laws, regulations and rules, we may face, among others, regulatory warning, correction order, condemnation, fines and criminal liability and may be required to reduce the fees and annual interest rate we charge to our customers. If such situations were to occur, our business, financial condition, results of operations and prospects would be materially and adversely affected.

The origination of loans on our platform could give rise to liabilities under PRC laws and regulations that prohibit illegal fundraising and unauthorized public offerings.

PRC laws and regulations prohibit persons and companies from raising funds by advertising to the public a promise to repay premium or interest payments over time through payments in cash or in kind except with the prior approval of the applicable government authorities. Failure to comply with these laws and regulations may result in penalties imposed by the PBOC, the State Administration for Industry and Commerce, or the SAIC, and other governmental authorities, and can lead to civil or criminal lawsuits.

We have taken measures to avoid conducting any activities that are prohibited under the illegal-funding related laws and regulations. We act as intermediaries for customers and individual investors. In addition, we do not directly receive any funds from individual investors in our own accounts as funds from individual investors are deposited into and settled by a third-party custody account managed by China Guangfa Bank. To date, our platform has not been subject to any fines or other penalties under any PRC laws and regulations that prohibit illegal fundraising. Nevertheless, considerable uncertainties exist with respect to the PBOC, the SAIC and other governmental authorities' interpretations of the fundraising-related laws and regulations. Therefore, we cannot guarantee you that our current services provided to investors will not be deemed to violate illegal fundraising laws and regulations in the future.

The PRC Securities Law prohibits the issuance of securities for public offering without obtaining prior approval in accordance with the provisions of the law. The following offerings are deemed to be public offerings under the PRC Securities Law: (i) offering of securities to non-specific targets; (ii) offering of securities to more than 200 specific targets; and (iii) other offerings provided by the laws and administrative regulations. Additionally, private offerings of securities may not be carried out through advertising, open solicitation and disguised publicity campaigns. If any transaction between a customer and multiple individual investors is identified as a public offering by PRC government authorities, we may be subject to sanctions under PRC laws and our business may be adversely affected.

Credit and other information that we receive from prospective customers and third parties about a customer may be inaccurate and thus may not accurately reflect the customer's creditworthiness, which may compromise the accuracy of our credit assessment.

For our credit assessment, we obtain from prospective customers and third parties certain information of the prospective customers, which may not be complete, accurate or reliable. Our credit assessment of a customer may not reflect that particular customer's actual creditworthiness due to outdated, incomplete or inaccurate customer information. Additionally, once we have obtained a customer's information, the customer may subsequently (i) become delinquent in the payment of an outstanding obligation; (ii) default on a pre-existing debt obligation; (iii) take on additional debt; or (iv) experience other adverse financial events, making the information we previously obtained inaccurate. We currently determine whether customers have outstanding loans through consumer finance platforms using external databases at the time they obtain a loan from us. We also compare a customer's name against our database on a regular basis. Once we detect that a customer has multiple outstanding loans with substantial aggregate balances and poses a high credit risk, we will place such customer on a high risk customer list and closely monitor the customer going forward. However, there is no assurance that we have complete and accurate information relating to all of our customers' outstanding loans. For example, a customer may borrow money through our platform in order to pay off loans on other consumer finance platforms, and vice versa. If a customer incurs additional debt before fully repaying any loan that customer takes out on our platform, the additional debt may impair the ability of that customer to make payments on his or her loan with us and our funding sources, ability to receive investment returns associated with such loan. In addition, the additional debt may adversely affect the customer's creditworthiness generally and could result in the financial distress or insolvency of the customer. To the extent that a customer has other indebtedness and cannot repay all of his or her indebtedness, the customer may choose to make payments to other platforms instead of us.

Such inaccurate or incomplete customer information could affect the accuracy of our credit assessment and the effectiveness of our risk management, which could in turn harm our reputation, and as a result, our business and results of operations could be materially and adversely affected.

Our ability to protect the confidential information of our customers and funding sources and our ability to conduct our business may be adversely affected by cyber-attacks, computer viruses, physical or electronic break-ins or similar disruptions and we may be subject to liabilities imposed by the relevant government regulations.

Our platform collects, stores and processes certain personal and other sensitive data from our customers and funding sources. There are numerous laws governing privacy and the storage, sharing, use, disclosure and protection of personally identifiable information and user data. Specifically, personally identifiable and other confidential information is increasingly subject to legislation and regulations in numerous domestic and international jurisdictions. The regulatory framework for privacy protection in China and worldwide is currently evolving and is likely to remain uncertain for the foreseeable future. We could be adversely affected if legislation or regulations in China are expanded to require changes in business practices or privacy policies, or if the PRC governmental authorities interpret or implement their legislation or regulations in ways that negatively affect our business, financial condition and results of operations. In November 2016, the Standing Committee of the NPC released the Internet Security Law, which took effect in June 2017. The Internet Security Law requires network operators to perform certain functions related to internet security protection and the strengthening of network information management. For instance, under the Internet Security Law, network operators of key information infrastructure generally shall, during their operations in the PRC, store the personal information and important data collected and produced within the territory of the PRC. We are in the process of evaluating the potential impacts of the Internet Security Law on our

current business practices. We plan to further strengthen our information management and privacy protection of the user data stored in our system. However, we cannot assure you that the measures we have taken or will take are adequate under the Internet Security Law. If further changes in our business practices are required under China's evolving regulatory framework for privacy protection, our business, financial condition and results of operations may be adversely affected. Further, we use certain data collected from external data sources to make credit assessment. In the event that the data collection and provision by any of our external data sources is considered in violation of the Internet Security Law, we may not be able to use relevant data for our credit assessment and our business may be materially and adversely affected.

In addition to laws, regulations and other applicable rules regarding privacy and privacy advocacy, industry associations or other private parties may propose new and different privacy standards. Because the interpretation and application of privacy and data protection laws and privacy standards are still uncertain, it is possible that these laws or privacy standards may be interpreted and applied in a manner that is inconsistent with our practices. Any inability to adequately address privacy concerns, even if unfounded, or to comply with applicable privacy or data protection laws, regulations and privacy standards, could result in additional cost and liability to us, damage our reputation, inhibit the use of our platform and harm our business.

The massive data that we have processed and stored makes us or third-party service providers who host our servers a target and potentially vulnerable to cyber-attacks, computer viruses, physical or electronic break-ins, or similar disruptions. While we have taken steps to protect the confidential information that we have access to, our security measures could be breached. Because techniques used to sabotage or obtain unauthorized access to systems change frequently and generally are not recognized until they are launched against a target, we may be unable to anticipate these techniques or to implement adequate preventative measures. Any accidental or willful security breaches or other unauthorized access to our platform could cause confidential customer and investor information to be stolen and used for criminal purposes. Security breaches or unauthorized access to confidential information could also expose us to liability related to the loss of the information, time-consuming and expensive litigation and negative publicity. If security measures are breached because of any third-party action, employee error, malfeasance or otherwise, or if design flaws in our technology infrastructure are exposed and exploited, our relationships with customers and investors could be severely damaged, we could incur significant liability and our business and operations could be adversely affected.

In addition, we rely on the massive amount of data and customer information that we have accumulated over time to conduct our business. In particular we use customer information to make credit assessment of customers through our *Hawkeye* engine. If these data are lost due to cyber-attacks, computer viruses, physical or electronic break-ins, or similar disruptions, our business could be adversely affected.

Any significant disruption in service on our platforms, our computer systems or third-party service providers' systems, including events beyond our control, could reduce the attractiveness of our platforms and result in a loss of customers or investors.

In the event of a platform outage and physical data loss, our ability to perform our servicing obligations, process loan applications or make funds available on our platforms would be materially and adversely affected. The satisfactory performance, reliability and availability of our platforms and our underlying network infrastructure are critical to our operations, customer service, reputation, and ability to retain existing and attract new customers, investors and institutional funding partners. Much of our system hardware is hosted in leased facilities located in Guangzhou and Beijing. We also rely significantly on our third-party service providers for the operation of our platform. Our operations depend on our ability to protect our systems against damage or interruption from natural disasters, power or telecommunications failures, air quality issues, environmental conditions, computer viruses, or

attempts to harm our systems, criminal acts and similar events. If there is a lapse in service or damage to our leased facilities in Guangzhou and Beijing, we could experience interruptions and delays in our service and may incur additional expenses in arranging new facilities.

Any interruptions or delays in our service, whether as a result of third-party or our error, natural disasters or security breaches, whether accidental or willful, could harm our relationships with our customers, investors and institutional funding partners and our reputation. Our disaster recovery plan has not been tested under actual disaster conditions, and we may not have sufficient capacity to recover all data and services in the event of an outage. These factors could prevent us from processing or posting payments on loans, damage our brand and reputation, divert our employees' attention, subject us to liability and cause customers, investors and institutional funding partners to abandon our platforms, any of which could adversely affect our business, financial condition and results of operations.

Our platforms and internal systems rely on software that is highly technical, and if it contains undetected errors, our business could be adversely affected.

Our platforms and internal systems rely on software that is highly technical and complex. In addition, our platform and internal systems depend on the ability of such software to store, retrieve, process and manage immense amounts of data. The software on which we rely has contained, and may now or in the future contain, undetected errors or bugs. Errors or other design defects within the software on which we rely may result in a negative experience for customers and funding sources, delay introductions of new features or enhancements, result in errors or compromise our ability to protect customer or investor data or our intellectual property. Any errors, bugs or defects discovered in the software on which we rely could result in harm to our reputation, loss of customers or investors or liability for damages, any of which could adversely affect our business, results of operations and financial condition.

We may not be able to prevent others from unauthorized use of our intellectual property, which could harm our business and competitive position.

We regard our trademarks, domain names, know-how, proprietary technologies and similar intellectual property as critical to our success, and we rely on a combination of intellectual property laws and contractual arrangements, including confidentiality with our employees and others, to protect our proprietary rights. Despite these measures, any of our intellectual property rights could be challenged, invalidated, circumvented or misappropriated, or such intellectual property may not be sufficient to provide us with competitive advantages. Furthermore, our efforts in protecting our brand and intellectual property rights may not always be effective. We regularly file applications to register our trademarks in China, but these applications may be challenged by third parties and may not be successful. In addition, because of the rapid pace of technological change in our industry, parts of our business rely on technologies developed or licensed by third parties, and we may not be able to obtain or continue to obtain licenses and technologies from these third parties on reasonable terms, or at all.

It is often difficult to maintain and enforce intellectual property rights in China. Statutory laws and regulations are subject to judicial interpretation and enforcement, and may not be applied consistently due to the lack of clear guidance on statutory interpretation. Confidentiality agreements may be breached by counterparties, and there may not be adequate remedies available to us for any such breach. Accordingly, we may not be able to effectively protect our intellectual property rights or to enforce our contractual rights in China. Preventing any unauthorized use of our intellectual property is difficult and costly, and the steps we take may be inadequate to prevent the misappropriation of our intellectual property. In the event that we resort to litigation to enforce our intellectual property rights, such litigation could result in substantial costs and a diversion of our managerial and financial resources. We can provide no assurance that we will prevail in such litigation. In addition, our trade

secrets may be leaked or otherwise become available to, or be independently discovered by, our competitors. To the extent that our employees or consultants use intellectual property owned by others in their work for us, disputes may arise as to the rights in related know-how and inventions. Any failure in protecting or enforcing our intellectual property rights could have a material adverse effect on our business, financial condition and results of operations.

We may be subject to intellectual property infringement claims, which may be expensive to defend and may disrupt our business and operations.

We cannot be certain that our operations or any aspects of our business do not or will not infringe upon or otherwise violate trademarks, patents, copyrights, know-how or other intellectual property rights held by third parties. We may be from time to time in the future subject to legal proceedings and claims relating to the intellectual property rights of others. Some of our trademarks applications have been challenged by third parties, and we may not be able to successfully register such trademarks. In addition, there may be third-party trademarks, patents, copyrights, know-how or other intellectual property rights that are infringed upon by our products, services or other aspects of our business without our awareness. Holders of such intellectual property rights may seek to enforce such intellectual property rights against us in China, the United States or other jurisdictions. If any third-party infringement claims are brought against us, we may be forced to divert management's time and other resources from our business and operations to defend against these claims, regardless of their merits.

Additionally, the application and interpretation of China's intellectual property right laws and the procedures and standards for granting trademarks, patents, copyrights, know-how or other intellectual property rights in China are still evolving and are uncertain, and we cannot assure you that PRC courts or regulatory authorities would agree with our analysis. If we were found to have violated the intellectual property rights of others, we may be subject to liability for our infringement activities or may be prohibited from using such intellectual property, and we may incur licensing fees or be forced to develop alternatives of our own. As a result, our business and results of operations may be materially and adversely affected.

We may be held liable for information or content displayed on, retrieved from or linked to our mobile applications, which may materially and adversely affect our business and operating results

In addition to our website, we also offer consumer finance products on our mobile applications, which are regulated by the Administrative Provisions on Mobile Internet Applications Information Services, or the APP Provisions, promulgated by the Cyberspace Administration of China, or the CAC, in June 2016 and effective in August 2016. According to the APP Provisions, the providers of mobile applications shall not create, copy, publish or distribute information and content that is prohibited by laws and regulations. We have implemented internal control procedures screening the information and content on our mobile applications to ensure their compliance with the APP Provisions. However, we cannot assure that all the information or content displayed on, retrieved from or linked to our mobile applications complies with the requirements of the APP Provisions at all times. If our mobile applications were found to be violating the APP Provisions, we may be subject to relevant penalties, including warning, service suspension or removal of our mobile applications from the relevant mobile application store, which may materially and adversely affect our business and operating results.

Any failure by us or our third-party service providers to comply with applicable anti-money laundering laws and regulations could damage our reputation.

In cooperation with our partnering custody banks and payment companies, we have adopted various policies and procedures, such as internal controls and "know-your-customer" procedures, for anti-money laundering purposes. The Guidelines purport, among other things, to require internet

finance service providers, including online lending information intermediaries, to comply with certain anti-money laundering requirements, including the establishment of a customer identification program, the monitoring and reporting of suspicious transactions, the preservation of customer information and transaction records, and the provision of assistance to the public security department and judicial authority in investigations and proceedings in relation to anti-money laundering matters. The Interim Measures require the online lending information intermediaries, among other things, to comply with certain anti-money laundering obligations, including verifying customer identification, reporting suspicious transactions and preserving customer information and transaction records. The Custodian Guidelines require that the anti-money laundering obligation be included in the fund custodian agreements between an online lending intermediary and custody banks, and the online lending intermediary shall fulfill and cooperate with depositary to fulfill anti-money laundering obligations. There is no assurance that our anti-money laundering policies and procedures will protect us from being exploited for money laundering purposes or that we will be deemed to be in compliance with applicable anti-money laundering implementing rules, if and when adopted, given that our anti-money laundering obligations in the Guidelines and the Interim Measures are not specified. Any new requirement under money laundering laws could increase our costs, and may expose us to potential sanctions if we fail to comply.

In addition, we rely on our third-party service providers, in particular the custody banks and payment companies that handle the transfer of funds between borrowers and lenders, to have their own appropriate anti-money laundering policies and procedures. The custody banks and payment companies are subject to anti-money laundering obligations under applicable anti-money laundering laws and regulations and are regulated in that respect by the People's Bank of China. If any of our third-party service providers fail to comply with applicable anti-money laundering laws and regulations, our reputation could suffer and we could become subject to regulatory intervention, which could have a material adverse effect on our business, financial condition and results of operations. Any negative perception of the industry, such as those that arise from any failure of other consumer finance marketplaces to detect or prevent money laundering activities, could compromise our image or undermine the trust and credibility we have established. If any of the foregoing were to occur, our reputation, business, financial condition and results of operations might be materially and adversely affected.

From time to time we may evaluate and potentially consummate strategic investments or acquisitions, which could require significant management attention, disrupt our business and adversely affect our financial results.

We may evaluate and consider strategic investments, combinations, acquisitions or alliances to further increase the value of our platforms and better serve customers, investors and institutional funding partners. These transactions could be material to our financial condition and results of operations if consummated. If we are able to identify an appropriate business opportunity, we may not be able to successfully consummate the transaction and, even if we do consummate such a transaction, we may be unable to obtain the benefits or avoid the difficulties and risks of such transaction.

In connection with the audits of our consolidated financial statements as of and for the years ended December 31, 2015 and 2016, we and our independent registered public accounting firm identified one material weakness in our internal control over financial reporting. If we fail to develop and maintain an effective system of internal control over financial reporting, we may be unable to accurately report our financial results or prevent fraud.

Prior to this offering, we have been a private company with limited accounting personnel and other resources with which we address our internal control over financial reporting. In connection with the audits of our consolidated financial statements as of and for the years ended December 31, 2015 and 2016, we and our independent registered public accounting firm identified one material weakness in

our internal control over financial reporting. As defined in the standards established by the U.S. Public Company Accounting Oversight Board, a "material weakness" is a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the annual or interim financial statements will not be prevented or detected on a timely basis.

The material weakness that has been identified relates to our lack of sufficient competent financial reporting and accounting personnel with appropriate understanding of U.S. GAAP to design and implement formal period-end financial reporting controls and procedures, to address complex U.S. GAAP technical accounting issues, and to prepare and review our consolidated financial statements and related disclosures in accordance with U.S. GAAP and financial reporting requirements set forth by the SEC.

This material weakness resulted in a significant number of adjustments and amendments to consolidated financial statements and related disclosures under U.S. GAAP. The material weakness, if not timely remedied, may lead to significant misstatements in our consolidated financial statements in the future.

Neither we nor our independent registered public accounting firm undertook a comprehensive assessment of our internal control for purposes of identifying and reporting material weaknesses and other control deficiencies in our internal control over financial reporting. Had we performed a formal assessment of our internal control over financial reporting or had our independent registered public accounting firm performed an audit of our internal control over financial reporting, additional deficiencies may have been identified.

Following the identification of the material weakness and other control deficiencies, we have taken measures and plan to continue to take measures to remedy these control deficiencies. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Internal Control over Financial Reporting." However, the implementation of these measures may not fully address these deficiencies in our internal control over financial reporting, and we cannot conclude that they have been fully remedied. Our failure to correct these control deficiencies or our failure to discover and address any other control deficiencies could result in inaccuracies in our financial statements and impair our ability to comply with applicable financial reporting requirements and related regulatory filings on a timely basis. Moreover, ineffective internal control over financial reporting could significantly hinder our ability to prevent fraud.

Our business depends on the continued efforts of our senior management. If one or more of our key executives were unable or unwilling to continue in their present positions, our business may be severely disrupted.

Our business operations depend on the continued services of our senior management, particularly the executive officers named in this prospectus. While we have provided different incentives to our management, we cannot assure you that we can continue to retain their services. If one or more of our key executives were unable or unwilling to continue in their present positions, we may not be able to replace them easily or at all, our future growth may be constrained, our business may be severely disrupted and our financial condition and results of operations may be materially and adversely affected, and we may incur additional expenses to recruit, train and retain qualified personnel. There is no assurance that any member of our management team will not join our competitors or form a competing business. If any dispute arises between our current or former officers and us, we may have to incur substantial costs and expenses in order to enforce such agreements in China or we may be unable to enforce them at all.

Competition for employees is intense, and we may not be able to attract and retain the qualified and skilled employees needed to support our business.

We believe our success depends on the efforts and talent of our employees, including risk management, software engineering, financial and marketing personnel. Our future success depends on our continued ability to attract, develop, motivate and retain qualified and skilled employees. Competition for highly skilled technical, risk management and financial personnel is extremely intense. We may not be able to hire and retain these personnel at compensation levels consistent with our existing compensation and salary structure. Some of the companies with which we compete for experienced employees have greater resources than we have and may be able to offer more attractive terms of employment.

In addition, we invest significant time and expenses in training our employees, which increases their value to competitors who may seek to recruit them. If we fail to retain our employees, we could incur significant expenses in hiring and training new employees, and the quality of our services and our ability to serve customers and investors could diminish, resulting in a material adverse effect to our business.

Increases in labor costs in the PRC may adversely affect our business and results of operations.

The economy in China has experienced increases in inflation and labor costs in recent years. As a result, average wages in the PRC are expected to continue to increase. In addition, we are required by PRC laws and regulations to pay various statutory employee benefits, including pension, housing fund, medical insurance, on-the-job injury insurance, unemployment insurance and maternity insurance to designated government agencies for the benefit of our employees. We expect that our labor costs, including wages and employee benefits, will continue to increase. Unless we are able to control our labor costs or pass on these increased labor costs to our users by increasing the fees of our services, our financial condition and results of operations may be adversely affected.

Certain data and information in this prospectus were obtained from third-party sources and were not independently verified by us.

This prospectus contains certain data and information that we obtained from various government and private entity publications including industry information from Oliver Wyman. Statistical data in these publications also include projections based on a number of assumptions. The Chinese credit industry, and online consumer finance industry in particular, may not grow at the rate projected by market data, or at all. Failure of this industry to grow at the projected rate may have a material adverse effect on our business and the market price of our ADSs. In addition, the new and rapidly changing nature of the credit and online consumer finance industry results in significant uncertainties for any projections or estimates relating to the growth prospects or future condition of our industry. Furthermore, if any one or more of the assumptions underlying the market data is later found to be incorrect, actual results may differ from the projections based on these assumptions.

We have not independently verified the data and information contained in such third-party publications and reports. Data and information contained in such third-party publications and reports may be collected using third-party methodologies. In addition, these industry publications and reports generally indicate that the information contained therein was believed to be reliable, but do not guarantee the accuracy and completeness of such information.

We may not have sufficient business insurance coverage.

Insurance companies in China currently do not offer as extensive an array of insurance products as insurance companies in more developed economies. Currently, we do not have any business liability or disruption insurance to cover our operations. We have determined that the costs of insuring for these

risks and the difficulties associated with acquiring such insurance on commercially reasonable terms make it impractical for us to have such insurance. Any uninsured business disruptions may result in our incurring substantial costs and the diversion of resources, which could have an adverse effect on our results of operations and financial condition.

We face risks related to natural disasters, health epidemics and other outbreaks, which could significantly disrupt our operations.

We are vulnerable to natural disasters and other calamities. Fire, floods, typhoons, earthquakes, power loss, telecommunications failures, break-ins, war, riots, terrorist attacks or similar events may give rise to server interruptions, breakdowns, system failures, technology platform failures or internet failures, which could cause the loss or corruption of data or malfunctions of software or hardware as well as adversely affecting our ability to provide products and services on our platform.

Our business could also be adversely affected by the effects of Ebola virus disease, Zika virus disease, H1N1 flu, H7N9 flu, avian flu, Severe Acute Respiratory Syndrome, or SARS, or other epidemics. Our business operations could be disrupted if any of our employees is suspected of having Ebola virus disease, Zika virus disease, H1N1 flu, H7N9 flu, avian flu, SARS or any other epidemic, since it could require our employees to be quarantined and/or our offices to be disinfected. In addition, our results of operations could be adversely affected to the extent that any of these epidemics harms the Chinese economy in general.

Our headquarters is located in Shenzhen, where most of our directors and management and a significant portion of our employees currently reside. Most of our system hardware and back-up systems are hosted in leased facilities located in Guangzhou and Beijing. Consequently, we are highly susceptible to factors adversely affecting Shenzhen, Guangzhou and Beijing. If any of the abovementioned natural disasters, health epidemics or other outbreaks were to occur in Shenzhen, Guangzhou or Beijing, our operation may experience material disruptions, such as temporary closure of our offices and suspension of services, which may materially and adversely affect our business, financial condition and results of operations.

Risks Related to Our Corporate Structure

If the PRC government deems that the contractual arrangements in relation to our variable interest entities and their subsidiaries do not comply with PRC regulatory restrictions on foreign investment in the relevant industries, or if these regulations or the interpretation of existing regulations change in the future, we could be subject to severe penalties or be forced to relinquish our interests in those operations.

Foreign ownership of internet-based businesses, such as distribution of online information and other value-added telecommunication services, are subject to restrictions under current PRC laws and regulations. For example, foreign investors are generally not allowed to own more than 50% of the equity interests in a value-added telecommunication service provider with certain exceptions relating to e-commerce business, and any such foreign investor must have experience in providing value-added telecommunications services overseas and maintain a good track record in accordance with the Catalog (2017 Revision), and other applicable laws and regulations.

We are a Cayman Islands company and our PRC subsidiaries are considered foreign-invested enterprises. To comply with PRC laws and regulations, we set up a series of contractual arrangements entered into among Beijing Shijitong, our variable interest entities, and their shareholders to conduct our operations in China. For a detailed description of these contractual arrangements, see "Corporate History and Structure—Contractual Arrangements with Our Variable Interest Entities." As a result of these contractual arrangements, we exert control over our variable interest entities and their subsidiaries and consolidate their operating results in our financial statements under U.S. GAAP. Our online consumer finance platform, *Fenqile*, operated by Shenzhen *Fenqile*, a subsidiary of Shenzhen

Xinjie, our variable interest entity, has obtained certain value-added telecommunications service license for the operations of internet content service from the Guangdong Administration of Telecommunications in April 2017, which will remain valid until May 2019 and certain value-added telecommunications service license for the operation of domestic call center service and content service (excluding internet content service) from MIIT in July 2017, which will remain valid until July 2022. It is uncertain if our variable interest entities and their subsidiaries will be required to obtain a separate operating license with respect to our mobile applications in addition to the value-added telecommunications business license.

In the opinion of our PRC counsel, Beijing Shihui Law Firm, the ownership structures of Beijing Shijitong and our variable interest entities, currently do not, and immediately after giving effect to this offering, will not, result in any violation of the applicable PRC laws or regulations currently in effect; and the contractual arrangements among Beijing Shijitong, our variable interest entities and their shareholders, are governed by PRC laws or regulations, and are currently valid, binding and enforceable in accordance with the applicable PRC laws or regulations currently in effect, and do not result in any violation of the applicable PRC laws or regulations currently in effect. However, Beijing Shihui Law Firm has also advised us that there are substantial uncertainties regarding the interpretation and application of current or future PRC laws and regulations, and there can be no assurance that the PRC government will ultimately take a view that is consistent with the opinion of our PRC counsel.

It is uncertain whether any new PRC laws, regulations or rules relating to the "variable interest entity" structure will be adopted or if adopted, what they would provide. In particular, in January 2015, the Ministry of Commerce, or the MOC, published a discussion draft of the proposed Foreign Investment Law, or the Draft Foreign Investment Law, for public review and comments. Among other things, the Draft Foreign Investment Law expands the definition of foreign investment and introduces the principle of "actual control" in determining whether a company is considered a foreign-invested enterprise, or an FIE. Under the Draft Foreign Investment Law, variable interest entities would also be deemed as FIEs, if they are ultimately "controlled" by foreign investors, and be subject to restrictions on foreign investments. However, the draft law has not taken a position on what actions will be taken with respect to the existing companies with the "variable interest entity" structure, whether or not these companies are controlled by Chinese parties. It is uncertain when the draft would be signed into law and whether the final version would have any substantial changes from the draft. If the ownership structure, contractual arrangements and business of our company, our PRC subsidiaries or our variable interest entities are found to be in violation of any existing or future PRC laws or regulations, or we fail to obtain or maintain any of the required permits or approvals, the relevant governmental authorities would have broad discretion in dealing with such violation, including levying fines, confiscating our income or the income of our PRC subsidiaries, variable interest entities or their subsidiaries, revoking the business licenses and/or operating licenses of such entities, shutting down our servers or blocking our online platforms, discontinuing or placing restrictions or onerous conditions on our operations, requiring us to undergo a costly and disruptive restructuring, restricting or prohibiting our use of proceeds from this offering to finance our business and operations in China, and taking other regulatory or enforcement actions that could be harmful to our business. Any of these actions could cause significant disruption to our business operations and severely damage our reputation, which would in turn materially and adversely affect our business, financial condition and results of operations. If any of these occurrences results in our inability to direct the activities of our variable interest entities and their subsidiaries, and/or our failure to receive economic benefits from our variable interest entities and their subsidiaries, we may not be able to consolidate their results into our consolidated financial statements in accordance with U.S. GAAP.

We rely on contractual arrangements with our variable interest entities and their shareholders, for a significant portion of our business operations, which may not be as effective as direct ownership in providing operational control.

We have relied and expect to continue to rely on contractual arrangements with our variable interest entities and their shareholders to operate our *Fenqile* and *Juzi Licai* through Shenzhen Fenqile and Qianhai Juzi, respectively. For a description of these contractual arrangements, see "Corporate History and Structure—Contractual Arrangements with Our Variable Interest Entities." These contractual arrangements may not be as effective as direct ownership in providing us with control over our variable interest entities and their subsidiaries. For example, our variable interest entities or their shareholders may fail to fulfill their contractual obligations with us, by, among other things, failing to maintain our website and use the domain names and trademarks in a manner as stipulated in the contractual arrangements, or taking other actions that are detrimental to our interests.

If we had direct ownership of our variable interest entities, we would be able to exercise our rights as shareholders to effect changes in their board of directors, which in turn could implement changes, subject to any applicable fiduciary obligations, at the management and operational level. However, under the current contractual arrangements, we rely on the performance by our variable interest entities and their shareholders of their obligations under the contractual arrangements to exercise control over our variable interest entities and their subsidiaries. The shareholders of our variable interest entities may not act in the best interests of our company or may not perform their obligations under these contracts. Such risks exist throughout the period in which we intend to operate certain portion of our business through the contractual arrangements with our variable interest entities and their shareholders. Although we have the right to replace any shareholder of such entities under the contractual arrangements, if any of these shareholder is uncooperative or any dispute relating to these contracts remains unresolved, we will have to enforce our rights under these contracts through the operations of PRC laws and arbitration, litigation and other legal proceedings, the outcome of which will be subject to uncertainties in the PRC legal system. Therefore, our contractual arrangements with our variable interest entities and their shareholders may not be as effective in ensuring our control over the relevant portion of our business operations as direct ownership would be.

Any failure by our variable interest entities or their respective shareholders to perform their obligations under our contractual arrangements with them would have a material adverse effect on our business.

We have entered into a series of contractual arrangements with our variable interest entities and their shareholders. For a description of these contractual arrangements, see "Corporate History and Structure—Contractual Arrangements with Our Variable Interest Entities." If our variable interest entities or their shareholders fail to perform their respective obligations under the contractual arrangements, we may incur substantial costs and expend additional resources to enforce such arrangements. We may also have to rely on legal remedies under PRC laws, including seeking specific performance or injunctive relief, and claiming damages, which we cannot assure you will be effective under PRC laws. For example, if the shareholders of our variable interest entities were to refuse to transfer their equity interests in such entities to us or our designee when we exercise the purchase option pursuant to these contractual arrangements, or if they were otherwise to act in bad faith toward us, then we may have to take legal action to compel them to perform their contractual obligations.

All the agreements under our contractual arrangements are governed by PRC laws and provide for the resolution of disputes through arbitration in China. Accordingly, these contracts would be interpreted in accordance with PRC laws and any disputes would be resolved in accordance with PRC legal procedures. The legal system in the PRC is not as developed as in some other jurisdictions, such as the United States. As a result, uncertainties in the PRC legal system could limit our ability to enforce these contractual arrangements. Meanwhile, there are very few precedents and little formal guidance as to how contractual arrangements in the context of a variable interest entity should be

interpreted or enforced under PRC laws. There remain significant uncertainties regarding the ultimate outcome of such arbitration should legal action become necessary. In addition, under PRC laws, rulings by arbitrators are final and parties cannot appeal the arbitration results in court unless such rulings are revoked or determined unenforceable by a competent court. If the losing parties fail to carry out the arbitration awards within a prescribed time limit, the prevailing parties may only enforce the arbitration awards in PRC courts through arbitration award recognition proceedings, which would require additional expenses and delay. In the event that we are unable to enforce these contractual arrangements, or if we suffer significant delay or other obstacles in the process of enforcing these contractual arrangements, we may not be able to exert effective control over our variable interest entities and their subsidiaries, and our ability to conduct our business may be negatively affected. See "—Risks Related to Doing Business in China—Uncertainties in the interpretation and enforcement of PRC laws and regulations could limit the legal protections available to us."

The shareholders of our variable interest entities may have potential conflicts of interest with us, which may materially and adversely affect our business and financial condition.

The equity interests of our variable interest entities are held by Mr. Jay Wenjie Xiao, Mr. Richard Qiangdong Liu, Mr. Wenbin Li, Mr. Kris Qian Qiao, Mr. Jianwei Wei, and Tibet Xianfeng Management Consultation Co., Ltd. (as applicable). These shareholders may have potential conflicts of interest with us. These shareholders may breach, or cause our variable interest entities to breach, the existing contractual arrangements, which would have a material adverse effect on our ability to effectively control our variable interest entities and their subsidiaries and receive economic benefits from them. For example, these shareholders may be able to cause our agreements with our variable interest entities to be performed in a manner adverse to us by, among other things, failing to remit payments due under the contractual arrangements to us on a timely basis. We cannot assure you that when conflicts of interest arise, any or all of these shareholders will act in the best interests of our company or such conflicts will be resolved in our favor.

Currently, we do not have any arrangements to address potential conflicts of interest between these shareholders and our company, except that we could exercise our purchase option under the exclusive option agreement with these shareholders to request them to transfer all of their equity interests in our variable interest entities to a PRC entity or individual designated by us, to the extent permitted by PRC laws. If we cannot resolve any conflict of interest or dispute between us and these shareholders, we would have to rely on legal proceedings, which could result in the disruption of our business and subject us to substantial uncertainty as to the outcome of any such legal proceedings.

Contractual arrangements in relation to our variable interest entities, may be subject to scrutiny by the PRC tax authorities and they may determine that we, or our variable interest entities and their subsidiaries, owe additional taxes, which could negatively affect our financial condition and the value of your investment.

Under applicable PRC laws and regulations, arrangements and transactions among related parties may be subject to audit or challenge by the PRC tax authorities. The PRC enterprise income tax law requires every enterprise in China to submit its annual enterprise income tax return together with a report on transactions with its related parties to the relevant tax authorities. The tax authorities may impose reasonable adjustments on taxation if they have identified any related party transactions that are inconsistent with arm's length principles. We may face material and adverse tax consequences if the PRC tax authorities determine that the contractual arrangements among Beijing Shijitong, our wholly-owned subsidiary in China, our variable interest entities and their shareholders were not entered into on an arm's length basis in such a way as to result in an impermissible reduction in taxes under applicable PRC laws, regulations and rules, and adjust income of our variable interest entities in the form of a transfer pricing adjustment. A transfer pricing adjustment could, among other things, result in a reduction of expense deductions recorded by our variable interest entities for PRC tax purposes,

which could in turn increase their tax liabilities without reducing Beijing Shijitong's tax expenses. In addition, if Beijing Shijitong requests the shareholders of our variable interest entities to transfer their equity interests at nominal or no value pursuant to these contractual arrangements, such transfer could be viewed as a gift and subject Beijing Shijitong to PRC income tax. Furthermore, the PRC tax authorities may impose late payment fees and other penalties on our variable interest entities for the adjusted but unpaid taxes according to the applicable regulations. Our financial position could be materially adversely affected if our variable interest entities' tax liabilities increase or if they are required to pay late payment fees and other penalties.

We may lose the ability to use and benefit from assets held by our variable interest entities that are material to the operation of our business if the entity goes bankrupt or becomes subject to a dissolution or liquidation proceeding.

Our variable interest entities hold certain assets that are material to the operation of our business, including, among others, intellectual properties, hardware and software. Shenzhen Fenqile holds our value-added telecommunication business license for our online consumer finance business. Under the contractual arrangements, our variable interest entities may not, and the shareholders of our variable interest entities and Shenzhen Fenqile may not cause them to, in any manner, sell, transfer, mortgage or dispose of their assets or their legal or beneficial interests in the business without our prior consent. However, in the event these shareholders breach these contractual arrangements and voluntarily liquidate our variable interest entities, or our variable interest entities declare bankruptcy and all or part of their assets become subject to liens or rights of third-party creditors, or are otherwise disposed of without our consent, we may be unable to continue some or all of our business activities, which could materially adversely affect our business, financial condition and results of operations. If our variable interest entities undergo a voluntary or involuntary liquidation proceeding, the independent third-party creditors may claim rights to some or all of these assets, thereby hindering our ability to operate our business, which could materially and adversely affect our business, financial condition and results of operations.

Risks Related to Doing Business in China

Changes in China's economic, political or social conditions or government policies could have a material adverse effect on our business and results of operations.

Substantially all of our operations are located in China. Accordingly, our business, prospects, financial condition and results of operations may be influenced to a significant degree by political, economic and social conditions in China generally and by continued economic growth in China as a whole.

The Chinese economy differs from the economies of most developed countries in many respects, including the amount of government involvement, level of development, growth rate, control of foreign exchange and allocation of resources. Although the Chinese government has implemented measures emphasizing the utilization of market forces for economic reform, the reduction of state ownership of productive assets and the establishment of improved corporate governance in business enterprises, a substantial portion of productive assets in China are still owned by the government. In addition, the Chinese government continues to play a significant role in regulating industry development by imposing industrial policies. The Chinese government also exercises significant control over China's economic growth through allocating resources, controlling payment of foreign currency-denominated obligations, setting monetary policy and providing preferential treatment to particular industries or companies.

While the Chinese economy has experienced significant growth over the past decades, growth has been uneven, both geographically and among various sectors of the economy. The Chinese government has implemented various measures to encourage economic growth and guide the allocation of

resources. Some of these measures may benefit the overall Chinese economy, but may have a negative effect on us. For example, our financial condition and results of operations may be adversely affected by government control over capital investments or changes in tax regulations. In addition, in the past the Chinese government has implemented certain measures, including interest rate increases, to control the pace of economic growth. These measures may cause decreased economic activity in China, and since 2012, the Chinese economy has slowed down. Any prolonged slowdown in the Chinese economy may reduce the demand for our products and services and materially and adversely affect our business and results of operations.

A downturn in the Chinese or global economy could reduce the demand for consumer loans and investments, which could materially and adversely affect our business and financial condition.

The global financial markets have experienced significant disruptions between 2008 and 2009 and the United States, Europe and other economies have experienced periods of recessions. The recovery from the lows of 2008 and 2009 has been uneven and is facing new challenges, including the announcement of Brexit which creates additional global economic uncertainty and the slowdown of the Chinese economic growth since 2012. It is unclear whether the Chinese economy will resume its high growth rate. There is considerable uncertainty over the long-term effects of the expansionary monetary and fiscal policies adopted by the central banks and financial authorities of some of the world's leading economies, including the United States and China. There have also been concerns over unrest in the Middle East and Africa, which have resulted in volatility in financial and other markets. There have also been concerns about the economic effect of the tensions in the relationship between China and surrounding Asian countries. Economic conditions in China are sensitive to global economic conditions. Any prolonged slowdown in the global or Chinese economy may reduce the demand for consumer loans and investments and have a negative impact on our business, results of operations and financial condition. Additionally, continued turbulence in the international markets may adversely affect our ability to access the capital markets to meet liquidity needs.

Uncertainties in the interpretation and enforcement of PRC laws and regulations could limit the legal protections available to us.

The PRC legal system is based on written statutes and prior court decisions have limited value as precedents. Since these laws and regulations are relatively new and the PRC legal system continues to rapidly evolve, the interpretations of many laws, regulations and rules are not always uniform and enforcement of these laws, regulations and rules involves uncertainties.

In particular, PRC laws and regulations concerning the online consumer finance industry are developing and evolving. Although we have taken measures to comply with the laws and regulations that are applicable to our business operations, including the regulatory principles raised by the CBRC, and avoid conducting any noncompliant activities under the applicable laws and regulations, such as illegal fund-raising, forming fund collection or providing guarantee to investors, the PRC government authority may promulgate detailed implementation regulation of the Interim Measure, or other new laws and regulations regulating the online consumer finance industry in the future. We cannot assure you that our practice would not be deemed to violate any new PRC laws or regulations relating to online consumer finance. Moreover, developments in the online consumer finance industry may lead to changes in PRC laws, regulations and policies or in the interpretation and application of existing laws, regulations and policies that may limit or restrict online consumer finance platforms like us, which could materially and adversely affect our business and operations.

From time to time, we may have to resort to administrative and court proceedings to enforce our legal rights. However, since PRC administrative and court authorities have significant discretion in interpreting and implementing statutory and contractual terms, it may be more difficult to evaluate the outcome of administrative and court proceedings and the level of legal protection we enjoy than in

more developed legal systems. Furthermore, the PRC legal system is based in part on government policies and internal rules (some of which are not published in a timely manner or at all) that may have retroactive effect. As a result, we may not be aware of our violation of these policies and rules until sometime after the violation. Such uncertainties, including uncertainty over the scope and effect of our contractual, property (including intellectual property) and procedural rights, could materially and adversely affect our business and impede our ability to continue our operations.

Substantial uncertainties exist with respect to the enactment timetable, interpretation and implementation of the Draft PRC Foreign Investment Law and how it may impact the viability of our current corporate structure, corporate governance and business operations.

In January 2015, the Ministry of Commerce, or the MOFCOM, published the Draft Foreign Investment Law for public review and comments. Among other things, the Draft Foreign Investment Law purports to introduce the principle of "actual control" in determining whether a company is considered a foreign invested enterprise, or a FIE. The Draft Foreign Investment Law specifically provides that entities established in China but "controlled" by foreign investors will be treated as FIEs. In this connection, "control" is broadly defined in the Draft Foreign Investment Law to cover any of the following summarized categories: (i) holding 50% or more of the voting rights of the subject entity; (ii) holding less than 50% of the voting rights of the subject entity but having the power to secure at least 50% of the seats on the board or other equivalent decision-making bodies, or having the voting power to exert material influence on the board, the shareholders' meeting or other equivalent decision-making bodies; or (iii) having the power to exert decisive influence, via contractual or trust arrangements, over the subject entity's operations, financial matters or other key aspects of its business operations. Once an entity is determined to be a FIE, and its investment amount exceeds certain thresholds or its business operation falls within the "catalog of special management measures" proposed to be separately issued by the State Council in the future, market entry clearance by the MOFCOM or its local counterparts would be required. According to the Draft Foreign Investment Law, variable interest entities would also be deemed as FIEs, if they are ultimately "controlled" by foreign investors, and be subject to restrictions on foreign investments. However, the Draft Foreign Investment Law has not taken a position on what actions will be taken with respect to the existing companies with the "variable interest entity" structures, whether or not these companies are controlled by Chinese parties.

The "variable interest entity" structure, or VIE structure, has been adopted by many PRC-based companies, including us, to obtain necessary licenses and permits in the industries that are currently subject to foreign investment restrictions in China. See "—Risks Related to Our Corporate Structure" and "Corporate History and Structure." Under the Draft Foreign Investment Law, VIEs that are controlled via contractual arrangement would also be deemed as FIEs, if they are ultimately "controlled" by foreign investors. Therefore, for any companies with a VIE structure in an industry category that is on the "catalog of restrictions," the VIE structure may be deemed a domestic investment only if the ultimate controlling person(s) is/are of PRC nationality (either PRC companies or PRC citizens). Conversely, if the actual controlling person(s) is/are of foreign nationalities, then the VIEs will be treated as FIEs and any operation in the industry category on the "catalog of restrictions" without market entry clearance may be considered as illegal.

In addition, the Draft Foreign Investment Law does not indicate what actions shall be taken with respect to the existing companies with a VIE structure, whether or not these companies are controlled by Chinese parties. Moreover, it is uncertain whether the online consumer finance industry will be subject to the foreign investment restrictions or prohibitions set forth in the "catalog of special management measures" applied to the Draft Foreign Investment Law. If the enacted version of the Foreign Investment Law and the final "catalog of special management measures" mandate further actions, such as the MOC market entry clearance, to be completed by companies with an existing VIE

structure like us, we face uncertainties as to whether such clearance can be timely obtained, or at all. If we are not able to obtain such clearance when required, our variable interest entity structure may be regarded as invalid and illegal. As a result, we would not be able to (i) continue our business in China through our contractual arrangements with our variable interest entities and their subsidiaries, (ii) receive the economic benefits of our variable interest entities and their subsidiaries under such contractual arrangements, or (iii) consolidate the financial results of our variable interest entities and their subsidiaries. Were this to occur, our results of operations and financial condition would be materially and adversely affected and the market price of our ADSs may decline.

The Draft Foreign Investment Law, if enacted as proposed, may also materially impact our corporate governance practice and increase our compliance costs. For instance, the Draft Foreign Investment Law imposes stringent ad hoc and periodic information reporting requirements on foreign investors and the applicable FIEs. Aside from an investment information report required at each investment, and investment amendment reports, which shall be submitted upon alteration of investment specifics, it is mandatory for entities established by foreign investors to submit an annual report, and large foreign investors meeting certain criteria are required to report on a quarterly basis. Any company found to be non-compliant with these reporting obligations may potentially be subject to fines and/or administrative or criminal liabilities, and the persons directly responsible may be subject to criminal liabilities.

We rely on dividends and other distributions on equity paid by our PRC subsidiaries to fund any cash and financing requirements we may have, and any limitation on the ability of our PRC subsidiaries to make payments to us could have a material adverse effect on our ability to conduct our business.

We are a holding company, and we rely on dividends and other distributions on equity paid by our PRC subsidiaries for our cash and financing requirements, including the funds necessary to pay dividends and other cash distributions to our shareholders and service any debt we may incur. If our PRC subsidiaries incur debt on their own behalf in the future, the instruments governing the debt may restrict their ability to pay dividends or make other distributions to us. In addition, the PRC tax authorities may require our PRC subsidiaries to adjust its taxable income under the contractual arrangements it currently has in place with our variable interest entities and their subsidiaries, in a manner that would materially and adversely affect their ability to pay dividends and other distributions to us.

Under PRC laws and regulations, our PRC subsidiaries, as wholly foreign-owned enterprises in China, may pay dividends only out of their respective accumulated after-tax profits as determined in accordance with PRC accounting standards and regulations. In addition, a wholly foreign-owned enterprise is required to set aside at least 10% of its accumulated after-tax profits each year, if any, to fund certain statutory reserve funds, until the aggregate amount of such funds reaches 50% of its registered capital. At its discretion, a wholly foreign-owned enterprise may allocate a portion of its after-tax profits based on PRC accounting standards to staff welfare and bonus funds. These reserve funds and staff welfare and bonus funds are not distributable as cash dividends.

In response to the persistent capital outflow and RMB's depreciation against the U.S. dollar in the fourth quarter of 2016, the People's Bank of China and the State Administration of Foreign Exchange, or SAFE, have implemented a series of capital control measures over recent months, including stricter vetting procedures for China-based companies to remit foreign currency for overseas acquisitions, dividend payments and shareholder loan repayments. For instance, the People's Bank of China issued the Circular on Further Clarification of Relevant Matters Relating to Offshore RMB Loans Provided by Domestic Enterprises, or the PBOC Circular 306, in November 2016, which provides that offshore RMB loans provided by a domestic enterprise to offshore enterprises that it holds equity interests in shall not exceed 30% of such equity interests. The PBOC Circular 306 may constrain our PRC subsidiaries' ability to provide offshore loans to us. The PRC government may continue to strengthen

its capital controls and our PRC subsidiaries' dividends and other distributions may be subjected to tighter scrutiny in the future. Any limitation on the ability of our PRC subsidiaries to pay dividends or make other distributions to us could materially and adversely limit our ability to grow, make investments or acquisitions that could be beneficial to our business, pay dividends, or otherwise fund and conduct our business. See also "—If we are classified as a PRC resident enterprise for PRC income tax purposes, such classification could result in unfavorable tax consequences to us and our non-PRC shareholders or ADS holders."

PRC regulation of loans to and direct investment in PRC entities by offshore holding companies and governmental control of currency conversion may delay or prevent us from using the proceeds of this offering to make loans to or make additional capital contributions to our PRC subsidiaries, which could materially and adversely affect our liquidity and our ability to fund and expand our business.

Any funds we transfer to our PRC subsidiaries, either as a shareholder loan or as an increase in registered capital, are subject to filing or registration with the relevant governmental authorities in China. According to the relevant PRC regulations on foreign-invested enterprises in China, capital contributions to our PRC subsidiaries are subject to the requirement of making necessary filings in the Foreign Investment Comprehensive Management Information System, or FICMIS, and registration with other governmental authorities in China. In addition, (a) any foreign loan procured by our PRC subsidiaries is required to be registered with SAFE, or its local branches, and (b) each of our PRC subsidiaries may not procure loans which exceed the statutory limit. Any medium or long-term loan to be provided by us to our variable interest entity must be recorded and registered by the National Development and Reform Committee and SAFE or its local branches. We may not complete such recording or registrations on a timely basis, if at all, with respect to future capital contributions or foreign loans by us to our PRC subsidiaries. If we fail to complete such recording or registration, our ability to use the proceeds of this offering and to capitalize our PRC operations may be negatively affected, which could adversely affect our liquidity and our ability to fund and expand our business.

In 2008, SAFE promulgated the Circular on the Relevant Operating Issues Concerning the Improvement of the Administration of the Payment and Settlement of Foreign Currency Capital of Foreign-Invested Enterprises, or SAFE Circular 142, which used to regulate the conversion by foreign-invested enterprises of foreign currency into Renminbi by restricting the usage of converted Renminbi. In March 2015, SAFE promulgated the Circular on Reforming the Management Approach Regarding the Foreign Exchange Capital Settlement of Foreign-Invested Enterprises, or SAFE Circular 19. SAFE Circular 19 took effect as of June 1, 2015 and superseded SAFE Circular 142 on the same date. SAFE Circular 19 launched a nationwide reform of the administration of the settlement of the foreign exchange capitals of foreign-invested enterprises and allows foreign-invested enterprises to settle their foreign exchange capital at their discretion, but continues to prohibit foreign-invested enterprises from using the Renminbi fund converted from their foreign exchange capitals for expenditures beyond their business scopes. In June 2016, SAFE promulgated the Circular on Reforming and Standardizing the Administrative Provisions on Capital Account Foreign Exchange, or SAFE Circular 16. SAFE Circular 19 and SAFE Circular 16 continue to prohibit foreign-invested enterprises from, among other things, using the Renminbi fund converted from its foreign exchange capitals for expenditure beyond its business scope, investment and financing (except for security investment or guarantee products issued by bank), providing loans to non-affiliated enterprises or constructing or purchasing real estate not for self-use. SAFE Circular 19 and SAFE Circular 16 may significantly limit our ability to transfer to and use in China the net proceeds from this offering, which may adversely affect our business, financial condition and results of operations.

Fluctuations in exchange rates could have a material adverse effect on our results of operations and the price of our ADSs.

The value of the Renminbi against the U.S. dollar and other currencies may fluctuate and is affected by, among other things, changes in political and economic conditions in China and by China's foreign exchange policies. In July 2005, the PRC government changed its decade-old policy of pegging the value of the Renminbi to the U.S. dollar, and the Renminbi appreciated more than 20% against the U.S. dollar over the following three years. Between July 2008 and June 2010, this appreciation halted and the exchange rate between the Renminbi and the U.S. dollar remained within a narrow band. Between 2010 and 2013, the Renminbi appreciated gradually while between 2014 and in 2015 the Renminbi depreciated. The general trends in these two periods were characterized by periodic volatilities. In November 2015, the Executive Board of the International Monetary Fund (IMF) completed the regular five-year review of the basket of currencies that make up the Special Drawing Right, or the SDR, and decided that with effect from October 1, 2016, the Renminbi is determined to be a freely usable currency and will be included in the SDR basket as a fifth currency, along with the U.S. dollar, the Euro, the Japanese yen and the British pound. In the fourth quarter of 2016, the RMB has depreciated significantly in the backdrop of a surging U.S. dollar and persistent capital outflows of China. With the development of the foreign exchange market progressing towards interest rate liberalization and Renminbi internationalization and economic uncertainties in both China and the world, the PRC government may in the future announce further changes to the exchange rate system and we cannot assure you that the Renminbi will not appreciate or depreciate significantly in value against the U.S. dollar in the future. It is difficult to predict how market forces or PRC or U.S. government policy may impact the exchange rate between the Renminbi and the U.S. dollar in the future.

Our revenue and costs are mostly denominated in Renminbi and our reporting currency is Renminbi. Significant revaluation of the Renminbi may have a material and adverse effect on your investment. For example, to the extent that we need to convert U.S. dollars we receive from this offering into Renminbi for our operations, appreciation of the Renminbi against the U.S. dollar would reduce the Renminbi amount we would receive from the conversion. Conversely, if we decide to convert our Renminbi into U.S. dollars for the purpose of making payments for dividends on our Class A ordinary shares or ADSs or for other business purposes, appreciation of the U.S. dollar against the Renminbi would reduce the U.S. dollar amount available to us.

Very limited hedging options are available in China to reduce our exposure to exchange rate fluctuations. To date, we have not entered into any hedging transactions in an effort to reduce our exposure to foreign currency exchange risk. While we may decide to enter into hedging transactions in the future, the availability and effectiveness of these hedges may be limited and we may not be able to hedge our exposure adequately or at all. In addition, our currency exchange losses may be magnified by PRC exchange control regulations that restrict our ability to convert Renminbi into foreign currency.

Governmental control of currency conversion may limit our ability to utilize our operating revenue effectively and affect the value of your investment.

The PRC government imposes controls on the convertibility of the RMB into foreign currencies and, in certain cases, the remittance of currency out of China. We receive substantially all of our operating revenue in RMB. Under our current corporate structure, our company in the Cayman Islands relies on dividend payments from our PRC subsidiaries to fund any cash and financing requirements we may have. Under existing PRC foreign exchange regulations, payments of current account items, such as profit distributions and trade and service-related foreign exchange transactions, can be made in foreign currencies without prior approval from SAFE by complying with certain procedural requirements. Therefore, our PRC subsidiaries are able to pay dividends in foreign currencies to us without prior approval from SAFE, subject to the condition that the remittance of such dividends

outside of the PRC complies with certain procedures under PRC foreign exchange regulation, such as the overseas investment registrations by the beneficial owners of our company who are PRC residents. But approval from or registration with appropriate government authorities is required where RMB is to be converted into foreign currency and remitted out of China to pay capital expenses such as the repayment of loans denominated in foreign currencies.

In light of the substantial capital outflows of China in 2016 due to the weakening of Renminbi, the PRC government has imposed more restrictive foreign exchange policies and stepped up scrutiny of major outbound capital movement. More restrictions and substantial vetting processes have been put in place by SAFE to regulate cross-border transactions falling under the capital account. The PRC government may at its discretion further restrict access to foreign currencies in the future for current account transactions. If the foreign exchange control system prevents us from obtaining sufficient foreign currencies to satisfy our foreign currency demands, we may not be able to pay dividends in foreign currencies to our shareholders, including holders of our ADSs.

Failure to make adequate contributions to various employee benefit plans and withhold individual income tax on employees' salaries as required by PRC regulations may subject us to penalties.

Companies operating in China are required to participate in various government sponsored employee benefit plans, including certain social insurance, housing funds and other welfare-oriented payment obligations, and contribute to the plans in amounts equal to certain percentages of salaries, including bonuses and allowances, of our employees up to a maximum amount specified by the local government from time to time at locations where we operate our businesses. The requirement of employee benefit plans has not been implemented consistently by the local governments in China given the different levels of economic development in different locations. Companies operating in China are also required to withhold individual income tax on employees' salaries based on the actual salary of each employee upon payment. We have not made adequate employee benefit payments. Neither have we fully withheld the individual income tax in accordance with the relevant PRC laws and regulations. With respect to the underpaid employee benefits, we may be required to make up the contributions for these plans as well as to pay late fees and fines; with respect to the underwithheld individual income tax, we may be required to make up sufficient withholding and pay late fees and fines. If we are subject to late fees or fines in relation to the underpaid employee benefits and underwithheld individual income tax, our financial condition and results of operations may be adversely affected.

The M&A Rules and certain other PRC regulations establish complex procedures for some acquisitions of Chinese companies by foreign investors, which could make it more difficult for us to pursue growth through acquisitions in China.

The Regulations on Mergers and Acquisitions of Domestic Companies by Foreign Investors, or the M&A Rules, adopted by six PRC regulatory agencies in 2006 and amended in 2009, and some other regulations and rules concerning mergers and acquisitions established additional procedures and requirements that could make merger and acquisition activities by foreign investors more time-consuming and complex, including requirements in some instances that the MOC be notified in advance of any change-of-control transaction in which a foreign investor takes control of a PRC domestic enterprise. Moreover, the Anti-Monopoly Law requires that the MOC shall be notified in advance of any concentration of undertaking if certain thresholds are triggered. In addition, the security review rules issued by the MOC that became effective in September 2011 specify that mergers and acquisitions by foreign investors that raise "national defense and security" concerns and mergers and acquisitions through which foreign investors may acquire de facto control over domestic enterprises that raise "national security" concerns are subject to strict review by the MOC, and the rules prohibit any activities attempting to bypass a security review, including by structuring the transaction through a proxy or contractual control arrangement. In the future, we may grow our business by acquiring

complementary businesses. Complying with the requirements of the above-mentioned regulations and other relevant rules to complete such transactions could be time-consuming, and any required approval processes, including obtaining approval from the MOC or its local counterparts may delay or inhibit our ability to complete such transactions, which could affect our ability to expand our business or maintain our market share.

PRC regulations relating to offshore investment activities by PRC residents may limit our PRC subsidiaries' ability to increase their registered capital or distribute profits to us or otherwise expose us or our PRC resident beneficial owners to liability and penalties under PRC law.

SAFE promulgated the Circular on Relevant Issues Relating to PRC Resident's Investment and Financing and Roundtrip Investment through Special Purpose Vehicles, or SAFE Circular 37, in July 2014 that requires PRC residents or entities to register with SAFE or its local branch in connection with their establishment or control of an offshore entity established for the purpose of overseas investment or financing. In addition, such PRC residents or entities must update their SAFE registrations when the offshore special purpose vehicle undergoes material events relating to any change of basic information (including change of such PRC residents or entities, name and operation term), increases or decreases in investment amount, transfers or exchanges of shares, or mergers or divisions.

SAFE Circular 37 is issued to replace the Circular on Relevant Issues Concerning Foreign Exchange Administration for PRC Residents Engaging in Financing and Roundtrip Investments through Overseas Special Purpose Vehicles, or SAFE Circular 75. In February 2015, SAFE released the Notice of the State Administration of Foreign Exchange on Further Simplifying and Improving the Policies of Foreign Exchange Administration Applicable to Direct Investment, or Circular 13, which has amended Circular 37 by requiring PRC residents or entities to register with qualified banks rather than SAFE or its local branch in connection with their establishment or control of an offshore entity established for the purpose of overseas investment or financing.

If our shareholders who are PRC residents or entities do not complete their registration as required, our PRC subsidiaries may be prohibited from distributing their profits and proceeds from any reduction in capital, share transfer or liquidation to us, and we may be restricted in our ability to contribute additional capital to our PRC subsidiaries. Moreover, failure to comply with the SAFE registration described above could result in liability under PRC laws for evasion of applicable foreign exchange restrictions.

Mr. Jay Wenjie Xiao and Mr. Richard Qiangdong Liu, who directly or indirectly hold shares in our Cayman Islands holding company and who are known to us as being PRC residents, have completed the foreign exchange registrations in accordance with SAFE Circular 75 then in effect.

However, we may not be informed of the identities of all the PRC residents or entities holding direct or indirect interest in our company, nor can we compel our beneficial owners to comply with the requirements of SAFE Circular 37. As a result, we cannot assure you that all of our shareholders or beneficial owners who are PRC residents or entities have complied with, and will in the future make or obtain any applicable registrations or approvals required by, SAFE Circular 37. Failure by such shareholders or beneficial owners to comply with SAFE Circular 37, or failure by us to amend the foreign exchange registrations of our PRC subsidiaries, could subject us to fines or legal sanctions, restrict our overseas or cross-border investment activities and limit our PRC subsidiaries' ability to make distributions or pay dividends to us or affect our ownership structure, which could adversely affect our business and prospects.

Any failure to comply with PRC regulations regarding the registration requirements for employee stock incentive plans may subject the PRC plan participants or us to fines and other legal or administrative sanctions.

Pursuant to SAFE Circular 37, PRC residents who participate in stock incentive plans in overseas non-publicly-listed companies may submit applications to SAFE or its local branches for the foreign exchange registration with respect to offshore special purpose vehicles. In the meantime, our directors, executive officers and other employees who are PRC citizens, subject to limited exceptions, and who have been granted stock options by us, may follow the Notices on Issues Concerning the Foreign Exchange Administration for Domestic Individuals Participating in Stock Incentive Plan of Overseas Publicly-Listed Company, promulgated by SAFE in 2012, or 2012 SAFE Notices. Pursuant to the 2012 SAFE Notices, PRC citizens and non-PRC citizens who reside in China for a continuous period of no less than one year who participate in any stock incentive plan of an overseas publicly listed company, subject to a few exceptions, are required to register with SAFE through a domestic qualified agent, which could be the PRC subsidiaries of such overseas listed company, and complete certain other procedures. In addition, an overseas entrusted institution must be retained to handle matters in connection with the exercise or sale of stock options and the purchase or sale of shares and interests. We and our directors, executive officers and other employees who are PRC citizens or who reside in the PRC for a continuous period of no less than one year and who have been granted stock options will be subject to these regulations when our company becomes an overseas listed company upon the completion of this offering. Failure to complete the SAFE registrations may subject them to fines and legal sanctions, and may also limit our ability to contribute additional capital into our PRC subsidiaries and limit our PRC subsidiaries' ability to distribute dividends to us. We also face regulatory uncertainties that could restrict our ability to adopt additional incentive plans for our directors, executive officers and employees under PRC law. See "Regulation—Share Option Rules."

The State Administration of Taxation, or SAT, has issued certain circulars concerning employee stock options and restricted shares. Under these circulars, our employees working in China who exercise stock options or are granted restricted shares will be subject to PRC individual income tax. Our PRC subsidiaries have obligations to file documents related to employee stock options or restricted shares with relevant tax authorities and to withhold individual income taxes of those employees who exercise their share options. If our employees fail to pay or we fail to withhold their income taxes according to relevant laws and regulations, we may face sanctions imposed by the tax authorities or other PRC governmental authorities. See "Regulation—Regulations Relating to Foreign Currency Exchange—Share Option Rules."

If we are classified as a PRC resident enterprise for PRC income tax purposes, such classification could result in unfavorable tax consequences to us and our non-PRC shareholders or ADS holders.

Under the PRC Enterprise Income Tax Law and its implementation rules, enterprises that are registered in countries or regions outside the PRC but have their "de facto management bodies" located within China may be considered as PRC resident enterprises and are therefore subject to PRC enterprise income tax at the rate of 25% on their worldwide income. For detailed discussions of applicable laws, regulations and implementation rules, see "Regulation—Regulations Relating to Tax—Enterprise Income Tax."

We believe none of our entities outside of China is a PRC resident enterprise for PRC tax purposes. See "Regulation—Regulations Relating to Tax—Enterprise Income Tax." However, the tax resident status of an enterprise is subject to determination by the PRC tax authorities and uncertainties remain with respect to the interpretation of the term "de facto management body." As substantially all of our management members are based in China, it remains unclear how the tax residency rule will apply to our case. If the PRC tax authorities determine that LexinFintech Holdings Ltd. or any of our subsidiaries outside of China is a PRC resident enterprise for PRC enterprise income tax purposes,

then LexinFintech Holdings Ltd. or such subsidiary could be subject to PRC tax at a rate of 25% on its worldwide income, which could materially reduce our net income. In addition, we will also be subject to PRC enterprise income tax reporting obligations. Furthermore, if the PRC tax authorities determine that we are a PRC resident enterprise for enterprise income tax purposes, gains realized on the sale or other disposition of our ADSs or ordinary shares may be subject to PRC tax, at a rate of 10% in the case of non-PRC enterprises or 20% in the case of non-PRC individuals (in each case, subject to the provisions of any applicable tax treaty), if such gains are deemed to be from PRC sources. It is unclear whether non-PRC shareholders of our company would be able to claim the benefits of any tax treaties between their country of tax residence and the PRC in the event that we are treated as a PRC resident enterprise. Any such tax may reduce the returns on your investment in the ADSs or ordinary shares.

We may not be able to obtain certain benefits under relevant tax treaty on dividends paid by our PRC subsidiaries to us through our Hong Kong subsidiary.

Pursuant to the EIT Law and its implementation rules, if a non-resident enterprise has not set up an organization or establishment in the PRC, or has set up an organization or establishment but the income derived has no actual connection with such organization or establishment, it will be subject to a withholding tax on its PRC-sourced income at a rate of 10%. Pursuant to the Arrangement between Mainland China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and Tax Evasion on Income, the withholding tax rate in respect to the payment of dividends by a PRC enterprise to a Hong Kong enterprise is reduced to 5% from a standard rate of 10% if the Hong Kong enterprise directly holds at least 25% of the PRC enterprise. There are also other conditions for enjoying the reduced withholding tax rate according to other relevant tax rules and regulations. See "Regulation—Regulations Relating to Tax—Dividend Withholding Tax." We cannot assure you that our determination regarding our qualification to enjoy the preferential tax treatment will not be challenged by the relevant PRC tax authority that or we will be able to complete the necessary filings with the relevant PRC tax authority and enjoy the preferential withholding tax rate of 5% under the Double Taxation Arrangement with respect to dividends to be paid by our PRC subsidiaries to Installment (HK) Investment Limited, our Hong Kong subsidiary.

We face uncertainty with respect to indirect transfers of equity interests in PRC resident enterprises by their non-PRC holding companies.

According to the Notice on Strengthening Administration of Enterprise Income Tax for Share Transfers by Non-Resident Enterprises, or Circular 698, promulgated by the SAT in December 2009 which took effect in January 2008, and the Announcement of the SAT on Several Issues Concerning the Enterprise Income Tax on Indirect Property Transfer by Non-Resident Enterprises, or Circular 7, promulgated by the SAT in February 2015, if a non-resident enterprise transfers the equity interests of a PRC resident enterprise indirectly by transfer of the equity interests of an offshore holding company (other than a purchase and sale of shares issued by a PRC resident enterprise in public securities market) without a reasonable commercial purpose, the PRC tax authorities have the power to reassess the nature of the transaction and the indirect equity transfer will be treated as a direct transfer. As a result, the gain derived from such transfer, which means the equity transfer price minus the cost of equity, will be subject to PRC withholding tax at a rate of up to 10%. Under the terms of Circular 7, the transfer which meets all of the following circumstances shall be directly deemed as having no reasonable commercial purposes: (i) over 75% of the value of the equity interests of the offshore holding company are directly or indirectly derived from PRC taxable properties; (ii) at any time during the year before the indirect transfer, over 90% of the total properties of the offshore holding company are investments within PRC territory, or in the year before the indirect transfer, over 90% of the offshore holding company's revenue is directly or indirectly derived from PRC territory; (iii) the function performed and risks assumed by the offshore holding company are insufficient to substantiate

its corporate existence; or (iv) the foreign income tax imposed on the indirect transfer is lower than the PRC tax imposed on the direct transfer of the PRC taxable properties.

We face uncertainties as to the reporting and other implications of certain past and future transactions where PRC taxable assets are involved, such as offshore restructuring, sale of the shares in our offshore subsidiaries or investments. Our company may be subject to filing obligations or taxed or subject to withholding obligations in such transactions, under SAT Circular 698 and SAT Public Notice 7. For transfer of shares in our company by investors that are non-PRC resident enterprises, our PRC subsidiaries may be requested to assist in the filing under SAT Circular 698 and SAT Public Notice 7. As a result, we may be required to expend valuable resources to comply with SAT Circular 698 and SAT Public Notice 7 or to request the relevant transferors from whom we purchase taxable assets to comply with these circulars, or to establish that our company should not be taxed under these circulars, which may have a material adverse effect on our financial condition and results of operations.

The audit report included in this prospectus is prepared by an auditor who is not inspected by the Public Company Accounting Oversight Board and, as such, our investors are deprived of the benefits of such inspection.

Our independent registered public accounting firm that issues the audit report included in our prospectus filed with the U.S. Securities and Exchange Commission, or the SEC, as auditors of companies that are traded publicly in the United States and a firm registered with the U.S. Public Company Accounting Oversight Board, or the PCAOB, is required by the laws of the United States to undergo regular inspections by the PCAOB to assess its compliance with the laws of the United States and professional standards. Because our auditors are located in the PRC, a jurisdiction where the PCAOB is currently unable to conduct inspections without the approval of the Chinese authorities, our auditors are not currently inspected by the PCAOB.

Inspections of other firms that the PCAOB has conducted outside China have identified deficiencies in those firms' audit procedures and quality control procedures, which may be addressed as part of the inspection process to improve future audit quality. This lack of PCAOB inspections in China prevents the PCAOB from regularly evaluating our auditor's audits and its quality control procedures. As a result, investors may be deprived of the benefits of PCAOB inspections.

The inability of the PCAOB to conduct inspections of auditors in China makes it more difficult to evaluate the effectiveness of our auditor's audit procedures or quality control procedures as compared to auditors outside of China that are subject to PCAOB inspections. Investors may lose confidence in our reported financial information and procedures and the quality of our financial statements.

Proceedings instituted by the SEC against the "big four" PRC-based accounting firms, including our independent registered public accounting firm, could result in financial statements being determined to not be in compliance with the requirements of the Exchange Act.

In late 2012, the SEC commenced administrative proceedings under Rule 102(e) of its Rules of Practice and also under the Sarbanes-Oxley Act against the Chinese affiliates of the "big four" accounting firms (including our auditors). The Rule 102(e) proceedings initiated by the SEC relate to these firms' inability to produce documents, including audit work papers, in response to the request of the SEC pursuant to Section 106 of the Sarbanes-Oxley Act, as the auditors located in the PRC are not in a position lawfully to produce documents directly to the SEC because of restrictions under PRC law and specific directives issued by the China Securities Regulatory Commission, or the CSRC. The issues raised by the proceedings are not specific to our auditors or to us, but affect equally all audit firms based in China and all China-based businesses with securities listed in the United States.

In January 2014, the administrative judge reached an Initial Decision that the "big four" accounting firms should be barred from practicing before the SEC for six months. Thereafter, the accounting firms filed a Petition for Review of the Initial Decision, prompting the SEC Commissioners to review the Initial Decision, determine whether there had been any violation and, if so, determine the appropriate remedy to be placed on these audit firms.

In February 2015, the Chinese affiliates of the "big four" accounting firms (including our auditors) each agreed to censure and pay a fine to the SEC to settle the dispute and avoid suspension of their ability to practice before the SEC and audit U.S. listed companies. The settlement requires the firms to follow detailed procedures and to seek to provide the SEC with access to the Chinese firms' audit documents via the CSRC. If future document productions fail to meet the specified criteria, the SEC retains the authority to impose a variety of additional measures (e.g., imposing penalties such as suspensions, restarting the administrative proceedings).

In the event that the SEC restarts the administrative proceedings, depending upon the final outcome, listed companies in the United States with major PRC operations may find it difficult or impossible to retain auditors in respect of their operations in the PRC, which could result in financial statements being determined to not be in compliance with the requirements of the Exchange Act, and could result in delisting. Moreover, any negative news about the proceedings against these audit firms may cause investor uncertainty regarding China-based, United States-listed companies and the market price of our shares may be adversely affected. If our independent registered public accounting firm was denied, temporarily, the ability to practice before the SEC and we were unable to timely find another registered public accounting firm to audit and issue an opinion on our financial statements, our financial statements could be determined to not be in compliance with the requirements of the Exchange Act.

Risks Related to This Offering and our American Depositary Shares

There has been no public market for our ordinary shares or ADSs prior to this offering, and you may not be able to resell our ADSs at or above the price you paid, or at all.

Prior to this initial public offering, there has been no public market for our ordinary shares or ADSs. We intend to list our ADSs on the NASDAQ Global Market. Our ordinary shares will not be listed on any exchange or quoted for trading on any over-the-counter trading system. If an active trading market for our ADSs does not develop after this offering, the market price and liquidity of our ADSs will be materially and adversely affected.

Negotiations with the underwriters will determine the initial public offering price for our ADSs which may bear no relationship to their market price after the initial public offering. We cannot assure you that an active trading market for our ADSs will develop or that the market price of our ADSs will not decline below the initial public offering price.

The market price for our ADSs may be volatile.

The trading prices of our ADSs are likely to be volatile and could fluctuate widely due to factors beyond our control. This may happen because of broad market and industry factors, like the performance and fluctuation in the market prices or the underperformance or deteriorating financial results of internet or other companies based in China that have listed their securities in the United States in recent years. The securities of some of these companies have experienced significant volatility since their initial public offerings, including, in some cases, substantial price declines in their trading prices. The trading performances of other Chinese companies' securities after their offerings, including internet and e-commerce companies, may affect the attitudes of investors toward Chinese companies listed in the United States, which consequently may impact the trading performance of our ADSs, regardless of our actual operating performance. In addition, any negative news or perceptions

about inadequate corporate governance practices or fraudulent accounting, corporate structure or other matters of other Chinese companies may also negatively affect the attitudes of investors towards Chinese companies in general, including us, regardless of whether we have conducted any inappropriate activities. In addition, securities markets may from time to time experience significant price and volume fluctuations that are not related to our operating performance, such as the large decline in share prices in the United States, China and other jurisdictions in late 2008, early 2009 and the second half of 2011, which may have a material adverse effect on the market price of our ADSs.

In addition to the above factors, the price and trading volume of our ADSs may be highly volatile due to multiple factors, including the following:

- regulatory developments affecting us, our users, or our industry;
- conditions in the online consumer finance industry and the public perception of the legitimacy and ethics of certain business practices of our competitors or other market players within the industry;
- announcements of studies and reports relating to the quality of our product and service offerings or those of our competitors;
- changes in the economic performance or market valuations of other online consumer finance platforms;
- actual or anticipated fluctuations in our quarterly results of operations and changes or revisions of our expected results;
- changes in financial estimates by securities research analysts;
- announcements by us or our competitors of new product and service offerings, acquisitions, strategic relationships, joint ventures or capital commitments;
- additions to or departures of our senior management;
- detrimental negative publicity about us, our management or our industry;
- fluctuations of exchange rates between the RMB and the U.S. dollar;
- release or expiry of lock-up or other transfer restrictions on our outstanding Class A ordinary shares or ADSs; and
- sales or perceived potential sales of additional Class A ordinary shares or ADSs.

The trading market for our ADSs will depend in part on the research and reports that securities or industry analysts publish about us or our business. If research analysts do not establish and maintain adequate research coverage or if one or more of the analysts who cover us downgrade our ADSs or publish inaccurate or unfavorable research about our business, the market price for our ADSs would likely decline. If one or more of these analysts cease coverage of our company or fail to publish reports on us regularly, we could lose visibility in the financial markets, which, in turn, could cause the market price or trading volume for our ADSs to decline.

Our dual-class share structure will limit your ability to influence corporate matters and could discourage others from pursuing any change of control transactions that holders of our Class A ordinary shares and ADSs may view as beneficial.

We have adopted a dual-class share structure, which will become effective immediately prior to the completion of this offering, such that our ordinary shares, currently consisting of Class A ordinary shares and Class B ordinary shares, and our preferred shares, will be re-classified and re-designed to either Class A ordinary shares or Class B ordinary shares with disparate voting powers. Based on our

post-offering dual-class share structure, holders of Class A ordinary shares will be entitled to one vote per share in respect of matters requiring the votes of shareholders, while holders of Class B ordinary shares will be entitled to ten votes per share. We will issue Class A ordinary shares represented by our ADSs in this offering.

Immediately prior to the completion of this offering, all of our outstanding Class A ordinary shares will be automatically re-designated as Class B ordinary shares on a one-for-one basis, and all of our issued and outstanding Class B ordinary shares and preferred shares held by all of our existing shareholders will be automatically converted and re-designated as Class A ordinary shares on a one-for-one basis. Each Class B ordinary share is convertible into one Class A ordinary share at any time by the holder thereof, while Class A ordinary shares are not convertible into Class B ordinary shares under any circumstances. Due to the disparate voting powers associated with our two classes of ordinary shares, we anticipate that Mr. Jay Wenjie Xiao, the beneficial owner of our Class B ordinary shares, will beneficially own % of the aggregate voting power of our company immediately after the completion of this offering, assuming the underwriters do not exercise their over-allotment option to purchase additional ADSs. As a result, Mr. Xiao will have considerable influence over matters such as electing directors and approving material mergers, acquisitions or other business combination transactions. Upon any sale, transfer, assignment or disposition of any Class B ordinary shares by the holder to any non-affiliates to such holder, each of such Class B ordinary shares will be automatically converted into one Class A ordinary shares. If Mr. Xiao and his affiliates collectively hold less than five percent (5%) of our issued and outstanding shares, each Class B ordinary share will automatically be re-designated into one Class A ordinary share, and no Class B ordinary shares shall be issued by us thereafter. The concentrated control associated with our dual-class share structure will limit your ability to influence corporate matters and could also discourage others from pursuing any potential merger, takeover or other change of control transactions, which could have the effect of depriving the holders of our Class A ordinary shares and our ADSs of the opportunity to sell their shares at a premium over the prevailing market price.

Because our initial public offering price is substantially higher than our net tangible book value per share, you will experience immediate and substantial dilution.

If you purchase ADSs in this offering, you will pay more for your ADSs than the amount paid by our existing shareholders for their Class A ordinary shares on a per ADS basis. As a result, you will experience immediate and substantial dilution of US$ per ADS, representing the difference between the assumed initial public offering price of US$ per ADS, the midpoint of the estimated range of the initial public offering price, and our net tangible book value per ADS as of December 31, 2016, after giving effect to the net proceeds to us from this offering. In addition, you may experience further dilution to the extent that our Class A ordinary shares are issued upon the exercise of any share options. See "Dilution" for a more complete description of how the value of your investment in our ADSs will be diluted upon completion of this offering.

Because we do not expect to pay dividends in the foreseeable future after this offering, you must rely on price appreciation of our ADSs for return on your investment.

We currently intend to retain most, if not all, of our available funds and any future earnings after this offering to fund the development and growth of our business. As a result, we do not expect to pay any cash dividends in the foreseeable future. Therefore, you should not rely on an investment in our ADSs as a source for any future dividend income.

Our board of directors has discretion as to whether to distribute dividends, subject to certain restrictions under Cayman Islands law, namely that our company may only pay dividends out of profits or share premium, and provided always that in no circumstances may a dividend be paid if this would result in our company being unable to pay its debts as they fall due in the ordinary course of business.

In addition, our shareholders may by ordinary resolution declare a dividend, but no dividend may exceed the amount recommended by our board of directors. Even if our board of directors decides to declare and pay dividends, the timing, amount and form of future dividends, if any, will depend on, among other things, our future results of operations and cash flow, our capital requirements and surplus, the amount of distributions, if any, received by us from our subsidiary, our financial condition, contractual restrictions and other factors deemed relevant by our board of directors. Accordingly, the return on your investment in our ADSs will likely depend entirely upon any future price appreciation of our ADSs. There is no guarantee that our ADSs will appreciate in value after this offering or even maintain the price at which you purchased the ADSs. You may not realize a return on your investment in our ADSs and you may even lose your entire investment in our ADSs.

Substantial future sales or perceived potential sales of our ADSs in the public market could cause the price of our ADSs to decline.

Sales of our ADSs in the public market after this offering, or the perception that these sales could occur, could cause the market price of our ADSs to decline. Immediately after the completion of this offering, we will have Class A ordinary shares outstanding, including Class A ordinary shares represented by ADSs, assuming the underwriters do not exercise their over-allotment option. All ADSs sold in this offering will be freely transferable without restriction or additional registration under the Securities Act. The remaining Class A ordinary shares outstanding after this offering will be available for sale, upon the expiration of the 180-day lock-up period beginning from the date of this prospectus, subject to volume and other restrictions as applicable under Rules 144 and 701 under the Securities Act. Any or all of these shares may be released prior to the expiration of the lock-up period at the discretion of the representatives of the underwriters of this offering. To the extent shares are released before the expiration of the lock-up period and sold into the market, the market price of our ADSs could decline.

After completion of this offering, certain holders of our Class A ordinary shares may cause us to register under the Securities Act the sale of their shares, subject to the 180-day lock-up period in connection with this offering. Registration of these shares under the Securities Act would result in ADSs representing these shares becoming freely tradable without restriction under the Securities Act immediately upon the effectiveness of the registration. Sales of these registered shares in the form of ADSs in the public market could cause the price of our ADSs to decline.

The voting rights of holders of ADSs are limited by the terms of the deposit agreement, and you may not be able to exercise your right to direct the voting of the underlying Class A ordinary shares which are represented by your ADSs.

As a Cayman Islands exempted company, we are not obliged by the Companies Law to call shareholders' annual general meetings. Our post-offering amended and restated memorandum and articles of association provide that we may (but are not obliged to) each year hold a general meeting as our annual general meeting. As a holder of our ADSs, you will not have any direct right to attend general meetings of our shareholders or to cast any votes at such meetings. You will only be able to exercise the voting rights which attach to the underlying Class A ordinary shares which are represented by your ADSs indirectly by giving voting instructions to the depositary in accordance with the provisions of the deposit agreement. Under the deposit agreement, you may vote only by giving voting instructions to the depositary, as the holder of the underlying Class A ordinary shares which are represented by your ADSs. Upon receipt of your voting instructions, the depositary will endeavor to vote the underlying Class A ordinary shares in accordance with your instructions. You will not be able to directly exercise any right to vote with respect to the underlying Class A ordinary shares unless you withdraw the shares and become the registered holder of such shares prior to the record date for the general meeting. Under our amended and restated memorandum and articles of association that will

become effective immediately prior to completion of this offering, the minimum notice period required to be given by our company to our registered shareholders for convening a general meeting is seven (7) days. When a general meeting is convened, you may not receive sufficient advance notice to enable you to withdraw the underlying shares which are represented by your ADSs and become the registered holder of such shares prior to the record date for the general meeting to allow you to attend the general meeting or to vote directly with respect to any specific matter or resolution which is to be considered and voted upon at the general meeting. In addition, under our amended and restated memorandum and articles of association that will become effective immediately prior to completion of this offering, for the purposes of determining those shareholders who are entitled to attend and vote at any general meeting, our directors may close our register of members and/or fix in advance a record date for such meeting, and such closure of our register of members or the setting of such a record date may prevent you from withdrawing the underlying shares which are represented by your ADSs and becoming the registered holder of such shares prior to the record date, so that you would not be able to attend the general meeting or to vote directly. Where any matter is to be put to a vote at a general meeting, the depositary will endeavor to notify you of the upcoming vote and to deliver our voting materials to you. We cannot assure you that you will receive the voting materials in time to ensure that you can instruct the depositary to vote the underlying shares which are represented by your ADSs. In addition, the depositary and its agents are not responsible for failing to carry out voting instructions or for their manner of carrying out your voting instructions. This means that you may not be able to exercise your right to direct the voting of the underlying shares which are represented by your ADSs, and you may have no legal remedy if the underlying shares are not voted as you requested.

Except in limited circumstances, the depositary for our ADSs will give us a discretionary proxy to vote our Class A ordinary shares underlying your ADSs if you do not vote at shareholders' meetings, which could adversely affect your interests.

Under the deposit agreement for our ADSs, the depositary will give us (or our nominee) a discretionary proxy to vote our Class A ordinary shares underlying your ADSs at shareholders' meetings if you do not give voting instructions to the depositary as to how to vote the Class A ordinary shares underlying your ADSs at any particular shareholders' meeting, unless:

- we have failed to timely provide the depositary with our notice of meeting and related voting materials;
- we have instructed the depositary that we do not wish a discretionary proxy to be given;
- we have informed the depositary that there is substantial opposition as to a matter to be voted on at the meeting;
- a matter to be voted on at the meeting would have a material adverse impact on shareholders; or
- voting at the meeting is made on a show of hands.

The effect of this discretionary proxy is that, if you fail to give voting instructions to the depositary as to how to vote the Class A ordinary shares underlying your ADSs at any particular shareholders' meeting, you cannot prevent our Class A ordinary shares underlying your ADSs from being voted at that meeting, absent the situations described above, and it may make it more difficult for shareholders to influence our management. Holders of our Class A ordinary shares are not subject to this discretionary proxy.

Your rights to pursue claims against the depositary as a holder of ADSs are limited by the terms of the deposit agreement and the deposit agreement may be amended or terminated without your consent.

Under the deposit agreement, any action or proceeding against or involving the depositary, arising out of or based upon the deposit agreement or the transactions contemplated thereby or by virtue of owning the ADSs may only be instituted in a state or federal court in New York, New York, and you, as a holder of our ADSs, will have irrevocably waived any objection which you may have to the laying of venue of any such proceeding, and irrevocably submitted to the exclusive jurisdiction of such courts in any such action or proceeding. However, the depositary may, in its sole discretion, require that any dispute or difference arising from the relationship created by the deposit agreement be referred to and finally settled by an arbitration conducted under the terms described in the deposit agreement. Also, we may amend or terminate the deposit agreement without your consent. If you continue to hold your ADSs after an amendment to the deposit agreement, you agree to be bound by the deposit agreement as amended. See "Description of American Depositary Shares" for more information.

Your right to participate in any future rights offerings may be limited, which may cause dilution to your holdings.

We may from time to time distribute rights to our shareholders, including rights to acquire our securities. However, we cannot make such rights available to you in the United States unless we register both the rights and the securities to which the rights relate under the Securities Act or an exemption from the registration requirements is available. Under the deposit agreement, the depositary will not make rights available to you unless both the rights and the underlying securities to be distributed to ADS holders are either registered under the Securities Act or exempt from registration under the Securities Act. We are under no obligation to file a registration statement with respect to any such rights or securities or to endeavor to cause such a registration statement to be declared effective and we may not be able to establish a necessary exemption from registration under the Securities Act. Accordingly, you may be unable to participate in our rights offerings in the future and may experience dilution in your holdings.

You may not receive dividends or other distributions on our Class A ordinary shares and you may not receive any value for them, if it is illegal or impractical to make them available to you.

The depositary of our ADSs has agreed to pay to you the cash dividends or other distributions it or the custodian receives on our Class A ordinary shares or other deposited securities underlying our ADSs, after deducting its fees and expenses. You will receive these distributions in proportion to the number of Class A ordinary shares your ADSs represent. However, the depositary is not responsible if it decides that it is unlawful or impractical to make a distribution available to any holders of ADSs. For example, it would be unlawful to make a distribution to a holder of ADSs if it consists of securities that require registration under the Securities Act but that are not properly registered or distributed under an applicable exemption from registration. The depositary may also determine that it is not feasible to distribute certain property through the mail. Additionally, the value of certain distributions may be less than the cost of mailing them. In these cases, the depositary may determine not to distribute such property. We have no obligation to register under U.S. securities laws any ADSs, ordinary shares, rights or other securities received through such distributions. We also have no obligation to take any other action to permit the distribution of ADSs, ordinary shares, rights or anything else to holders of ADSs. This means that you may not receive distributions we make on our Class A ordinary shares or any value for them if it is illegal or impractical for us to make them available to you. These restrictions may cause a material decline in the value of our ADSs.

You may be subject to limitations on transfer of your ADSs.

Your ADSs are transferable on the books of the depositary. However, the depositary may close its transfer books at any time or from time to time when it deems expedient in connection with the performance of its duties. In addition, the depositary may refuse to deliver, transfer or register transfers of ADSs generally when our books or the books of the depositary are closed, or at any time if we or the depositary deems it advisable to do so because of any requirement of law or of any government or governmental body, or under any provision of the deposit agreement, or for any other reason.

Certain judgments obtained against us by our shareholders may not be enforceable.

We are an exempted company limited by shares incorporated under the laws of the Cayman Islands. We conduct substantially all of our operations in China and substantially all of our assets are located in China. In addition, a majority of our directors and executive officers reside within China, and most of the assets of these persons are located within China. As a result, it may be difficult or impossible for you to effect service of process within the United States upon these individuals, or to bring an action against us or against these individuals in the United States in the event that you believe your rights have been infringed under the U.S. federal securities laws or otherwise. Even if you are successful in bringing an action of this kind, the laws of the Cayman Islands and of the PRC may render you unable to enforce a judgment against our assets or the assets of our directors and officers. For more information regarding the relevant laws of the Cayman Islands and China, see "Enforceability of Civil Liabilities."

You may face difficulties in protecting your interests, and your ability to protect your rights through U.S. courts may be limited, because we are incorporated under Cayman Islands law.

We are an exempted company limited by shares incorporated under the laws of the Cayman Islands. Our corporate affairs are governed by our memorandum and articles of association, the Companies Law (2016 Revision) of the Cayman Islands and the common law of the Cayman Islands. The rights of shareholders to take action against our directors, actions by our minority shareholders and the fiduciary duties of our directors to us under Cayman Islands law are to a large extent governed by the common law of the Cayman Islands. The common law of the Cayman Islands is derived in part from comparatively limited judicial precedent in the Cayman Islands as well as from the common law of England, the decisions of whose courts are of persuasive authority, but are not binding, on a court in the Cayman Islands. The rights of our shareholders and the fiduciary duties of our directors under Cayman Islands law are not as clearly established as they would be under statutes or judicial precedent in some jurisdictions in the United States. In particular, the Cayman Islands has a less developed body of securities laws than the United States. Some U.S. states, such as Delaware, have more fully developed and judicially interpreted bodies of corporate law than the Cayman Islands. In addition, Cayman Islands companies may not have standing to initiate a shareholder derivative action in a federal court of the United States.

Shareholders of Cayman Islands exempted companies like us have no general rights under Cayman Islands law to inspect corporate records or to obtain copies of lists of shareholders of these companies. Our directors will have discretion under the post-offering memorandum and articles of association we expect to adopt, to determine whether or not, and under what conditions, our corporate records may be inspected by our shareholders, but are not obliged to make them available to our shareholders. This may make it more difficult for you to obtain the information needed to establish any facts necessary for a shareholder resolution or to solicit proxies from other shareholders in connection with a proxy contest.

As a result of all of the above, our public shareholders may have more difficulty in protecting their interests in the face of actions taken by our management, members of the board of directors or

controlling shareholders than they would as public shareholders of a company incorporated in the United States. For a discussion of significant differences between the provisions of the Companies Law (2016 Revision) of the Cayman Islands and the laws applicable to companies incorporated in the United States and their shareholders, see "Description of Share Capital—Differences in Corporate Law."

The approval of the CSRC may be required in connection with this offering under PRC law.

The M&A Rules requires an overseas special purpose vehicle formed for listing purposes through acquisitions of PRC domestic companies and controlled by PRC companies or individuals to obtain the approval of the CSRC, prior to the listing and trading of such special purpose vehicle's securities on an overseas stock exchange. The interpretation and application of the regulations remain unclear, and this offering may ultimately require approval from the CSRC. If CSRC approval is required, it is uncertain whether it would be possible for us to obtain the approval and any failure to obtain or delay in obtaining CSRC approval for this offering would subject us to sanctions imposed by the CSRC and other PRC regulatory agencies.

Our PRC counsel, Beijing Shihui Law Firm, has advised us based on their understanding of the current PRC law, rules and regulations that the CSRC's approval is not required for the listing and trading of our ADSs on the NASDAQ Global Market in the context of this offering, given that:

- the CSRC currently has not issued any definitive rule or interpretation concerning whether offerings like ours under this prospectus are subject to this regulation;
- we established our PRC subsidiaries by means of direct investment rather than by merger with or acquisition of PRC domestic companies; and
- no provision in this regulation clearly classifies contractual arrangements as a type of transaction subject to its regulation.

However, our PRC legal counsel has further advised us that there remains some uncertainty as to how the M&A Rules will be interpreted or implemented in the context of an overseas offering and its opinions summarized above are subject to any new laws, regulations and rules or detailed implementations and interpretations in any form relating to the M&A Rules. We cannot assure you that relevant PRC governmental agencies, including the CSRC, would reach the same conclusion as we do. If it is determined that CSRC approval is required for this offering, we may face sanctions by the CSRC or other PRC regulatory agencies for failure to seek CSRC approval for this offering. These sanctions may include fines and penalties on our operations in the PRC, limitations on our operating privileges in the PRC, delays in or restrictions on the repatriation of the proceeds from this offering into the PRC, restrictions on or prohibition of the payments or remittance of dividends by our China subsidiary or other actions that could have a material and adverse effect on our business, financial condition, results of operations, reputation and prospects, as well as the trading price of our ADSs. The CSRC or other PRC regulatory agencies may also take actions requiring us, or making it advisable for us, to halt this offering before the settlement and delivery of the ADSs that we are offering. Consequently, if you engage in market trading or other activities in anticipation of and prior to the settlement and delivery of the ADSs we are offering, you would be doing so at the risk that the settlement and delivery may not occur.

You must rely on the judgment of our management as to the use of the net proceeds from this offering, and such use may not produce income or increase our ADS price.

As of June 30, 2017, our cash and cash equivalents were RMB982 million (US$145 million). Immediately following the completion of this offering, we expect to receive net offering proceeds of approximately US$, or approximately US$ if the underwriters exercise their

over-allotment option in full, after deducting underwriting discounts and the estimated offering expenses payable by us. These estimates are based upon an assumed initial public offering price of US$ per ADS, the midpoint of the price range shown on the front cover page of this prospectus. Out of the net proceeds, we plan to use US$ for general corporate purposes and US$ for the acquisition of, or investment in, technologies, solutions or businesses that complement our business. See "Use of Proceeds." However, our management will have considerable discretion in the application of the net proceeds received by us. You will not have the opportunity, as part of your investment decision, to assess whether proceeds are being used appropriately. The net proceeds may be used for corporate purposes that do not improve our efforts to achieve or maintain profitability or increase our ADS price. The net proceeds from this offering may be placed in investments that do not produce income or that lose value.

The post-offering memorandum and articles of association that we expect to adopt and to become effective immediately prior to the completion of this offering will contain anti-takeover provisions that could discourage a third party from acquiring us and adversely affect the rights of holders of our Class A ordinary shares and ADSs.

We expect to adopt, subject to the approval by our shareholders, an amended and restated memorandum and articles of association that will become effective immediately prior to the completion of this offering. The post-offering memorandum and articles of association will contain certain provisions that could limit the ability of others to acquire control of our company, including a provision that grants authority to our board of directors to establish and issue from time to time one or more series of preferred shares without action by our shareholders and to determine, with respect to any series of preferred shares, the terms and rights of that series. These provisions could have the effect of depriving our shareholders and ADS holders of the opportunity to sell their shares or ADSs at a premium over the prevailing market price by discouraging third parties from seeking to obtain control of our company in a tender offer or similar transactions.

Certain existing shareholders have substantial influence over our company and their interests may not be aligned with the interests of our other shareholders.

Upon the completion of this offering, our directors and officers will collectively own an aggregate of % of the total voting power of our outstanding Class A ordinary shares immediately after the completion of this offering, assuming the underwriters do not exercise their over-allotment option. As a result, they have substantial influence over our business, including significant corporate actions such as mergers, consolidations, election of directors and other significant corporate actions.

They may take actions that are not in the best interest of us or our other shareholders. This concentration of ownership may discourage, delay or prevent a change in control of our company, which could deprive our shareholders of an opportunity to receive a premium for their shares as part of a sale of our company and may reduce the price of the ADSs. These actions may be taken even if they are opposed by our other shareholders, including those who purchase ADSs in this offering. In addition, the significant concentration of share ownership may adversely affect the trading price of the ADSs due to investors' perception that conflicts of interest may exist or arise. For more information regarding our principal shareholders and their affiliated entities, see "Principal Shareholders."

We have granted, and may continue to grant, share incentive awards, which may result in increased share-based compensation expenses.

Our Share Incentive Plan, or the 2014 Plan, was first adopted in September 2014 and amended in December 2016 to promote our success and the interests of our shareholders by providing a means through which we may grant equity-based incentives to attract, motivate, retain and reward certain officers, employees, directors and other eligible persons and to further link the interests of recipients

with those of our shareholders generally. We recently adopted 2017 Share Incentive Plan, or the 2017 Plan, and we will no longer grant any awards under the 2014 Plan and all future awards will be granted under the 2017 Plan. We account for compensation costs for all share options using the intrinsic value on the grant date to estimate the fair value of the share incentive awards and recognize expenses in our consolidated statements of operations in accordance with U.S. GAAP. Under the 2014 Plan, we are authorized to grant options to purchase Class A ordinary shares of our company. The maximum number of Class A ordinary shares which may be issued pursuant to all awards under the 2014 Plan is 35,456,559. Under the 2017 Plan, the maximum number of our shares that may be issued pursuant to all awards under the 2017 Plan is 22,859,634, plus an annual increase on the first day of each fiscal year during the ten-year term of the 2017 Plan commencing with the fiscal year beginning January 1, 2019, by an amount equal to 1.0% of the total number of shares issued and outstanding on the last day of the immediately preceding fiscal year. As of the date of this prospectus, options to purchase 32,806,000 Class A ordinary shares have been granted under the 2014 Plan and and we have not granted any awards under the 2017 Plan. We recognized share-based compensation expenses in the amount of RMB24.0 million (US$3.5 million) in 2016. We believe the granting of share-based compensation is of significant importance to our ability to attract, retain and incentivize key personnel, employees, and we will continue to grant share-based compensation to employees in the future. As a result, our expenses associated with share-based compensation may increase, which may have an adverse effect on our results of operations.

We are an emerging growth company within the meaning of Securities Act and may take advantage of certain reduced reporting requirements.

We are an "emerging growth company," as defined in the JOBS Act, and we may take advantage of certain exemptions from various requirements applicable to other public companies that are not emerging growth companies including, most significantly, not being required to comply with the auditor attestation requirements of Section 404 of Sarbanes-Oxley Act of 2002 for so long as we are an emerging growth company. As a result, if we elect not to comply with such auditor attestation requirements, our investors may not have access to certain information they may deem important.

The JOBS Act also provides that an emerging growth company does not need to comply with any new or revised financial accounting standards until such date that a private company is otherwise required to comply with such new or revised accounting standards.

We are a foreign private issuer within the meaning of the rules under the Exchange Act, and as such we are exempt from certain provisions applicable to U.S. domestic public companies.

Because we qualify as a foreign private issuer under the Exchange Act, we are exempt from certain provisions of the securities rules and regulations in the United States that are applicable to U.S. domestic issuers, including:

- the rules under the Exchange Act requiring the filing with the SEC of quarterly reports on Form 10-Q or current reports on Form 8-K;
- the sections of the Exchange Act regulating the solicitation of proxies, consents or authorizations in respect of a security registered under the Exchange Act;
- the sections of the Exchange Act requiring insiders to file public reports of their stock ownership and trading activities and liability for insiders who profit from trades made in a short period of time; and
- the selective disclosure rules by issuers of material nonpublic information under Regulation FD.

We will be required to file an annual report on Form 20-F within four months of the end of each fiscal year. In addition, we intend to publish our results on a quarterly basis as press releases,

distributed pursuant to the rules and regulations of the NASDAQ Global market. Press releases relating to financial results and material events will also be furnished to the SEC on Form 6-K. However, the information we are required to file with or furnish to the SEC will be less extensive and less timely compared to that required to be filed with the SEC by U.S. domestic issuers. As a result, you may not be afforded the same protections or information that would be made available to you were you investing in a U.S. domestic issuer.

As a company incorporated in the Cayman Islands, we are permitted to adopt certain home country practices in relation to corporate governance matters that differ significantly from the NASDAQ corporate governance requirements; these practices may afford less protection to shareholders than they would enjoy if we complied fully with the NASDAQ corporate governance requirements.

There can be no assurance that we will not be classified as a passive foreign investment company, or PFIC, for United States federal income tax purposes for any taxable year, which could subject United States investors in our ADSs or ordinary shares to significant adverse United States income tax consequences.

We will be a "passive foreign investment company," or "PFIC," if, in any particular taxable year, either (a) 75% or more of our gross income for such year consists of certain types of "passive" income or (b) 50% or more of the average quarterly value of our assets (as determined on the basis of fair market value) during such year produce or are held for the production of passive income (the "asset test"). Although the law in this regard is unclear, we intend to treat our variable interest entities (including their subsidiaries) as being owned by us for United States federal income tax purposes, not only because we exercise effective control over the operation of such entities but also because we are entitled to substantially all of their economic benefits, and, as a result, we consolidate their results of operations in our consolidated financial statements. Assuming that we are the owner of our variable interest entities (including their subsidiaries) for United States federal income tax purposes, and based upon our current and expected income and assets, including goodwill, (taking into account the expected proceeds from this offering) and projections as to the market price of our ADSs following the offering, we do not presently expect to be a PFIC for the current taxable year or the foreseeable future.

While we do not expect to become a PFIC, because the value of our assets for purposes of the asset test may be determined by reference to the market price of our ADSs, fluctuations in the market price of our ADSs may cause us to become a PFIC for the current or subsequent taxable years. The determination of whether we will be or become a PFIC will also depend, in part, on the composition of our income and assets, which may be affected by how, and how quickly, we use our liquid assets and the cash raised in this offering. If we determine not to deploy significant amounts of cash for active purposes or if it were determined that we do not own the stock of our variable interest entity for United States federal income tax purposes, our risk of being a PFIC may substantially increase. Because there are uncertainties in the application of the relevant rules and PFIC status is a factual determination made annually after the close of each taxable year, there can be no assurance that we will not be a PFIC for the current taxable year or any future taxable year.

If we are a PFIC in any taxable year, a U.S. holder (as defined in "Taxation—United States Federal Income Tax Considerations") may incur significantly increased United States income tax on gain recognized on the sale or other disposition of the ADSs or ordinary shares and on the receipt of distributions on the ADSs or ordinary shares to the extent such gain or distribution is treated as an "excess distribution" under the United States federal income tax rules and such holder may be subject to burdensome reporting requirements. Further, if we are a PFIC for any year during which a U.S. holder holds our ADSs or ordinary shares, we generally will continue to be treated as a PFIC for all succeeding years during which such U.S. holder holds our ADSs or ordinary shares. For more information see "Taxation—United States Federal Income Tax Considerations—Passive Foreign Investment Company Considerations."

We will incur increased costs as a result of being a public company, particularly after we cease to qualify as an emerging growth company within the meaning of the Securities Act.

Upon completion of this offering, we will become a public company and expect to incur significant legal, accounting and other expenses that we did not incur as a private company. The Sarbanes-Oxley Act of 2002, as well as rules subsequently implemented by the SEC and NASDAQ Global market, impose various requirements on the corporate governance practices of public companies. As a company with less than US$1.07 billion in net revenues for our last fiscal year, we qualify as an "emerging growth company" pursuant to the JOBS Act. An emerging growth company may take advantage of specified reduced reporting and other requirements that are otherwise applicable generally to public companies. These provisions include exemption from the auditor attestation requirement under Section 404 of the Sarbanes-Oxley Act of 2002 in the assessment of the emerging growth company's internal control over financial reporting and permission to delay adopting new or revised accounting standards until such time as those standards apply to private companies.

We expect these rules and regulations to increase our legal and financial compliance costs and to make some corporate activities more time-consuming and costly. After we are no longer an "emerging growth company," we expect to incur significant expenses and devote substantial management effort toward ensuring compliance with the requirements of Section 404 of the Sarbanes-Oxley Act of 2002 and the other rules and regulations of the SEC. For example, as a result of becoming a public company, we will need to increase the number of independent directors and adopt policies regarding internal controls and disclosure controls and procedures. We also expect that operating as a public company will make it more difficult and more expensive for us to obtain director and officer liability insurance, and we may be required to accept reduced policy limits and coverage or incur substantially higher costs to obtain the same or similar coverage. In addition, we will incur additional costs associated with our public company reporting requirements. It may also be more difficult for us to find qualified persons to serve on our board of directors or as executive officers. We are currently evaluating and monitoring developments with respect to these rules and regulations, and we cannot predict or estimate with any degree of certainty the amount of additional costs we may incur or the timing of such costs.

In the past, shareholders of a public company often brought securities class action suits against the company following periods of instability in the market price of that company's securities. If we were involved in a class action suit, it could divert a significant amount of our management's attention and other resources from our business and operations, which could harm our results of operations and require us to incur significant expenses to defend the suit. Any such class action suit, whether or not successful, could harm our reputation and restrict our ability to raise capital in the future. In addition, if a claim is successfully made against us, we may be required to pay significant damages, which could have a material adverse effect on our financial condition and results of operations.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus contains forward-looking statements that reflect our current expectations and views of future events. The forward-looking statements are contained principally in the sections entitled "Prospectus Summary," "Risk Factors," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Business." Known and unknown risks, uncertainties and other factors, including those listed under "Risk Factors," may cause our actual results, performance or achievements to be materially different from those expressed or implied by the forward-looking statements.

You can identify some of these forward-looking statements by words or phrases such as "may," "will," "expect," "anticipate," "aim," "estimate," "intend," "plan," "believe," "is/are likely to," "potential," "continue" or other similar expressions. We have based these forward-looking statements largely on our current expectations and projections about future events that we believe may affect our financial condition, results of operations, business strategy and financial needs. These forward-looking statements include statements relating to:

- our strategies;
- our future business development, financial condition and results of operations;
- the expected growth of the online consumer finance market in China;
- our expectations regarding demand for and market acceptance of our products and services;
- our expectations regarding our relationships with funding sources and customers;
- competition in our industry;
- general economic and business condition in China and elsewhere; and
- relevant government policies, laws and regulations relating to our industry.

These forward-looking statements involve various risks and uncertainties. Although we believe that our expectations expressed in these forward-looking statements are reasonable, our expectations may later be found to be incorrect. Our actual results could be materially different from our expectations. Important risks and factors that could cause our actual results to be materially different from our expectations are generally set forth in "Prospectus Summary—Our Challenges," "Risk Factors," "Management's Discussion and Analysis of Financial Condition and Results of Operations," "Business," "Regulation" and other sections in this prospectus. You should thoroughly read this prospectus and the documents that we refer to with the understanding that our actual future results may be materially different from and worse than what we expect. We qualify all of our forward-looking statements by these cautionary statements.

This prospectus contains certain data and information that we obtained from various government and private publications, including industry data and information from Oliver Wyman. Statistical data in these publications also include projections based on a number of assumptions. Our industry may not grow at the rate projected by market data, or at all. Failure of this market to grow at the projected rate may have a material and adverse effect on our business and the market price of our ADSs. In addition, the rapidly changing nature of the online consumer finance industry results in significant uncertainties for any projections or estimates relating to the growth prospects or future condition of our market. Furthermore, if any one or more of the assumptions underlying the market data are later found to be incorrect, actual results may differ from the projections based on these assumptions. You should not place undue reliance on these forward-looking statements.

The forward-looking statements made in this prospectus relate only to events or information as of the date on which the statements are made in this prospectus. Except as required by law, we undertake no obligation to update or revise publicly any forward-looking statements, whether as a result of new

information, future events or otherwise, after the date on which the statements are made or to reflect the occurrence of unanticipated events. You should read this prospectus and the documents that we refer to in this prospectus and have filed as exhibits to the registration statement, of which this prospectus is a part, completely and with the understanding that our actual future results may be materially different from what we expect.

USE OF PROCEEDS

We estimate that we will receive net proceeds from this offering of approximately US$, or approximately US$ if the underwriters exercise their over-allotment option in full, after deducting underwriting discounts and the estimated offering expenses payable by us. These estimates are based upon an assumed initial public offering price of US$ per ADS, the midpoint of the price range shown on the front cover page of this prospectus. A US$1.00 increase (decrease) in the assumed initial public offering price of US$ per ADS would increase (decrease) the net proceeds to us from this offering by US$, assuming the number of ADSs offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting the estimated underwriting discounts and commissions and estimated expenses payable by us.

The primary purposes of this offering are to create a public market for our shares for the benefit of all shareholders, retain talented employees by providing them with equity incentives and obtain additional capital. We plan to use the net proceeds of this offering primarily for general corporate purposes, which may include investment in product development, sales and marketing activities, technology infrastructure, capital expenditures, improvement of corporate facilities and other general and administrative matters. We may also use a portion of these proceeds for the acquisition of, or investment in, technologies, solutions or businesses that complement our business, although we have no present commitments or agreements to enter into any acquisitions or investments.

The foregoing represents our current intentions based upon our present plans and business conditions to use and allocate the net proceeds of this offering. Our management, however, will have significant flexibility and discretion to apply the net proceeds of this offering. If an unforeseen event occurs or business conditions change, we may use the proceeds of this offering differently than as described in this prospectus. See "Risk Factors—Risks Related to This Offering and our American Depositary Shares—You must rely on the judgment of our management as to the use of the net proceeds from this offering, and such use may not produce income or increase our ADS price."

Pending any use described above, we plan to invest the net proceeds in short-term, interest-bearing, debt instruments or demand deposits.

In using the proceeds of this offering, we are permitted under PRC laws and regulations as an offshore holding company to provide funding to our PRC subsidiaries in China only through loans or capital contributions and to our variable interest entities only through loans, subject to the approval of government authorities and limit on the amount of capital contributions and loans. We cannot assure you that we will be able to obtain these government registrations or approvals on a timely basis, if at all. See "Risk Factors—Risks Related to Doing Business in China—PRC regulation of loans to and direct investment in PRC entities by offshore holding companies and governmental control of currency conversion may delay or prevent us from using the proceeds of this offering to make loans to or make additional capital contributions to our PRC subsidiaries, which could materially and adversely affect our liquidity and our ability to fund and expand our business."

DIVIDEND POLICY

Our board of directors has discretion on whether to distribute dividends, subject to certain restrictions under Cayman Islands law, namely that our company may only pay dividends out of profits or share premium, and provided always that in no circumstances may a dividend be paid if this would result in our company being unable to pay its debts as they fall due in the ordinary course of business. In addition, our shareholders may by ordinary resolution declare a dividend, but no dividend may exceed the amount recommended by our board of directors. Even if our board of directors decides to pay dividends, the form, frequency and amount will depend upon our future operations and earnings, capital requirements and surplus, general financial condition, contractual restrictions and other factors that the board of directors may deem relevant.

We do not have any present plan to pay any cash dividends on our ordinary shares in the foreseeable future after this offering. We currently intend to retain most, if not all, of our available funds and any future earnings to operate and expand our business.

We are a holding company incorporated in the Cayman Islands. We may rely on dividends from our subsidiaries in China for our cash requirements, including any payment of dividends to our shareholders. PRC regulations may restrict the ability of our PRC subsidiaries to pay dividends to us. See "Regulation—Regulations Relating to Dividend Distribution" and "Taxation—Dividends."

If we pay any dividends on our ordinary shares, we will pay those dividends which are payable in respect of the ordinary shares underlying our ADSs to the depositary, as the registered holder of such ordinary shares, and the depositary then will pay such amounts to our ADS holders in proportion to the ordinary shares underlying the ADSs held by such ADS holders, subject to the terms of the deposit agreement, including the fees and expenses payable thereunder. See "Description of American Depositary Shares." Cash dividends on our ordinary shares, if any, will be paid in U.S. dollars.

CAPITALIZATION

The following table sets forth our capitalization as of June 30, 2017:

- on an actual basis;
- on pro forma basis to reflect the (i) conversion of our convertible loans from liabilities to shareholders' equity on October 23, 2017; (ii) automatic conversion and the re-designation of all of our issued and outstanding preferred shares and Class B ordinary shares on one-for-one basis into our Class A ordinary shares immediately upon the completion of this offering; and (iii) automatic conversion and re-designation of all of our issued and outstanding Class A ordinary shares on one-for-one basis into our Class B ordinary shares immediately upon the completion of this offering; and
- on a pro forma as adjusted basis to reflect the (i) conversion of our convertible loans from liabilities to shareholders' equity on October 23, 2017; (ii) automatic conversion and the re-designation of all of our issued and outstanding preferred shares on one-for-one basis into our Class A ordinary shares immediately upon the completion of this offering; (iii) automatic conversion and re-designation of all of our issued and outstanding Class A ordinary shares on one-for-one basis into our Class B ordinary shares immediately upon the completion of this offering; and (iv) sale of Class A ordinary shares in the form of ADSs by us in this offering at an assumed initial public offering price of US$ per ADS, the mid-point of the estimated range of the initial public offering price shown on the front cover of this prospectus, after deducting the underwriting discounts and commissions and estimated offering expenses payable by us, assuming the underwriters do not exercise the over-allotment option.

Pursuant to our amended and restated memorandum and articles of association, which will become effective immediately prior to the completion of this offering, our preferred shares will be automatically converted into Class A ordinary shares immediately prior to the completion of this offering. Unaudited pro forma shareholders' equity as of June 30, 2017, as adjusted for the reclassification of the related preferred shares from mezzanine equity to shareholders' equity and convertible loans from liabilities to shareholders' equity is shown in the unaudited pro forma consolidated balance sheet.

Unaudited pro forma basic and diluted net income per ordinary share reflects the effect of the conversion of preferred shares and convertible loans as follows, as if the conversion occurred as of the beginning of the period or the original date of issuance, if later.

You should read this table together with our consolidated financial statements and the related notes included elsewhere in this prospectus and the information under "Management's Discussion and Analysis of Financial Condition and Results of Operations."

	As of June 30, 2017					
	Actual		Pro Forma		Pro Forma as Adjusted	
	RMB	US$	RMB	US$	RMB	US$
	(in thousands)					
Short-term debt:						
Convertible loans	738,631	108,954	—	—		
Total short-term debt	**738,631**	**108,954**	**—**	**—**		
Long-term debt:						
Long-term borrowings	1,145	169	1,145	169		
Total long-term debt	**1,145**	**169**	**1,145**	**169**		
Mezzanine equity:						
Series A-1 convertible redeemable preferred shares ($0.0001 of par value per share; 38,602,941shares authorized, issued and outstanding; no shares issued and outstanding, pro forma)	14,862	2,192	—	—		
Class B ordinary shares[(1)] ($0.0001 of par value per share; 7,350,000 shares authorized, issued and outstanding; no shares issued and outstanding, pro forma)	1,388	205	—	—		
Series A-2 convertible redeemable preferred shares ($0.0001 of par value per share; 39,390,757 shares authorized, issued and outstanding; no shares issued and outstanding, pro forma)	43,836	6,466	—	—		
Series B-1 convertible redeemable preferred shares ($0.0001 of par value per share; 4,119,294 shares authorized, issued and outstanding; no shares issued and outstanding, pro forma)	31,637	4,667	—	—		
Series B-2 convertible redeemable preferred shares ($0.0001 of par value per share; 69,152,661 shares authorized, 63,775,246 shares issued and outstanding; no shares issued and outstanding, pro forma)	567,251	83,674	—	—		
Series C convertible redeemable preferred shares ($0.0001 of par value per share; 53,774,149 shares authorized, 2 shares issued and outstanding; no shares issued and outstanding, pro forma)	*	*	—	—		
Total mezzanine equity	**658,974**	**97,204**	**—**	**—**		
Shareholders' (deficit)/equity:						
Class A ordinary shares	68	10	131	19		
Class B ordinary shares[(2)]	—	—	68	10		
Additional paid-in capital	2,865	423	1,400,339	206,562		
Statutory reserves	2,003	295	2,003	295		
Accumulated other comprehensive income	17,264	2,547	17,264	2,547		
Accumulated deficit	(560,504)	(82,679)	(560,504)	(82,679)		
Total shareholders' (deficit)/equity	(538,304)	(79,404)	859,301	126,754		
Total capitalization	860,446	126,923	860,446	126,923		

* Less than 1

(1) Represents 7,350,000 Class B ordinary shares issued in July 2014 which will be redesignated to Class A ordinary shares immediately prior to the completion of this offering.

(2) Immediately prior to the completion of this offering, all issued and outstanding Class A ordinary shares will be re-classified and re-designed to Class B ordinary shares.

DILUTION

If you invest in our ADSs, your interest will be diluted to the extent of the difference between the initial public offering price per ADS and our net tangible book value per ADS after this offering. Dilution results from the fact that the initial public offering price per ordinary share is substantially in excess of the book value per ordinary share attributable to the existing shareholders for our presently outstanding ordinary shares.

Our net tangible book value as of June 30, 2017 was approximately US$, or US$ per ordinary share and US$ per ADS. Net tangible book value represents the amount of our total consolidated tangible assets, less the amount of our total consolidated liabilities. Dilution is determined by subtracting net tangible book value per ordinary share, after giving effect to the additional proceeds we will receive from this offering, from the assumed initial public offering price of US$ per ordinary share, which is the midpoint of the estimated initial public offering price range set forth on the cover page of this prospectus adjusted to reflect the ADS-to-ordinary share ratio, and after deducting underwriting discounts and commissions and estimated offering expenses payable by us.

Without taking into account any other changes in net tangible book value after December 31, 2016, other than to give effect to our sale of the ADSs offered in this offering at the assumed initial public offering price of US$ per ADS, the midpoint of the estimated range of the initial public offering price, after deduction of the underwriting discounts and commissions and estimated offering expenses payable by us, our as adjusted net tangible book value as of December 31, 2016 would have been US$, or US$ per ordinary share and US$ per ADS. This represents an immediate increase in net tangible book value of US$ per ordinary share and US$ per ADS to the existing shareholders and an immediate dilution in net tangible book value of US$ per ordinary share and US$ per ADS to investors purchasing ADSs in this offering. The following table illustrates such dilution:

	Per Ordinary Share	Per ADS
Assumed initial public offering price	US$	US$
Net tangible book value as of June 30, 2017	US$	US$
As adjusted net tangible book value after giving effect to this offering	US$	US$
Amount of dilution in net tangible book per ordinary share value to new investors in this offering	US$	US$
Amount of dilution in net tangible book value to new investors in this offering	US$	US$

A $1.00 increase (decrease) in the assumed public offering price of US$ per ADS would increase (decrease) our as adjusted net tangible book value after giving effect to this offering by US$, the as adjusted net tangible book value per ordinary share and per ADS after giving effect to this offering by US$ per ordinary share and US$ per ADS and the dilution in as adjusted net tangible book value per ordinary share and per ADS to new investors in this offering by US$ per ordinary share and US$ per ADS, assuming no change to the number of ADSs offered by us as set forth on the cover page of this prospectus, and after deducting underwriting discounts and commissions and other offering expenses.

The following table summarizes, on an as adjusted basis as of June 30, 2017, the differences between existing shareholders and the new investors with respect to the number of ordinary shares (in the form of ADSs or shares) purchased from us, the total consideration paid and the average price per ordinary share and per ADS paid before deducting the underwriting discounts and commissions and estimated offering expenses. The total number of ordinary shares does not include ordinary shares

underlying the ADSs issuable upon the exercise of the over-allotment option granted to the underwriters.

	Class A Ordinary Shares Purchased		Total Consideration		Average Price Per Ordinary Share	Average Price Per ADS
	Number	Percent	Amount	Percent		
Existing shareholders			US$		US$	US$
New investors			US$		US$	US$
Total			US$	100.0%		

The as adjusted information discussed above is illustrative only. Our net tangible book value following the completion of this offering is subject to adjustment based on the actual initial public offering price of our ADSs and other terms of this offering determined at pricing.

EXCHANGE RATE INFORMATION

Our reporting currency is the Renminbi because our business is mainly conducted in China and all of our revenues are denominated in Renminbi. This prospectus contains translations of Renminbi amounts into U.S. dollars at specific rates solely for the convenience of the reader. The conversion of Renminbi into U.S. dollars in this prospectus is based on the exchange rate set forth in the H.10 statistical release of the Federal Reserve Board. Unless otherwise noted, all translations from Renminbi to U.S. dollars and from U.S. dollars to Renminbi in this prospectus were made at a rate of RMB6.7793 to US$1.00, the exchange rate on June 30, 2017 set forth in the H.10 statistical release of the Federal Reserve Board, except those translations of balances in the Consolidated Balance Sheets, Consolidated Statements of Operations, Consolidated Statements of Comprehensive Loss and Consolidated Statements of Cash Flows as of and for the year ended December 31, 2016 from Renminbi into U.S. dollars, which were made at a rate of RMB6.9430, the exchange rate on December 30, 2016 set forth in the H.10 statistical release of the Federal Reserve Board. We make no representation that any Renminbi or U.S. dollar amounts could have been, or could be, converted into U.S. dollars or Renminbi, as the case may be, at any particular rate, the rates stated below, or at all. The PRC government imposes control over its foreign currency reserves in part through direct regulation of the conversion of Renminbi into foreign exchange and through restrictions on foreign trade. On October 27, 2017, the exchange rate was RMB6.6498 to US$1.00.

The following table sets forth information concerning exchange rates between the Renminbi and the U.S. dollar for the periods indicated. These rates are provided solely for your convenience and are not necessarily the exchange rates that we used in this prospectus or will use in the preparation of our periodic reports or any other information to be provided to you.

	Certified Exchange Rate			
Period	Period End	Average[1]	Low	High
	(RMB per US$1.00)			
2012	6.2301	6.2990	6.3879	6.2221
2013	6.0537	6.1412	6.2438	6.0537
2014	6.2046	6.1704	6.2591	6.0402
2015	6.4778	6.2869	6.4896	6.1870
2016	6.9430	6.6549	6.9580	6.4480
2017				
April	6.8900	6.8876	6.8988	6.8778
May	6.8098	6.8843	6.9060	6.8098
June	6.7793	6.8066	6.8382	6.7793
July	6.7240	6.7694	6.8039	6.7240
August	6.5888	6.6670	6.7272	6.5888
September	6.6533	6.5690	6.6591	6.4773
October (through October 27)	6.6498	6.6237	6.6533	6.5712

Source: Federal Reserve Statistical Release

(1) Annual averages were calculated by using the average of the exchange rates on the last day of each month during the relevant year. Monthly averages are calculated by using the average of the daily rates during the relevant month.

ENFORCEABILITY OF CIVIL LIABILITIES

We are incorporated in the Cayman Islands to take advantage of certain benefits associated with being a Cayman Islands exempted company, such as:

- political and economic stability;
- an effective judicial system;
- a favorable tax system;
- the absence of exchange control or currency restrictions; and
- the availability of professional and support services.

However, certain disadvantages accompany incorporation in the Cayman Islands. These disadvantages include, but are not limited to:

- the Cayman Islands has a less developed body of securities laws as compared to the United States and these securities laws provide significantly less protection to investors as compared to the United States; and
- Cayman Islands companies may not have standing to sue before the federal courts of the United States.

Our constituent documents do not contain provisions requiring that disputes, including those arising under the securities laws of the United States, between us, our officers, directors and shareholders, be arbitrated.

Substantially all of our operations are conducted in China, and substantially all of our assets are located in China. A majority of our directors and executive officers are nationals or residents of jurisdictions other than the United States and most of their assets are located outside the United States. As a result, it may be difficult for a shareholder to effect service of process within the United States upon these individuals, or to bring an action against us or against these individuals in the United States, in the event that you believe that your rights have been infringed under the securities laws of the United States or any state in the United States.

We have appointed, Law Debenture Corporate Services Inc. located at 801 2nd Avenue, Suite 403, New York, NY 10017 as our agent upon whom process may be served in any action brought against us under the securities laws of the United States.

Maples and Calder (Hong Kong) LLP, our legal counsel as to Cayman Islands law, and Beijing Shihui Law Firm, our legal counsel as to PRC law, have advised us, respectively, that there is uncertainty as to whether the courts of the Cayman Islands and China, respectively, would:

- recognize or enforce judgments of United States courts obtained against us or our directors or officers predicated upon the civil liability provisions of the securities laws of the United States or any state in the United States; or
- entertain original actions brought in each respective jurisdiction against us or our directors or officers predicated upon the securities laws of the United States or any state in the United States.

We have been advised by our Cayman Islands legal counsel, Maples and Calder (Hong Kong) LLP, that although there is no statutory enforcement in the Cayman Islands of judgments obtained in the United States, the courts of the Cayman Islands will recognize and enforce a foreign money judgment of a foreign court of competent jurisdiction without retrial on the merits based on the principle that a judgment of a competent foreign court imposes upon the judgment debtor an obligation to pay the sum for which judgment has been given provided certain conditions are met. For such a foreign judgment to

be enforced in the Cayman Islands, such judgment must be final and conclusive and for a liquidated sum, and must not be in respect of taxes or a fine or penalty, inconsistent with a Cayman Islands judgment in respect of the same matter, impeachable on the grounds of fraud or obtained in a manner, and or be of a kind the enforcement of which is, contrary to natural justice or the public policy of the Cayman Islands (awards of punitive or multiple damages may well be held to be contrary to public policy). A Cayman Islands Court may stay enforcement proceedings if concurrent proceedings are being brought elsewhere.

Beijing Shihui Law Firm has further advised us that the recognition and enforcement of foreign judgments are provided for under the PRC Civil Procedures Law. PRC courts may recognize and enforce foreign judgments in accordance with the requirements of the PRC Civil Procedures Law based either on treaties between China and the country where the judgment is made or on principles of reciprocity between jurisdictions. China does not have any treaties or other form of reciprocity with the United States or the Cayman Islands that provide for the reciprocal recognition and enforcement of foreign judgments. In addition, according to the PRC Civil Procedures Law, courts in the PRC will not enforce a foreign judgment against us or our directors and officers if they decide that the judgment violates the basic principles of PRC law or national sovereignty, security or public interest. As a result, it is uncertain whether and on what basis a PRC court would enforce a judgment rendered by a court in the United States or the Cayman Islands. Under the PRC Civil Procedures Law, foreign shareholders may originate actions based on PRC law against us in the PRC, if they can establish sufficient nexus to the PRC for a PRC court to have jurisdiction, and meet other procedural requirements, including, among others, the plaintiff must have a direct interest in the case, and there must be a concrete claim, a factual basis and a cause for the suit. However, it would be difficult for foreign shareholders to establish sufficient nexus to the PRC by virtue only of holding our ADSs or Class A ordinary shares.

CORPORATE HISTORY AND STRUCTURE

Shenzhen Fenqile Network Technology Co., Ltd., or Shenzhen Fenqile, was established in the PRC in August 2013 and began to operate *Fenqile*, our online consumer finance platform, in October 2013. In October 2013, Beijing Lejiaxin Network Technology Co., Ltd., or Beijing Lejiaxin, was incorporated as an investment holding company in the PRC and established its wholly owned subsidiary Shenzhen Qianhai Juzi Information Technology Co., Ltd., or Qianhai Juzi, in June 2014 to operate our online investment platform *Juzi Licai*.

In November 2013, Staging Finance Holding Ltd., or Staging Finance, was incorporated under the laws of the Cayman Islands as our offshore holding company. In December 2013, Installment (HK) Investment Limited, or Installment HK, was incorporated in Hong Kong as a wholly-owned subsidiary of Staging Finance. Beijing Shijitong Technology Co., Ltd., or Beijing Shijitong was established in July 2014 as a wholly owned subsidiary of Installment HK in the PRC.

In July 2014, Beijing Shijitong entered into a series of contractual agreements with Shenzhen Fenqile and its shareholders. Certain of these contractual agreements were restated in November 2014, April 2015 and March 2016 among Beijing Shijitong, Shenzhen Fenqile and its then shareholders on the respective dates. Shenzhen Fenqile has been treated as a variable interest entity of Beijing Shijitong since July 2014.

In December 2015, Shenzhen Xinjie Investment Co. Ltd., or Shenzhen Xinjie, was incorporated as an investment holding company in the PRC and established its subsidiary Shenzhen Tiqianle Network Technology Co., Ltd., or Shenzhen Tiqianle. Beijing Shijitong entered into a series of contractual agreements with Shenzhen Tiqianle and its shareholders such that Shenzhen Tiqianle was treated as a variable interest entity of Beijing Shijitong, and Beijing Shijitong consolidated the financial results of Shenzhen Tiqianle in its consolidated financial statements in accordance with U.S. GAAP. In March 2017, Shenzhen Tiqianle became a wholly-owned subsidiary of Shenzhen Xinjie immediately after those contractual agreements were terminated. In January 2016, Shenzhen Qianhai Dingsheng Asset Management Co., Ltd., or Qianhai Dingsheng, was incorporated to conduct assets management and loan matching business.

Through Beijing Shijitong, we obtained control over Beijing Lejiaxin, Shenzhen Xinjie, Shenzhen Fenqile, and Qianhai Dingsheng, or collectively, our variable interest entities, based on a series of contractual arrangements. See "Corporate History and Structure—Contractual Arrangement with Our Variable Interest Entities." We conducted substantially all of our activities through our variable interest entities and/or their subsidiaries, including Shenzhen Fenqile, and Qianhai Juzi which is wholly owned by Beijing Lejiaxin. In March 2017, we changed our name from "Staging Finance Holding Ltd." to "LexinFintech Holdings Ltd." For an illustration of our corporate structure as of the date of this prospectus, including our principal subsidiaries and our variable interest entities and their principal subsidiaries, see "Prospectus Summary—Corporate Structure."

Contractual Arrangements with Our Variable Interest Entities

PRC laws and regulations impose restrictions on foreign ownership and investment in internet-based businesses such as distribution of online information and other value-added telecommunications services. We are a Cayman Islands company and our PRC subsidiaries are considered foreign-invested enterprises. To comply with PRC laws and regulations, we have entered into a series of contractual arrangements, through Beijing Shijitong, with our variable interest entities, the shareholders of our variable interest entities to obtain effective control over our variable interest entities and their subsidiaries.

We currently conduct our business through our variable interest entities and their subsidiaries based on these contractual arrangements, which allow us to:

- exercise effective control over our variable interest entities and their subsidiaries;
- receive substantially all of the economic benefits from our variable interest entities and their subsidiaries; and
- have an exclusive option to purchase all or part of the equity interests in our variable interest entities and when and to the extent permitted by PRC law.

As a result of these contractual arrangements, we have become the primary beneficiary of our variable interest entities under U.S. GAAP. We have consolidated the financial results of our variable interest entities and their subsidiaries in our consolidated financial statements in accordance with U.S. GAAP.

The following is a summary of the currently effective contractual arrangements in relation to our wholly-owned subsidiary, Beijing Shijitong, our variable interest entities and their shareholders.

Agreements that Allow Us to Receive Economic Benefits from Our Variable Interest Entities

Exclusive Business Cooperation Agreements. Beijing Shijitong entered into exclusive business cooperation agreements with each of our variable interest entities. Pursuant to these agreements, Beijing Shijitong or its designated party has the exclusive right to provide our variable interest entities with comprehensive business support, technical support and consulting services. Without Beijing Shijitong's prior written consent, our variable interest entities shall not accept any consulting and/or services covered by these agreements from any third party. Our variable interest entities agree to pay service fees in an amount determined by Beijing Shijitong based on respective profit calculated as revenue minus cost agreed and recognized by Beijing Shijitong of our variable interest entities for the relevant period on an yearly basis or other service fees for specific services as required and as otherwise agreed by both parties. Beijing Shijitong owns the intellectual property rights arising out of the services performed under these agreements. Unless Beijing Shijitong terminates these agreements or pursuant to other provisions of these agreements, these agreements will remain effective indefinitely. These agreements can be terminated by Beijing Shijitong through a 30-day advance written notice, our variable interest entities have no right to unilaterally terminate these agreements.

Agreements that Provide Us with Effective Control over Our Variable Interest Entities

Power of Attorney. Through a series of power of attorney, each shareholder of our variable interest entities irrevocably authorizes Beijing Shijitong or any person(s) designated by Beijing Shijitong to act as its attorney-in-fact to exercise all of such shareholder's voting and other rights associated with the shareholder's equity interest in our variable interest entities, including but not limited to, the right to attend shareholder meetings on behalf such shareholder, the right to appoint legal representatives, directors, supervisors and chief executive officers and other senior management, and the right to sell, transfer, pledge and dispose of all or a portion of the shares held by such shareholder. The power of attorney is irrevocable and remains in force continuously upon execution.

Equity Pledge Agreement. Beijing Shijitong has entered into an equity pledge agreement with each shareholder of our variable interest entities. Pursuant to these equity pledge agreements, each shareholder of our variable interest entities has pledged all of his, her or its respective equity interest in our variable interest entities to Beijing Shijitong to guarantee the performance by such shareholder and our variable interest entities of their respective obligations under the exclusive business cooperation agreements, the power of attorney, the loan agreement (applicable to the contractual arrangements with Qianhai Dingsheng or Shenzhen Xinjie), the exclusive option agreements, and any amendment, supplement or restatement to such agreements. If our variable interest entities or any of their

shareholders breach any obligations under these agreements, Beijing Shijitong, as pledgee, will be entitled to dispose of the pledged equity and have priority to be compensated by the proceeds from the disposal of the pledged equity. Each of the shareholders of variable interest entities agrees that before his, her or its obligations under the contractual arrangements are discharged, he, she or it will not dispose of the pledged equity interests, create or allow any encumbrance on the pledged equity interests, which may result in the change of the pledged equity that may have adverse effects on the pledgee's rights under these agreements without the prior written consent of Beijing Shijitong. These equity pledge agreements will remain effective until our variable interest entities and their shareholders discharge all their respective obligations under the contractual arrangements. As of the date of this prospectus, the equity pledge has not been registered with local PRC authorities.

Agreements that Provide Us with the Option to Purchase the Equity Interest in Our Variable Interest Entities

Exclusive Option Agreements. Beijing Shijitong has entered into the exclusive option agreements with our variable interest entities. Pursuant to these exclusive option agreements, the shareholders of our variable interest entities have irrevocably granted Beijing Shijitong or any third party designated by Beijing Shijitong an exclusive option to purchase all or part of their respective equity interests in our variable interest entities. The purchase price shall be the lowest price permitted by law. Without Beijing Shijitong's prior written consent, our variable interest entities shall not, among other things, amend their articles of association, increase or decrease the registered capital, sell, dispose of or set any encumbrance on their assets, business or revenue, enter into any material contract outside the ordinary course of business, merge with any other persons or make any investments, distribute dividends, or enter into any transactions which have material adverse effects on their business. The shareholders of our variable interest entities also jointly and severally undertake that they will not transfer, gift or otherwise dispose of their respective equity interests in our variable interest entities to any third party or create or allow any encumbrance on their equity interests within the term of these agreements. These agreements will remain effective until Beijing Shijitong and/or any third party designated by Beijing Shijitong has acquired all equity interests of our variable interest entities from their respective shareholders.

Loan Agreements. Pursuant to the loan agreement between Beijing Shijitong and the shareholders of Qianhai Dingsheng and the loan agreement between Beijing Shijitong and the shareholders of Shenzhen Xinjie, both of which entered into in 2017, Beijing Shijitong made loans in an aggregate amount of RMB10 million and RMB1 million to the shareholders of Qianhai Dingsheng and Shenzhen Xinjie respectively solely for the purpose of operating their respective businesses. Pursuant to these loan agreements, the shareholders can only repay the loans by the transfer of all their equity interests in Qianhai Dingsheng or Shenzhen Xinjie (as applicable) to Beijing Shijitong or its designated person(s) pursuant to their respective exclusive option agreements. The shareholders must pay all of the proceeds from transfer of such equity interests to Beijing Shijitong. In the event that shareholders transfer their equity interests to Beijing Shijitong or its designated person(s) with a price equivalent to or less than the amount of the principal, the loans will be interest free. If the price is higher than the amount of the principal, the excess amount will be paid to Beijing Shijitong as the loan interest. The loans must be repaid immediately when permitted by PRC laws at Beijing Shijitong's request. The term of both loans are ten years and will be extended automatically for another ten years on each expiration.

In the opinion of Beijing Shihui Law Firm, our PRC counsel: the ownership structures of our variable interest entities, currently do not, and immediately after giving effect to this offering, will not result in any violation of the applicable PRC laws or regulations currently in effect; and the contractual arrangements among Beijing Shijitong, our variable interest entities and their shareholders, are governed by PRC laws or regulations, and are currently valid, binding and enforceable in accordance with the applicable PRC laws or regulations currently in effect, and do not result in any violation of the applicable PRC laws or regulations currently in effect. However, Beijing Shihui Law Firm has also

advised us that there are substantial uncertainties regarding the interpretation and application of current or future PRC laws and regulations and there can be no assurance that the PRC government will ultimately take a view that is consistent with the opinion of our PRC counsel.

However, there are substantial uncertainties regarding the interpretation and application of current and future PRC laws, regulations and rules. In particular, in January 2015, the MOC published the Draft Foreign Investment Law for public review and comments. Among other things, the Draft Foreign Investment Law expands the definition of foreign investment and introduces the principle of "actual control" in determining whether a company is considered a foreign-invested enterprise, or an FIE. Under the Draft Foreign Investment Law, our variable interest entities would also be deemed as FIEs, if they are ultimately "controlled" by foreign investors, and be subject to restrictions on foreign investments. However, the draft law has not taken a position on what actions will be taken with respect to the existing companies with the "variable interest entity" structure, whether or not these companies are controlled by Chinese parties. It is uncertain when the draft would be signed into law and whether the final version would have any substantial changes from the draft. Accordingly, the PRC regulatory authorities may in the future take a view that is contrary to the above opinion of our PRC counsel. If the PRC government finds that the agreements that establish the structure for operating our online consumer finance business do not comply with PRC government restrictions on foreign investment in value-added telecommunications services business, such as the internet content provision services, we could be subject to severe penalties, including being prohibited from continuing operations. See "Risk Factors—Risks Related to Our Corporate Structure" and "—Risks Related to Doing Business in China."

SELECTED CONSOLIDATED FINANCIAL DATA AND SELECTED OPERATING DATA

The following selected consolidated statements of operations data and selected consolidated cash flows data for the years ended December 31, 2015 and 2016 and selected consolidated balance sheets data as of December 31, 2015 and 2016 have been derived from our audited consolidated financial statements included elsewhere in this prospectus. The following selected consolidated statements of operations data for the six months ended June 30, 2016 and 2017 and selected consolidated balance sheets data as of June 30, 2017 have been derived from our unaudited interim condensed consolidated financial statements included elsewhere in this prospectus. Our consolidated financial statements are prepared and presented in accordance with U.S. GAAP. You should read this Selected Consolidated Financial Data and Selected Operating Data section together with our consolidated financial statements and the related notes and "Management's Discussion and Analysis of Financial Condition and Results of Operations" included elsewhere in this prospectus. Our historical results are not necessarily indicative of results expected for any future periods.

	For the Year Ended December 31,			For the Six Months Ended June 30,		
	2015	2016		2016	2017	
	RMB	RMB	US$	RMB	RMB	US$
	(in thousands)					
Selected Consolidated Statements of Operations Data:						
Operating revenue:						
Online direct sales	2,164,393	2,770,634	399,054	1,317,169	1,193,959	176,118
Services and others	—	5,060	729	1,678	6,095	899
Online direct sales and services income	2,164,393	2,775,694	399,783	1,318,847	1,200,054	177,017
Interest and financial services income	325,601	1,373,559	197,834	509,799	1,131,609	166,921
Loan facilitation and servicing fees	661	54,201	7,807	7,100	106,981	15,781
Other revenue	34,287	135,232	19,477	46,935	97,077	14,320
Financial services income	360,549	1,562,992	225,118	563,834	1,335,667	197,022
Total operating revenue	2,524,942	4,338,686	624,901	1,882,681	2,535,721	374,039
Operating cost:						
Cost of sales	(2,309,586)	(2,894,025)	(416,826)	(1,387,666)	(1,261,266)	(186,047)
Funding cost	(168,470)	(491,695)	(70,819)	(212,836)	(359,059)	(52,965)
Processing and servicing cost[(1)]	(51,057)	(114,323)	(16,466)	(45,871)	(95,610)	(14,103)
Provision for credit losses	(68,287)	(236,611)	(34,079)	(77,614)	(271,215)	(40,006)
Total operating cost	(2,597,400)	(3,736,654)	(538,190)	(1,723,987)	(1,987,150)	(293,121)
Gross profit	(72,458)	602,032	86,711	158,694	548,571	80,918
Operating expenses:						
Sales and marketing expenses[(1)]	(243,463)	(376,313)	(54,201)	(169,570)	(190,018)	(28,029)
Research and development expenses[(1)]	(40,441)	(127,317)	(18,338)	(46,293)	(101,216)	(14,930)
General and administrative expenses[(1)]	(40,962)	(87,364)	(12,583)	(35,508)	(94,200)	(13,895)
Total operating expenses	(324,866)	(590,994)	(85,122)	(251,371)	(385,434)	(56,854)
Interest expense, net	(1,930)	(48,343)	(6,963)	(7,374)	(44,262)	(6,529)
Investment related impairment	—	(5,635)	(812)	—	—	—
Change in fair value of financial guarantee derivatives	—	(5,942)	(856)	(1,979)	14,762	2,178
Others, net	126	(10,799)	(1,555)	(7,820)	(6,456)	(952)
(Loss)/income before income tax expense	(399,128)	(59,681)	(8,597)	(109,850)	127,181	18,761
Income tax benefit/(expense)	88,934	(58,258)	(8,391)	6,777	(55,442)	(8,178)
Net (loss)/income	(310,194)	(117,939)	(16,988)	(103,073)	71,739	10,583
Preferred shares redemption value accretion	(51,524)	(62,299)	(8,973)	(30,515)	(33,404)	(4,927)
Income allocation to participating preferred shares	—	—	—	—	(38,335)	(5,656)
Deemed dividend to a preferred shareholder	—	(42,679)	(6,147)	(42,679)	—	—
Net loss attributable to ordinary shareholders	(361,718)	(222,917)	(32,108)	(176,267)	—	—

(1) Share-based compensation expenses are allocated to processing and servicing cost and operating expense items as follows:

	For the Year Ended December 31,			For the Six Months Ended June 30,		
	2015	2016		2016	2017	
	RMB	RMB	US$	RMB	RMB	US$
	(in thousands)					
Processing and servicing cost	472	1,067	154	587	2,321	342
Sales and marketing expenses	3,194	4,009	577	1,940	2,468	364
Research and development expenses	3,736	9,068	1,306	2,205	7,786	1,148
General and administrative expenses	7,086	9,855	1,419	3,852	22,115	3,262

	As of December 31,			As of June 30,	
	2015	2016		2017	
	RMB	RMB	US$	RMB	US$
			(in thousands)		
Selected Consolidated Balance Sheets Data:					
Cash and cash equivalents	135,371	479,605	69,077	982,056	144,861
Restricted cash	26,330	172,870	24,898	306,884	45,268
Short-term financing receivables, net	2,897,791	6,470,898	932,003	8,458,551	1,247,703
Inventories, net	44,295	107,704	15,513	124,704	18,395
Long-term financing receivables, net	320,957	1,066,148	153,557	1,287,102	189,858
Total assets	3,817,082	8,720,135	1,255,960	11,685,691	1,723,731
Short-term funding debts	3,159,154	6,968,488	1,003,671	9,534,553	1,406,421
Accrued expenses and other current liabilities	131,236	602,259	86,743	648,538	95,664
Convertible loan—current	—	—	—	738,631	108,954
Long-term funding debts	31,080	21,014	3,027	32,277	4,761
Convertible loans—non-current	—	698,179	100,559	—	—
Total liabilities	3,623,209	8,706,216	1,253,954	11,565,021	1,705,931
Total mezzanine equity	608,514	625,570	90,101	658,974	97,204
Total shareholders' deficit	(414,641)	(611,651)	(88,095)	(538,304)	(79,404)

	For the Year Ended December 31,			For the Six Months Ended June 30,		
	2015	2016		2016	2017	
	RMB	RMB	US$	RMB	RMB	US$
			(in thousands)			
Selected Consolidated Cash Flows Data:						
Net cash (used in)/provided by operating activities	(1,485,106)	379,839	54,705	(57,173)	543,289	80,137
Net cash used in investing activities	(1,587,645)	(4,502,270)	(648,461)	(1,615,981)	(2,660,239)	(392,406)
Net cash provided by financing activities	3,031,864	4,459,947	642,365	2,374,378	2,621,093	386,631
Net (decrease)/increase in cash and cash equivalents	(26,213)	344,234	49,580	703,431	502,451	74,115
Cash and cash equivalents at beginning of the period	161,584	135,371	19,497	135,371	479,605	70,746
Cash and cash equivalents at end of the period	135,371	479,605	69,077	838,802	982,056	144,861

The following table presents our selected operating data as of and for the periods ended December 31, 2015 and 2016 and June 30, 2016 and 2017. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Key Operating Metrics."

	As of or for the Year Ended December 31,			As of or for the Six Months Ended June 30,		
	2015	2016		2016	2017	
	RMB	RMB	US$	RMB	RMB	US$
	(except for number of customers)					
Selected Operating Data:						
Outstanding principal balance[1] (in millions)	3,390	9,899	1,460	5,392	12,485	1,842
Outstanding principal balance of on-balance sheet loans (in millions)	3,266	7,712	1,138	4,857	10,051	1,482
Outstanding principal balance of off-balance sheet loans (in millions)	124	2,187	323	535	2,434	359
Originations (in millions)	6,110	22,197	3,274	8,013	17,324	2,555
Average customer loan balance[2]	2,881	4,838	714	3,384	5,460	805
Number of active customers who used our loan products (in thousands)	1,481	3,005	N/A	2,083	2,483	N/A
Number of new active customers who used our loan products (in thousands)	1,396	1,923	N/A	1,079	693	N/A
Customer acquisition cost[3]	114	127	18.7	107	138	20.4

(1) Outstanding principal balance represents the total amount of principal outstanding for loans originated on our platform at the end of the relevant period.

(2) Average customer loan balance is calculated by dividing the outstanding principal balance by the number of customers with outstanding loans at the end of the relevant period.

(3) Customer acquisition cost refers to the amount of our total costs incurred in connection with acquiring customers divided by the number of the new active customers during the relevant period.

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

You should read the following discussion together with our consolidated financial statements and the related notes included elsewhere in this prospectus. This discussion contains forward-looking statements about our business and operations. Our actual results may differ materially from those we currently anticipate as a result of many factors, including those we describe under "Risk Factors" and elsewhere in this prospectus. See "Special Note Regarding Forward-Looking Statements."

Overview

We are a leading online consumer finance platform in China in terms of the outstanding principal balance of loans originated on our platform as of June 30, 2017, according to Oliver Wyman, a market research firm. We strategically focus on serving the credit needs of educated young adults in China. We had approximately 3.0 million active customers in 2016 and 2.5 million active customers in the six months ended June 30, 2017, representing a 103% and 19% increase from 2015 and the six months ended June 30, 2016, respectively. As of June 30, 2017, we had over 5.6 million customers with an approved credit line and approximately 16.0 million registered users.

Our online consumer finance platform, *Fenqile*, offers customers personal installment loans, installment purchase loans and other loan products. We match customer loans with diversified funding sources, including individual investors on our *Juzi Licai* platform, institutional funding partners on our direct lending programs, investors of our asset-backed securities and others. We charge fees for our matching services.

We have scalable and stable funding to meet our customers' needs and to continue to grow our platform. With the access to multiple funding sources and the ability to adjust allocation of funding needs to different sources, we are not dependent on any particular type of funding source, and we are able to withstand seasonality of demand and fluctuations in the supply and costs of funding. We connect qualified customer loan assets directly with the capital of our funding partners in an automated process that minimizes further review and approval by the institutional funding partners.

We adopt a targeted and cost-effective customer acquisition strategy by leveraging our e-commerce channel, word-of-mouth referrals and cooperation with reputable commercial banks. Our educated young adult customers are often geographically concentrated and socially connected, which enables us to achieve effective customer acquisition through customer referrals. In 2016 and the six months ended June 30, 2017, approximately 36% and 54%, respectively, of our new customers registered on our platform using a referral code obtained from an existing customer. We cooperate with commercial banks, for example, by promoting co-branded credit cards issued by the bank to reach potential customers.

We take an advanced and customized credit risk management approach driven by our proprietary *Hawkeye* credit assessment engine and strong risk management culture. With the large volume and number of loans we originated, we have accumulated a massive amount of proprietary data on customer behavior and risk profiles, affording us the ability to develop machine learning in improving our risk management capabilities.

We have expanded the scale of our platform rapidly since our inception. From our inception in August 2013 through June 30, 2017, we cumulatively originated RMB46.1 billion (US$6.8 billion) in loans. In 2016 and the six months ended June 30, 2017, we originated RMB22.2 billion (US$3.3 billion) and RMB17.3 billion (US$2.6 billion) in loans, respectively, representing a 263% increase and a 116% increase from 2015 and the six months ended June 30, 2016, respectively. As of December 31, 2015 and 2016 and as of June 30, 2017, our outstanding principal balance of loans was approximately RMB3.4 billion, RMB9.9 billion (US$1.5 billion) and RMB12.5 billion (US$1.8 billion), respectively.

Our total operating revenue increased significantly from RMB2,525 million in 2015 to RMB4,339 million (US$625 million) in 2016, and increased from RMB1,883 million in the six months ended June 30, 2016 to RMB2,536 million (US$374 million) in the six months ended June 30, 2017. Our net loss decreased from RMB310 million in 2015 to RMB118 million (US$17.0 million) in 2016. We had a net income of RMB71.7 million (US$10.6 million) in the six months ended June 30, 2017, compared to a net loss of RMB103 million in the six months ended June 30, 2016.

Key Operating Metrics

We regularly monitor a number of metrics in order to measure our current performance and project our future performance. These metrics aid us in developing and refining our growth strategies and making strategic decisions:

	As of or for the Year Ended December 31,			As of or for the Six Months Ended June 30,		
	2015	2016		2016	2017	
	RMB	RMB	US$	RMB	RMB	US$
	(other than number of customers)					
Outstanding principal balance (in millions)	3,390	9,899	1,460	5,392	12,485	1,842
Outstanding principal balance by accounting treatment:						
Outstanding principal balance of on-balance sheet loans (in millions)	3,266	7,712	1,138	4,857	10,051	1,482
Outstanding principal balance of off-balance sheet loans (in millions)	124	2,187	323	535	2,434	359
Outstanding principal balance by type of loan product:						
Outstanding principal balance of installment purchase loans (in millions)	1,703	2,106	311	1,922	1,966	290
Outstanding principal balance of personal installment loans (in millions)	1,687	7,793	1,150	3,470	10,519	1,552
Originations (in millions)	6,110	22,197	3,274	8,013	17,324	2,555
Originations of installment purchase loans (in millions)	2,501	3,154	465	1,518	1,364	201
Originations of personal installment loans (in millions)	3,609	19,043	2,809	6,495	15,960	2,354
Average customer loan balance	2,881	4,838	714	3,384	5,460	805
Number of active customers who used our loan products (in thousands)	1,481	3,005	N/A	2,083	2,483	N/A
Number of new active customers who used our loan products (in thousands)	1,396	1,923	N/A	1,079	693	N/A
Customer acquisition cost	114	127	18.7	107	138	20.4

Outstanding principal balance. Outstanding principal balance represents the total amount of principal outstanding for loans originated on our platform at the end of the period. The accounting treatment with respect to outstanding principal balance of loans on our consolidated balance sheets varies, depending primarily on whether we are considered as the primary obligor in the lending relationship. See "—Critical Accounting Policies—On- and off-balance sheet treatment of loans" below.

Originations. Originations represent the total principal amount of the loans we originate during the period. Our customers have the option to postpone or reschedule their monthly repayment. For originations, the principal amount postponed or rescheduled is calculated as a new loan principal amount. We treat off-balance sheet loans as part of our originations.

Average customer loan balance. Average customer loan balance is calculated by dividing the outstanding principal balance by the number of customers with outstanding loans at the period end.

Number of active customers and new active customers using our loan products. We define an active customer as a customer who uses our loan products at least once during the relevant period. A new active customer during a period is an active customer during the period who has not used our loan products prior to the beginning of this period.

Customer acquisition cost. We define customer acquisition cost as the amount of total costs incurred in connection with acquiring customers during a period divided by the number of the new active customers during the period.

On-and Off-Balance Sheet Treatment of Loans

We access an array of diversified funding sources to ensure that we have scalable and stable funding. The accounting treatment of assets, liabilities and revenues arising from the loans we originate varies, depending primarily on whether we are considered as the primary obligor in the lending relationship.

We generate financing receivables from providing installment purchase loans and personal installment loans to customers. With respect to the loans funded by individual investors through *Juzi Licai* and certain institutional funding partners, we have determined that we are the primary obligator in the lending relationship. We generate interest and financial services income from on-balance sheet loans, which is amortized over the terms of financing receivables using the effective interest method.

We do not record financing receivables from loans funded by certain institutional funding partners, such as certain third-party commercial banks, where we are not the primary obligor in the lending relationship. With respect to the off-balance sheet loans, we are obligated to compensate these institutional funding partners for the principal and interest repayment of loans in the event of a customer default. We also provide full interest repayment to certain institutional funding partner according to the terms of the loan in the event that a customer makes an early repayment of the loan. We account for our contracts with these institutional funding partners as a derivative under ASC Topic 815, *Derivatives and Hedging*, which is recognized on our consolidated balance sheets as either assets or liabilities. We earn loan facilitation and servicing fees from the customers.

See "—Critical Accounting Policies—On- and off-balance sheet treatment of loans."

General Factors Affecting Our Results of Operations

Our results of operations are affected by general factors driving the online consumer finance industry in China.

Regulatory environment in China

China's online consumer finance industry has historically been largely unregulated. Recently, PRC regulatory authorities, including the China Bank Regulatory Commission and the People's Bank of China, have issued guidelines and policy directives relating to the online consumer finance industry. See "Regulation." It is expected that the online consumer finance market may be subject to closer scrutiny from regulators with more detailed rules and regulations to be introduced. We expect that our operations may need to be further modified to comply with relevant PRC laws and regulations. See "Risk Factors—Risks Related to Doing Business in China—Uncertainties in the interpretation and enforcement of PRC laws and regulations could limit the legal protection available to us." We have closely tracked the development and implementation of new rules and regulations that are likely to affect us. Tighter regulations may increase overall compliance costs of market players, promote more commercially reasonable and sensible credit products, enhance the competitive edge of established market players, and encourage consolidations within the industry. We believe these requirements have created entry barriers for many market players in China and further differentiated us from our

competitors. We will continue to ensure timely compliance with existing and new laws and regulations applicable to our business. We believe that our ability to ensure timely and full compliance with these rules and regulations will improve our competitive position in the online consumer finance industry in China.

Economic and market conditions

While we believe we will continue to offer attractive value propositions to customers and funding sources in all economic environments, changes in the overall economy may impact our business in several ways, including demand for our products, credit performance and funding costs.

The demand from our customers and funding sources for our loan products is dependent upon interest rates offered and the return earned relative to other comparable or substitute products. For example, a significant interest rate increase could cause potential customers to defer seeking loans as they wait for rates to settle. Additionally, if weakness in the economy emerges and actual or expected default rates increase, investors and institutional funding partners may delay or reduce their funding of our loans. Furthermore, although we have access to diversified funding sources, in the event of an insufficient amount of liquidity in the financial markets, it may be difficult for us to obtain sufficient funding from our institutional funding partners at a reasonable cost.

In a strong economic climate, demand for our products and services may increase as consumer spending increases. In addition, additional potential customers may qualify for a higher credit limit based on our credit assessment. Traditional lenders may also approve loans for a higher percentage of our potential customers. Young adult professionals may receive higher and more stable salary or other income, which may result in lower loan losses. In a weakening economic climate or recession, the opposite may occur.

Sudden changes in economic conditions may affect our actual loan losses. These effects may be partly mitigated by the fact each loan borrowed by our customers is relatively small, which should be less affected by adverse economic conditions than if the principal amount of each loan were larger.

Key Specific Factors Affecting Our Results of Operations

Major specific factors affecting our results of operations include the following:

Ability to attract and retain customers

Our operating revenue grew significantly in 2016 primarily as a result of growth in loan originations on our platform. In 2016 and the six months ended June 30, 2017, we originated RMB22.2 billion (US$3.3 billion) and RMB17.3 billion (US$2.6 billion) in loans, respectively, representing a 263% increase and a 116% increase from 2015 and the six months ended June 30, 2016, respectively. As of December 31, 2015 and 2016 and June 30, 2017, we had approximately RMB3.4 billion, RMB9.9 billion (US$1.5 billion) and RMB12.5 billion (US$1.8 billion), respectively, in outstanding principal balance of loans. Growth in our loan originations and outstanding principal balance has been driven primarily by the addition of new customers and increasing business from existing customers. The number of our active customers grew from approximately 1.5 million in 2015 to approximately 3.0 million in 2016, and grew from approximately 2.1 million in the six months ended June 30, 2016 to approximately 2.5 million in the six months ended June 30, 2017. We anticipate that our future growth will continue to depend in part on attracting new customers.

In addition, we believe the repeat borrowing behavior of our existing customers will be important to our future growth. Of all active customers on our platform in 2015, 2016 and the six months ended June 30, 2017, approximately 63%, 74% and 87%, respectively, were repeat customers who had successfully borrowed on our platform at least once previously. We believe our significant number of

repeat customers is primarily due to our ability to address the credit needs of our targeted customer cohort, the superior customer experience on our platform and the competitiveness of loan pricing. The extent to which we generate repeat business from our customers will be an important factor in our continued revenue growth.

Ability to satisfy our customers' growing financial needs

Creating value by satisfying our customers' growing financial needs will be an important component of our future performance. We seek to grow with our customers and capture their long-term growth potential by effectively managing the mix of our product and service offerings to cater to their evolving consumption needs. In late 2014, we began to offer personal installment loans in addition to installment purchase loans on our platform. The outstanding principal balance of personal installment loans grew significantly from RMB1.7 billion as of December 31, 2015 to RMB7.8 billion (US$1.2 billion) as of December 31, 2016, and further grew to RMB10.5 billion (US$1.6 billion) as of June 30, 2017. In addition, as our college student customers build their credit history with us and enter the workforce, we offer them higher credit lines and the ability to borrow personal installment loans to obtain cash up to a higher limit, in anticipation of their expanding consumption requirements.

For illustration, below is a cohort analysis on the customers we acquired in the three months ended March 31, 2015. This analysis compares certain metrics of this customer cohort for each three-month period from April 1, 2015 through June 30, 2017. We selected this cohort because it contains sufficient periods to demonstrate contribution after initial acquisition, and we believe that the trends reflected by this cohort are representative of the value of our other customers.

	As of or for the three months ended								
	June 30, 2015	**September 30, 2015**	**December 31, 2015**	**March 31, 2016**	**June 30, 2016**	**September 30, 2016**	**December 31, 2016**	**March 31, 2017**	**June 30, 2017**
Active customers[(1)]	38.5%	51.2%	58.3%	58.7%	59.5%	57.9%	55.9%	52.3%	50.0%
Average available credit line per customer (RMB)[(2)]	6,423	7,019	7,487	7,515	7,649	7,969	10,408	10,885	12,465
Average customer loan balance (RMB)	3,331	3,183	3,352	3,595	4,268	5,977	7,278	7,897	8,354
30-day delinquency rate	2.1%	2.1%	1.4%	1.6%	1.8%	1.5%	1.5%	1.6%	1.7%

(1) Represents the percentage of active customers in this cohort during each relevant period.

(2) Includes both on- and off-balance sheet loans, depending on our relationship with the relevant funding source after the loan is originated to the customer and matched with the funding source. See "—On- and Off-Balance Sheet Treatment of Loans."

Ability to control customer acquisition cost

Our results of operations depend in part on our ability to control customer acquisition cost. Our educated young adult customers are often geographically concentrated and socially connected, which enables us to achieve effective customer acquisition through customer referrals. As a result, word-of-mouth referrals have been an effective driver of the continued growth of our customer base. In addition to college student customers, we also seek to attract and retain more educated young professionals by offering products and services that cater to their evolving consumption needs. Our e-commerce channel on *Fenqile* offers comprehensive and competitively-priced products across categories that specifically meet the shopping needs of our targeted customer cohort. Furthermore, our operational team provides ongoing customer service by addressing our customers' questions in using our platform, which enhances user experience and customer loyalty. We also use a diverse array of online marketing channels to attract customers, including using social media such as WeChat and Weibo and press outlets to help drive brand awareness, using paid placement on major online search engines in China, partnering with leading websites such as Jumei that are able to reach quality customers with credit needs, and working with online advertising channels such as app stores to promote our mobile applications.

The success of our targeted and cost-effective customer acquisition strategy has been demonstrated by our low customer acquisition cost, which amounted to RMB114, RMB127 (US$18.7) and RMB138 (US$20.4) per new active customer in 2015, 2016, and the six months ended June 30, 2017, respectively.

Ability to access diversified and scalable funding

The growth of our business is also dependent on our ability to ensure that we have access to diversified funding sources and secure scalable and stable funding to meet our customers' needs. With our access to multiple funding sources and the ability to adjust allocation of funding needs to different sources, we are not dependent on any particular type of funding source, and we are able to withstand seasonality and fluctuations in the supply and costs of funding. As of June 30, 2017, *Juzi Licai* had over 90,000 individual investors who had outstanding investments, with an average asset under management of RMB88,113 (US$12,997). As of June 30, 2017, we had over 30 funding partners, including commercial banks, consumer finance companies, other licensed financial institutions and peer-to-peer lending platforms. Since 2016, we have also offered four public and private asset-backed securitization programs.

For off-balance sheet loans we originate, a change in the interest rate charged by our funding partners may affect the loan facilitation and servicing fees we earn from customers. In the event the interest rate increases, the spread between our fees charged to the customers and the interest rate charged by the funding partners will decrease, to the extent we cannot correspondingly increase the fee rate we charge our customers.

Effectiveness of risk management

Our ability to effectively segment customers into appropriate risk profiles impacts our ability to attract and retain customers, as well as our ability to offer investors and funding partners attractive risk-adjusted returns. We take an advanced and customized credit risk management approach driven by our proprietary *Hawkeye* credit assessment engine and strong risk management culture. We intend to optimize our fraud detection capabilities, improve the accuracy of our credit assessment model and enhance our collection effectiveness on a continuing basis through the combination of our big-data analytical capabilities and the increasing amount of data we accumulate through our operations.

Loan Performance Data

Delinquency rates

We define delinquency rate as outstanding principal balance of loans that were 1 to 29, 30 to 59, 60 to 89 and 90 to 179 calendar days past due as a percentage of the total outstanding principal balance of the loans on our platform as of a specific date. Loans that are delinquent for 180 days or more are charged off.

The following table provides our delinquency rates for all loans (including on- and off-balance sheet loans) as of December 31, 2015 and 2016, and June 30, 2017:

	Delinquent for			
	1 - 29 days	30 - 59 days	60 - 89 days	90 - 179 days
December 31, 2015	1.66%	0.38%	0.22%	0.47%
December 31, 2016	1.32%	0.55%	0.43%	0.84%
June 30, 2017	1.88%	0.80%	0.63%	1.42%

The following table provides our delinquency rates for installment purchase loans that were outstanding as of December 31, 2015 and 2016 and June 30, 2017:

	Delinquent for			
	1 - 29 days	30 - 59 days	60 - 89 days	90 - 179 days
December 31, 2015	1.13%	0.28%	0.15%	0.38%
December 31, 2016	0.79%	0.37%	0.34%	0.85%
June 30, 2017	0.85%	0.37%	0.30%	0.82%

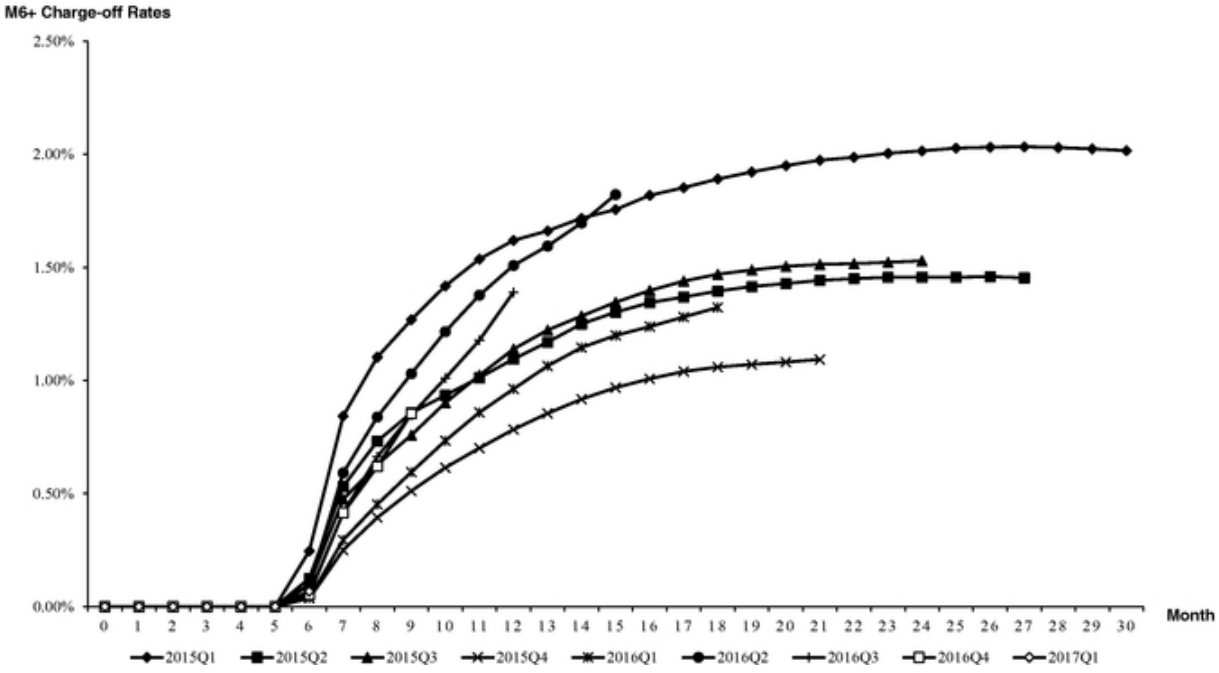
The following table provides our delinquency rates for personal installment loans that were outstanding as of December 31, 2015 and 2016, and June 30, 2017:

	Delinquent for			
	1 - 29 days	30 - 59 days	60 - 89 days	90 - 179 days
December 31, 2015	2.21%	0.48%	0.29%	0.57%
December 31, 2016	1.46%	0.59%	0.45%	0.84%
June 30, 2017	2.06%	0.88%	0.69%	1.53%

M6+ charge-off rates

During 2015, 2016 and the six months ended June 30, 2017, the total amount of loans that were charged off after 180 days past due was 1.25%, 1.73% and an annualized rate of 3.13%, respectively, of the average outstanding principal balance during the relevant period.

We define M6+ charge-off rates as, with respect to loans originated during a specified time period, which we refer to as a vintage, the total outstanding principal balance of loans that become over six months delinquent during a specified period, divided by the total initial principal of the loans originated in such vintage. The following chart displays our historical M6+ charge-off rates as of June 30, 2017 for each vintage of a three-month period from January 1, 2015 to March 31, 2017.



Key Components of Our Results of Operations

Operating revenue

We generate our operating revenue from sales of products and services on our e-commerce channel and the provision of financial services.

	For the Year Ended December 31,					For the Six Months Ended June 30,				
	2015		2016			2016		2017		
	RMB	%	RMB	US$	%	RMB	%	RMB	US$	%
	(in thousands, except for percentages)									
Online direct sales	2,164,393	85.7	2,770,634	399,054	63.9	1,317,169	70.0	1,193,959	176,118	47.1
Services and others	—	—	5,060	729	0.1	1,678	0.1	6,095	899	0.2
Online direct sales and services income	2,164,393	85.7	2,775,694	399,783	64.0	1,318,847	70.1	1,200,054	177,017	47.3
Interest and financial services income	325,601	12.9	1,373,559	197,834	31.7	509,799	27.1	1,131,609	166,921	44.7
Loan facilitation and servicing fees	661	0.0	54,201	7,807	1.2	7,100	0.3	106,981	15,781	4.2
Other revenue	34,287	1.4	135,232	19,477	3.1	46,935	2.5	97,077	14,320	3.8
Financial services income	360,549	14.3	1,562,992	225,118	36.0	563,834	29.9	1,335,667	197,022	52.7
Total operating revenue	2,524,942	100.0	4,338,686	624,901	100.0	1,882,681	100.0	2,535,721	374,039	100.0

Online direct sales and services income. We generate revenue from our e-commerce channel from both online direct sales and services and others. Revenue from services and others primarily consists of commissions earned from third-party sellers made on our online marketplace through our e-commerce channel.

Financial services income.

- *Interest and financial services income.* We generate interest and financial services income on financing receivables originated from providing installment purchase loans and personal installment loans.

- *Loan facilitation and servicing fees.* With respect to off-balance sheet loans, we earn loan facilitation and servicing fees from customers. We charge service fees to customers by deducting relevant fees from the monthly repayment to the institutional funding partners. We provide intermediary services to both the customers and the funding partners, including loan facilitation and matching, account maintenance, collection, and payment processing services to the customers and financial guarantee services to the funding partners.

- *Other revenue.* Other revenue includes fees collected for early repayment and late payment for on-balance sheet loans, which is calculated as a percentage of interest over the prepaid principal loan amount in the case of an early repayment or a percentage of past due amounts in the case of a late repayment.

Operating cost

	For the Year Ended December 31,					For the Six Months Ended June 30,				
	2015		2016			2016		2017		
	RMB	%	RMB	US$	%	RMB	%	RMB	US$	%
	(in thousands, except for percentages)									
Cost of sales	2,309,586	88.9	2,894,025	416,826	77.4	1,387,666	80.5	1,261,266	186,047	63.5
Funding cost	168,470	6.5	491,695	70,819	13.2	212,836	12.3	359,059	52,965	18.1
Processing and servicing cost	51,057	2.0	114,323	16,466	3.1	45,871	2.7	95,610	14,103	4.8
Provision for credit losses	68,287	2.6	236,611	34,079	6.3	77,614	4.5	271,215	40,006	13.6
Total operating cost	2,597,400	100.0	3,736,654	538,190	100.0	1,723,987	100.0	1,987,150	293,121	100.0

Cost of sales. Our cost of sales consists of the purchase price of the products, shipping charges and handling costs, as well as inventory write-downs, which were not significant in 2015 and 2016.

Funding cost. Our funding cost consists of interest expenses paid to individual investors on *Juzi Licai* and institutional funding partners to fund financing receivables, and certain fees and amortization of deferred debt issuance cost incurred in connection with obtaining these debts, such as origination fees and legal fees.

Processing and servicing cost. Our processing and servicing cost consists primarily of vendor costs related to credit assessment, customer and system support, payment processing services and collection services associated with originating, facilitating and servicing loans. With respect to on-balance sheet loans, we have determined that direct origination costs, including costs directly attributable to loan originations, such as vendor costs and personnel costs directly related to the time spent by those individuals performing loan origination activities, are insignificant and expensed as incurred and recorded in processing and servicing cost.

Provision for credit losses. We evaluate the creditworthiness and collectability of our loan portfolio on a pooled basis. The provision for credit losses represents an estimate of the losses inherent in our loan portfolio.

Operating expenses

	For the Year Ended December 31,					For the Six Months Ended June 30,				
	2015		2016			2016		2017		
	RMB	%	RMB	US$	%	RMB	%	RMB	US$	%
	(in thousands, except for percentages)									
Sales and marketing expenses	243,463	75.0	376,313	54,201	63.7	169,570	67.5	190,018	28,029	49.3
Research and development expenses	40,441	12.4	127,317	18,338	21.5	46,293	18.4	101,216	14,930	26.3
General and administrative expenses	40,962	12.6	87,364	12,583	14.8	35,508	14.1	94,200	13,895	24.4
Total operating expenses	324,866	100.0	590,994	85,122	100.0	251,371	100.0	385,434	56,854	100.0

Sales and marketing. Sales and marketing expenses consist primarily of advertising costs and payroll and related expenses for personnel engaged in marketing and business development activities. Advertising costs consist primarily of costs of online advertising and offline promotional activities.

Research and development. Research and development expenses consist primarily of payroll and related expenses for IT professionals involved in developing our technology platform and website, depreciation of server and other equipment, bandwidth and data center costs, and rental expenses.

General and administrative. General and administrative expenses consist of payroll and related expenses for employees engaged in general corporate functions, including finance, legal and human resources, costs associated with use of facilities and equipment, such as depreciation expenses, rental and other general corporate related expenses.

Results of Operations

The following table sets forth a summary of our consolidated results of operations for the periods presented, both in absolute amount and as a percentage of our total operating revenue for the periods presented. This information should be read together with our consolidated financial statements and related notes included elsewhere in this prospectus. The results of operations in any period are not necessarily indicative of our future trends.

	For the Year Ended December 31,					For the Six Months Ended June 30,				
	2015		2016			2016		2017		
	RMB	%	RMB	US$	%	RMB	%	RMB	US$	%
	(in thousands, except for percentages)									
Operating revenue:										
Online direct sales	2,164,393	85.7	2,770,634	399,054	63.9	1,317,169	70.0	1,193,959	176,118	47.1
Services and others	—	—	5,060	729	0.1	1,678	0.1	6,095	899	0.2
Online direct sales and services income	2,164,393	85.7	2,775,694	399,783	64.0	1,318,847	70.1	1,200,054	177,017	47.3
Interest and financial services income	325,601	12.9	1,373,559	197,834	31.7	509,799	27.1	1,131,609	166,921	44.7
Loan facilitation and servicing fees	661	0.0	54,201	7,807	1.2	7,100	0.3	106,981	15,781	4.2
Other revenue	34,287	1.4	135,232	19,477	3.1	46,935	2.5	97,077	14,320	3.8
Financial services income	360,549	14.3	1,562,992	225,118	36.0	563,834	29.9	1,335,667	197,022	52.7
Total operating revenue	2,524,942	100.0	4,338,686	624,901	100.0	1,882,681	100.0	2,535,721	374,039	100.0
Cost of sales	(2,309,586)	(91.5)	(2,894,025)	(416,826)	(66.7)	(1,387,666)	(73.7)	(1,261,266)	(186,047)	(49.7)
Funding cost	(168,470)	(6.7)	(491,695)	(70,819)	(11.3)	(212,836)	(11.3)	(359,059)	(52,965)	(14.2)
Processing and servicing cost[1]	(51,057)	(2.0)	(114,323)	(16,466)	(2.6)	(45,871)	(2.4)	(95,610)	(14,103)	(3.8)
Provision for credit losses	(68,287)	(2.7)	(236,611)	(34,079)	(5.5)	(77,614)	(4.2)	(271,215)	(40,006)	(10.7)
Total operating cost	(2,597,400)	(102.9)	(3,736,654)	(538,190)	(86.1)	(1,723,987)	(91.6)	(1,987,150)	(293,121)	(78.4)
Gross profit	(72,458)	(2.9)	602,032	86,711	13.9	158,694	8.4	548,571	80,918	21.6
Operating expenses:										
Sales and marketing expenses[1]	(243,463)	(9.6)	(376,313)	(54,201)	(8.7)	(169,570)	(9.0)	(190,018)	(28,029)	(7.5)
Research and development expenses[1]	(40,441)	(1.6)	(127,317)	(18,338)	(2.9)	(46,293)	(2.5)	(101,216)	(14,930)	(4.0)
General and administrative expenses[1]	(40,962)	(1.6)	(87,364)	(12,583)	(2.0)	(35,508)	(1.9)	(94,200)	(13,895)	(3.7)
Total operating expenses	(324,866)	(12.8)	(590,994)	(85,122)	(13.6)	(251,371)	(13.4)	(385,434)	(56,854)	(15.2)
Interest expense, net	(1,930)	(0.1)	(48,343)	(6,963)	(1.1)	(7,374)	(0.4)	(44,262)	(6,529)	(1.7)
Investment related impairment	—	—	(5,635)	(812)	(0.1)	—	—	—	—	—
Change in fair value of financial guarantee derivatives	—	—	(5,942)	(856)	(0.1)	(1,979)	(0.1)	14,762	2,178	0.6
Others, net	126	0.0	(10,799)	(1,555)	(0.2)	(7,820)	(0.4)	(6,456)	(952)	(0.3)
(Loss)/income before income tax expense	(399,128)	(15.8)	(59,681)	(8,597)	(1.2)	(109,850)	(5.9)	127,181	18,761	5.0
Income tax benefit/ (expense)	88,934	3.5	(58,258)	(8,391)	(1.3)	6,777	0.4	(55,442)	(8,178)	(2.2)
Net (loss)/income	(310,194)	(12.3)	(117,939)	(16,988)	(2.5)	(103,073)	(5.5)	71,739	10,583	2.8
Preferred shares redemptions value accretion	(51,524)	(2.0)	(62,299)	(8,973)	(1.4)	(30,515)	(1.6)	(33,404)	(4,927)	(1.3)
Income allocation to participating preferred shares	—	—	—	—	—	—	—	(38,335)	(5,656)	(1.5)
Deemed dividend to a preferred shareholder	—	—	(42,679)	(6,147)	(1.0)	(42,679)	(2.3)	—	—	—
Net loss attributable to ordinary shareholders	(361,718)	(14.3)	(222,917)	(32,108)	(4.9)	(176,267)	(9.4)	—	—	—

(1) Share-based compensation expenses are allocated in processing and servicing cost and operating expense items as follows:

	For the Year Ended December 31,					For the Six Months Ended June 30,		
	2015		2016			2016	2017	
	RMB	%	RMB	US$	%	RMB	RMB	US$
	(in thousands, except for percentages)							
Processing and servicing cost	472	0.0	1,067	154	0.0	587	2,321	342
Sales and marketing expenses	3,194	0.1	4,009	577	0.1	1,940	2,468	364
Research and development expenses	3,736	0.1	9,068	1,306	0.2	2,205	7,786	1,148
General and administrative expenses	7,086	0.3	9,855	1,419	0.2	3,852	22,115	3,262

Six Months Ended June 30, 2017 Compared to Six Months Ended June 30, 2016

Operating revenue

Operating revenue increased by 34.7% from RMB1,883 million in the six months ended June 30, 2016 to RMB2,536 million (US$374 million) in the six months ended June 30, 2017. This increase was primarily due to a substantial increase in our financial services income, in particular interest and financial services income.

Online direct sales and services income. Online direct sales and services income decreased by 9.0% from RMB1,319 million in the six months ended June 30, 2016 to RMB1,200 million (US$177 million) in the six months ended June 30, 2017, primarily due to a decrease in online direct sales, partially offset by an increase in services and others.

- *Online direct sales.* Online direct sales decreased by 9.4% from RMB1,317 million in the six months ended June 30, 2016 to RMB1,194 million (US$176 million) in the six months ended June 30, 2017.

- *Services and others.* In March 2016, we began to have third-party merchants to offer and sell their own products on our online marketplace through our e-commerce channel. Services and others increased from RMB1.7 million in the six months ended June 30, 2016 to RMB6.1 million (US$899 thousand) in the six months ended June 30, 2017.

Financial services income. Financial services income increased significantly by 136.9% from RMB564 million in the six months ended June 30, 2016 to RMB1,336 million (US$197 million) in the six months ended June 30, 2017 with significant increases in all three categories of financial services income.

- *Interest and financial services income.* Interest and financial services income increased by 122.0% from RMB510 million in the six months ended June 30, 2016 to RMB1,132 million (US$167 million) in the six months ended June 30, 2017. This growth is primarily driven by an increase in the outstanding principal balance of on-balance sheet loans in the six months ended June 30, 2017, which was driven by increases in the number of active customers and the average outstanding principal balance per customer. The outstanding principal balance of on-balance sheet loans was RMB10.1 billion (US$1.5 billion) as of June 30, 2017, compared to RMB4.9 billion as of June 30, 2016. In addition, the effective APR of on-balance sheet loans, calculated as interest and financial services income during each period divided by the average balance of on-balance sheet loans, was 25.1% for the six months ended June 30, 2016 and 25.5% for the six months ended June 30, 2017.

- *Loan facilitation and servicing fees.* Loan facilitation and servicing fees increased from RMB7.0 million in the six months ended June 30, 2016 to RMB107 million (US$15.8 million) in the six months ended June 30, 2017. This increase reflected the significant growth in off-balance sheet loans as a result of an expansion of our funding partnerships with financial institutions in the six months ended June 30, 2017 as part of our continued efforts to diversify funding sources, as well as increases in the number of active customers and the average outstanding principal balance per customer. The outstanding principal balance of off-balance sheet loans was RMB2.4 billion (US$0.4 billion) as of June 30, 2017, compared to RMB535 million as of June 30, 2016.

- *Other revenue.* Other revenue increased by 106.8% from RMB46.9 million in the six months ended June 30, 2016 to RMB97.1 million (US$14.3 million) in the six months ended June 30, 2017, primarily as a result of the growth in the outstanding principal balances of loans between these periods and the associated increase in the fees collected for early repayment and late repayment of loans.

Operating cost

Operating cost increased by 15.3% from RMB1,724 million in the six months ended June 30, 2016 to RMB1,987 million (US$293 million) in the six months ended June 30, 2017.

Cost of sales. Cost of sales decreased by 9.1% from RMB1,388 million in the six months ended June 30, 2016 to RMB1,261 million (US$186 million) in the six months ended June 30, 2017.

Funding cost. Funding cost increased by 68.7% from RMB213 million in the six months ended June 30, 2016 to RMB359 million (US$53.0 million) in the six months ended June 30, 2017. The increase in funding cost was primarily attributable to an increase in our funding debts to fund on-balance sheet loans originated on our platform.

Processing and servicing cost. Processing and servicing cost increased by 108.4% from RMB45.9 million in the six months ended June 30, 2016 to RMB95.6 million (US$14.1 million) in the six months ended June 30, 2017. The increase in processing and servicing cost was primarily attributable to an increase of RMB17.7 million (US$2.6 million) in salaries and personnel-related costs as we increased the headcount of processing and servicing personnel, an increase of RMB10.1 million (US$1.5 million) in fees to third-party payment platforms, an increase of RMB8.7 million (US$1.3 million) in credit assessment cost, and an increase of RMB6.0 million (US$890 thousand) in risk management and collection expenses. These increases reflected the significant growth in the volume of credit applications and in loan servicing requirements.

Provision for credit losses. Provision for credit losses increased by 249.4% from RMB77.6 million in the six months ended June 30, 2016 to RMB271.2 million (US$40.0 million) in the six months ended June 30, 2017. The increase was mainly attributable to the increase in the average outstanding principal balance of on-balance sheet loans during these periods. In addition, as we had continued to improved our credit assessment and risk management capabilities as well as enhanced our collection efforts, we expanded our customer base in the first six months of 2017 to improve our profit, while maintaining credit risks at a reasonable level.

Gross Profit

Our gross profit increased significantly by 245.7% from RMB158.7 million in the six months ended June 30, 2016 to RMB549 million (US$80.9 million) in the six months ended June 30, 2017. Our gross margin increased from 8.4% in the six months ended June 30, 2016 to 21.6% in the six months ended June 30, 2017. Our gross margin is affected by the mix of our operating revenue between online direct sales and services income and financial services income. Our gross margin significantly increased in the six months ended June 30, 2017, as a significantly greater percentage of our operating revenue was from financial services income in the six months ended June 30, 2017, as compared to the six months ended June 30, 2016. We do not rely on our e-commerce channel to generate gross profit, as the focus of our e-commerce channel is to attract and retain customers and convert them to users of our loan products. Our write-downs to inventory have been properly recorded and were insignificant in the six months ended June 30, 2016 and 2017.

Operating expenses

Operating expenses increased by 53.3% from RMB251 million in the six months ended June 30, 2016 to RMB385 million (US$56.9 million) in the six months ended June 30, 2017 with increases in all three categories of operating expenses.

Sales and marketing. Sales and marketing expenses increased by 12.1% from RMB170 million in the six months ended June 30, 2016 to RMB190 million (US$28.0 million) in the six months ended June 30, 2017. This increase was primarily attributable to an increase of RMB34.0 million in payroll

and related expenses and an increase of RMB4.5 million (US$0.7 million) of rental related expenses as a result of an increase in the headcount of sales and marketing personnel, offset by a decrease of RMB18.7 million (US$2.8 million) in advertising cost.

Research and development. Research and development expenses increased by 118.6% from RMB46.3 million in the six months ended June 30, 2016 to RMB101 million (US$14.9 million) in the six months ended June 30, 2017. The increase was primarily attributable to an increase of RMB37.0 million (US$5.5 million) in payroll and related expenses and an increase of RMB5.6 million (US$0.8 million) in share-based compensation expenses, and rental and depreciation expense allocated to research and development expenses as a result of an increase in the headcount and salary level of research and development personnel.

General and administrative. General and administrative expenses increased by 165.3% from RMB35.5 million in the six months ended June 30, 2016 to RMB94.2 million (US$13.9 million) in the six months ended June 30, 2017. The increase was primarily attributable to an RMB25.7 million (US$3.8 million) increase in payroll, an increase of RMB18.3 million (US$2.7 million) share-based compensation expenses allocated to general and administrative expenses and related expenses as a result of an increase in the headcount of general and administrative personnel and an increase in the salary and benefit level for the employees. In addition, we incurred increased professional service fees, rental expenses and other general corporate-related expenses as a result of our business growth in the six months ended June 30, 2017.

Interest expense, net

Interest expense, net was RMB44.3 million (US$6.5 million) in the six months ended June 30, 2017 and RMB7.4 million in the six months ended June 30, 2016. The interest expense accrued on the convertible loans issued in May 2016 amounted to RMB40.3 million (US$6.0 million) in the six months ended June 30, 2017 and was waived by the investors of the convertible loans upon the conversion of the convertible loans into our series C-1 preferred shares and series C-2 preferred shares that we issued on October 23, 2017 to such investors or their respective affiliates.

Change in fair value of financial guarantee derivatives

Change in fair value of financial guarantee derivatives was a gain of RMB14.8 million (US$2.2 million) in the six months ended June 30, 2017, as compared to a loss of RMB2.0 million in the six months ended June 30, 2016. The change was due to our ceasing to provide future interest to our funding partners in the event of full prepayment by a customers starting from January 2017.

Income tax expense

Income tax benefit was RMB6.8 million in the six months ended June 30, 2016, primarily attributable to the net loss incurred by Shenzhen Fenqile as the management believed that it is more likely than not that the net loss will be utilized in the future five years. Income tax expense was RMB55.4 million (US$8.2 million) in the six months ended June 30, 2017, mainly due to the net income generated by certain legal entities in the six months ended June 30, 2017.

Net (loss)/income

As a result of the foregoing, we recorded a net profit of RMB71.7 million (US$10.6 million) in the six months ended June 30, 2017, compared to a net loss of RMB103 million in the six months ended June 30, 2016.

Year Ended December 31, 2016 Compared to Year Ended December 31, 2015

Operating revenue

Operating revenue increased by 71.8% from RMB2,525 million in 2015 to RMB4,339 million (US$625 million) in 2016. This increase was primarily due to a substantial increase in our financial services income, in particular interest and financial services income, and to a lesser extent, an increase in revenue from online direct sales and services income.

Online direct sales and services income. Online direct sales and services income increased by 28.2% from RMB2,164 million in 2015 to RMB2,776 million (US$400 million) with increases in both online direct sales and services and others.

- *Online direct sales.* Online direct sales increased by 28.0% from RMB2,164 million in 2015 to RMB2,771 million (US$399 million) in 2016. The number of orders on our e-commerce channel grew from approximately 0.94 million in 2015 to 1.45 million in 2016. Average sales per order decreased from RMB2,302 in 2015 to RMB1,911 (US$275) in 2016, primarily as a result of the expansion of product categories available on our online direct sales business from computers and mobile phones to include other electronics, cosmetics and personal care, apparel, accessories and other products in 2016.

- *Services and others.* The commission revenue we received from third-party sellers on our online marketplace amounted to RMB5.1 million (US$0.7 million) in 2016.

Financial services income. Financial services income increased significantly by 334% from RMB361 million in 2015 to RMB1,563 million (US$225 million) in 2016 with significant increases in all three categories of financial services income.

- *Interest and financial services income.* Interest and financial services income increased by 322% from RMB326 million in 2015 to RMB1,374 million (US$198 million) in 2016. This growth is primarily driven by an increase in the outstanding principal balance of on-balance sheet loans in 2016, which was driven by increases in the number of active customers and the average outstanding principal balance per customer. The outstanding principal balance of on-balance sheet loans was RMB7.7 billion (US$1.1 billion) as of December 31, 2016, compared to RMB3.3 billion as of December 31, 2015. Of such amount, the outstanding principal balance of personal installment loans that were on-balance sheet loans grew significantly from RMB1.6 billion as of December 31, 2015 to RMB5.9 billion (US$0.9 billion) as of December 31, 2016. In addition, the effective APR of the on-balance sheet loans, calculated as interest and financial services income during each year divided by the average balance of the on-balance sheet loans, was 17.9% for 2015 and 25.0% for 2016. The increase in the effective APR of the on-balance sheet loans in 2016 was primarily attributable to increased recognition of our services among customers as well as decreased market competition among online consumer finance platforms. We monitor the effective APR of the loans facilitated on our platform on a continuing basis and may make adjustments to the interest rates offered to customers and investors from time to time, taking into consideration of multiple factors, including, among other things, China's macroeconomic situation, interest rate prevalent on the market, customer expectations, as well as our funding costs and financial conditions.

- *Loan facilitation and servicing fees.* Loan facilitation and servicing fees increased from RMB0.7 million in 2015 to RMB54.2 million (US$7.8 million) in 2016. This increase reflected the significant growth in off-balance sheet loans as a result of an expansion of our funding partnerships with financial institutions in 2016 as part of our continued efforts to diversify funding sources, as well as increases in the number of active customers and the average outstanding principal balance per customer. The outstanding principal balance of off-balance

sheet loans was RMB2.2 billion (US$0.3 billion) as of December 31, 2016, compared to RMB124 million as of December 31, 2015.

- *Other revenue.* Other revenue increased by 294% from RMB34.3 million in 2015 to RMB135 million (US$19.5 million) in 2016 primarily as a result of the growth in the outstanding principal balances of loans between these years and the associated increase in the fees collected for early repayment and late repayment of loans.

Operating cost

Operating cost increased by 43.9% from RMB2,597 million in 2015 to RMB3,737 million (US$538 million) in 2016 with increases in all four categories of operating cost.

Cost of sales. Cost of sales increased by 25.3% from RMB2,310 million in 2015 to RMB2,894 million (US$417 million) in 2016. This increase reflected the growth in online direct sales on our e-commerce channel.

Funding cost. Funding cost increased by 191.9% from RMB168 million in 2015 to RMB492 million (US$70.9 million) in 2016. The increase in funding cost was primarily attributable to an increase in our funding debts to fund on-balance sheet loans originated on our platform.

Processing and servicing cost. Processing and servicing cost increased by 123.9% from RMB51.1 million in 2015 to RMB114 million (US$16.5 million) in 2016. The increase in processing and servicing cost was primarily attributable to an increase of RMB25.1 million in salaries and personnel-related costs as we increased the headcount of processing and servicing personnel, an increase of RMB11.0 million in credit assessment cost, an increase of RMB10.0 million in fees to third-party payment platforms, and an increase of RMB9.4 million in risk management and collection expenses. These increases reflected the significant growth in the volume of credit applications and in loan servicing requirements.

Provision for credit losses. Provision for credit losses increased by 246.5% from RMB68.3 million in 2015 to RMB237 million (US$34.1 million) in 2016. The increase was in part attributable to the increase in the average outstanding principal balance of on-balance sheet loans during these years. In addition, as we had developed and improved our credit assessment and risk management capabilities as well as enhanced our collection efforts, we expanded our customer base in 2016 to improve our profit, while maintaining credit risks at a reasonable level.

Gross Profit

We had a gross loss of RMB72.5 million in 2015 and a gross profit of RMB602 million (US$86.7 million) in 2016, whereas our gross margin was negative in 2015 and was 13.9% in 2016. Our gross margin is affected by the mix of our operating revenue between online direct sales and services income and financial services income. Our gross margin significantly increased in 2016, as a significantly greater percentage of our operating revenue was from financial services income in 2016, as compared to 2015. We do not rely on our e-commerce channel to generate gross profit, as the focus of our e-commerce channel is to attract and retain customers and convert them to users of our loan products. Our write-downs to inventory have been properly recorded and were insignificant in 2015 and 2016.

Operating expenses

Operating expenses increased by 81.9% from RMB325 million in 2015 to RMB591 million (US$85.1 million) in 2016 with increases in all three categories of operating expenses.

Sales and marketing. Sales and marketing expenses increased by 54.6% from RMB243 million in 2015 to RMB376 million (US$54.2 million) in 2016. This increase was primarily attributable to an

increase of RMB109 million in payroll and related expenses as a result of an increase in the headcount of sales and marketing personnel. We also experienced an increase of RMB9.9 million in advertising and promotion expenses in connection with additional activities to acquire customers and individual investors on *Juzi Licai*.

Research and development. Research and development expenses increased by 214.8% from RMB40.4 million in 2015 to RMB127 million (US$18.3 million) in 2016. The increase was primarily attributable to an increase of RMB70.8 million in payroll and related expenses as a result of an increase in the headcount and salary level of research and development personnel.

General and administrative. General and administrative expenses increased by 113.3% from RMB41.0 million in 2015 to RMB87.4 million (US$12.6 million) in 2016. The increase was primarily attributable to an RMB26.7 million increase in payroll and related expenses as a result of an increase in the headcount of general and administrative personnel and an increase in the salary and benefit level for the employees. In addition, there were increases in professional service fees, rental expenses and other general corporate-related expenses as a result of our business growth in 2016.

Interest expense, net

Interest expense, net was RMB48.3 million (US$7.0 million) in 2016 and RMB1.9 million in 2015. The interest expense accrued on the convertible loans issued in May 2016 amounted to RMB48.7 million (US$7.0 million) in 2016 and was waived by the investors of the convertible loans upon the conversion of the convertible loans into our series C-1 preferred shares and series C-2 preferred shares that we issued on October 23, 2017 to such investors or their respective affiliates.

Change in fair value of financial guarantee derivatives

Change in fair value of financial guarantee derivatives amounted to negative RMB5.9 million (US$0.9 million) in 2016, which was attributable to the increase in off-balance sheet loans funded by institutional funding partners as a result of an expansion of our funding partnerships with financial institutions in 2016.

Income tax expense

Income tax benefit was RMB88.9 million in 2015, primarily attributable to the net loss incurred by Shenzhen Fenqile as the management believed that it is more likely than not that the net loss will be utilized in the future five years. Income tax expense was RMB58.3 million (US$8.4 million) in 2016, mainly due to part of the net loss carryforwards from prior years that was utilized as Shenzhen Fenqile generated profit in 2016.

Net loss

As a result of the foregoing, we recorded a net loss of RMB310 million in 2015 and a net loss of RMB118 million (US$17.0 million) in 2016.

Selected Quarterly Results of Operations

The following table sets forth our historical unaudited consolidated selected quarterly results of operations for the periods indicated. We have prepared this unaudited consolidated selected quarterly financial data on the same basis as we have prepared our audited consolidated financial statements.

	For the Three Months Ended					
	March 31,	June 30,	September 30,	December 31,	March 31,	June 30,
	2016				2017	
	(RMB in thousands)					
Operating revenue:						
Online direct sales	709,496	607,673	620,750	832,715	579,179	614,780
Services and others	153	1,525	1,765	1,617	2,616	3,479
Online direct sales and services income	709,649	609,198	622,515	834,332	581,795	618,259
Interest and financial services income	216,634	293,165	383,808	479,952	531,709	599,900
Loan facilitation and servicing fees	1,982	5,118	22,184	24,917	54,061	52,920
Other revenue	20,865	26,070	37,586	50,711	51,033	46,044
Financial services income	239,481	324,353	443,578	555,580	636,803	698,864
Total operating revenue	949,130	933,551	1,066,093	1,389,912	1,218,598	1,317,123
Operating cost:						
Cost of sales	(763,674)	(623,992)	(640,998)	(865,361)	(605,720)	(655,546)
Funding cost	(100,691)	(112,145)	(128,035)	(150,824)	(175,920)	(183,139)
Processing and servicing cost	(21,696)	(24,175)	(30,088)	(38,364)	(44,134)	(51,476)
Provision for credit losses	(25,628)	(51,986)	(65,474)	(93,523)	(122,084)	(149,131)
Total operating cost	(911,689)	(812,298)	(864,595)	(1,148,072)	(947,858)	(1,039,292)
Gross profit	37,441	121,253	201,498	241,840	270,740	277,831
Operating expenses:						
Sales and marketing expenses	(81,458)	(88,112)	(88,504)	(118,239)	(86,405)	(103,613)
Research and development expenses	(20,398)	(25,895)	(35,495)	(45,529)	(44,209)	(57,007)
General and administrative expenses	(16,783)	(18,725)	(24,222)	(27,634)	(42,943)	(51,257)
Total operating expenses	(118,639)	(132,732)	(148,221)	(191,402)	(173,557)	(211,877)
Interest income/(expense), net	86	(7,460)	(20,116)	(20,853)	(21,719)	(22,543)
Investment related impairment	—	—	—	(5,635)	—	—
Change in fair value of financial guarantee derivatives	(1,337)	(642)	(1,564)	(2,399)	16,738	(1,976)
Others, net	(6,783)	(1,037)	(1,176)	(1,803)	(2,423)	(4,033)
(Loss)/income before income tax expense	(89,232)	(20,618)	30,421	19,748	89,779	37,402
Income tax benefit/(expense)	18,074	(11,297)	(32,385)	(32,650)	(33,522)	(21,920)
Net (loss)/income	(71,158)	(31,915)	(1,964)	(12,902)	56,257	15,482

The following table presents our selected operating data as of and for the periods indicated.

	As of or For the Three Months Ended					
	March 31,	June 30,	September 30,	December 31,	March 31,	June 30,
	2016				2017	
	(except for number of customers)					
Selected Operating Data:						
Outstanding principal balance[(1)] (in millions)	4,161	5,392	7,128	9,899	10,666	12,485
Outstanding principal balance of on-balance sheet loans (in millions)	4,018	4,857	5,998	7,712	8,821	10,051
Outstanding principal balance of off-balance sheet loans (in millions)	143	535	1,130	2,187	1,845	2,434
Originations (in millions)	3,271	4,742	5,949	8,235	7,476	9,848
Number of active customers who used our loan products (in thousands)	1,405	1,628	1,557	1,935	1,879	2,108

(1) Outstanding principal balance represents the total amount of principal outstanding for loans originated on our platform at the end of the relevant period.

We have experienced rapid growth in our quarterly operating revenues for the six quarters in the period from January 1, 2016 to June 30, 2017. The growth was mainly driven by substantial increase in our financial services income, in particular interest and financial services income, which was primarily attributable to the increase in the principal balance of on-balance sheet loans. The operating revenues trend we have experienced in the past may not apply to, or be indicative of, our future operating results.

Our quarterly operating expenses also experienced continued increase in the six quarters in the period from January 1, 2016 to June 30, 2017, which was mainly due to the rapid growth of our business.

Non-GAAP Financial Measures

In evaluating our business, we consider and use adjusted net (loss)/income and non-GAAP EBIT, two non-GAAP measures, as supplemental measures to review and assess our operating performance. The presentation of the non-GAAP financial measures is not intended to be considered in isolation or as a substitute for the financial information prepared and presented in accordance with U.S. GAAP. We define adjusted net (loss)/income as net (loss)/income excluding share-based compensation expenses, interest expense associated with convertible loans and investment-related impairment, and we define non-GAAP EBIT as net (loss)/income excluding income tax (benefit)/expense, interest (income)/expense, net, share-based compensation expenses and investment-related impairment.

We present these non-GAAP financial measures because it is used by our management to evaluate our operating performance and formulate business plans. Adjusted net (loss)/income enables our management to assess our operating results without considering the impact of share-based compensation expenses, interest expense associated with convertible loans and investment-related impairment. Non-GAAP EBIT, on the other hand, enables our management to assess our operating results without considering the impact of income tax (benefit)/expense, interest (income)/expense, net, share-based compensation expenses and investment-related impairment. We also believe that the use of these non-GAAP financial measures facilitate investors' assessment of our operating performance.

These non-GAAP financial measures are not defined under U.S. GAAP and are not presented in accordance with U.S. GAAP. These non-GAAP financial measures have limitations as an analytical tool. One of the key limitations of using adjusted net (loss)/income and non-GAAP EBIT is that they

do not reflect all items of income and expense that affect our operations. Share-based compensation expenses, interest expense associated with convertible loans, income tax expense, interest (income)/expense, net and investment-related impairment have been and may continue to be incurred in our business and are not reflected in the presentation of adjusted net (loss)/income. Further, these non-GAAP financial measures may differ from the non-GAAP financial information used by other companies, including peer companies, and therefore their comparability may be limited.

We compensate for these limitations by reconciling the non-GAAP financial measure to the most directly comparable U.S. GAAP financial measure, which should be considered when evaluating our performance. We encourage you to review our financial information in its entirety and not rely on a single financial measure.

The following tables reconcile our adjusted net (loss)/income and our non-GAAP EBIT, respectively, in 2015, 2016 and six months ended June 30, 2016 and 2017 to the most directly comparable financial measure calculated and presented in accordance with U.S. GAAP.

	For the Year Ended December 31,			For the Six Months Ended June 30,		
	2015	2016		2016	2017	
	RMB	RMB	US$	RMB	RMB	US$
	(in thousands)					
Reconciliation of Net (Loss)/Income to Adjusted Net (Loss)/Income:						
Net (loss)/income	(310,194)	(117,939)	(16,988)	(103,073)	71,739	10,583
Share-based compensation expenses	14,488	23,999	3,456	8,584	34,690	5,116
Interest expense associated with convertible loans	—	48,663	7,009	7,583	43,152	6,365
Investment-related impairment	—	5,635	812	—	—	—
Adjusted net (loss)/income	(295,706)	(39,642)	(5,711)	(86,906)	149,581	22,064

	For the Year Ended December 31,			For the Six Months Ended June 30,		
	2015	2016		2016	2017	
	RMB	RMB	US$	RMB	RMB	US$
	(in thousands)					
Reconciliation of Net (Loss)/Income to Non-GAAP EBIT						
Net (loss)/income	(310,194)	(117,939)	(16,988)	(103,073)	71,739	10,583
Income tax (benefit)/expense	(88,934)	58,258	8,391	(6,777)	55,442	8,178
Share-based compensation expenses	14,488	23,999	3,456	8,584	34,690	5,116
Interest expense, net	1,930	48,343	6,963	7,374	44,262	6,529
Investment related impairment	—	5,635	812	—	—	—
Non-GAAP EBIT	(382,710)	18,296	2,634	(93,892)	206,133	30,406

The following table reconciles our non-GAAP EBIT to the most directly comparable financial measure calculated and presented in accordance with U.S. GAAP for the periods indicated.

	For the Three Months Ended					
	March 31,	June 30,	September 30,	December 31,	March 31,	June 30,
	2016				2017	
	(in thousands)					
Reconciliation of Net (Loss)/Income to Non-GAAP EBIT						
Net (loss)/income	(71,158)	(31,915)	(1,964)	(12,902)	56,257	15,482
Income tax (benefit)/expense	(18,074)	11,297	32,385	32,650	33,522	21,920
Share-based compensation expenses	4,400	4,184	5,390	10,025	14,868	19,822
Interest (income)/expense, net	(86)	7,460	20,116	20,853	21,719	22,543
Investment related impairment	—	—	—	5,635	—	—
Non-GAAP EBIT	(84,918)	(8,974)	55,927	56,261	126,366	79,767

Changes in Financial Position

The following table sets forth selected information from our consolidated balance sheets as of December 31, 2015 and 2016 and as of June 30, 2017. This information should be read together with our consolidated financial statements and related notes included elsewhere in this prospectus.

	As of December 31,			As of June 30,	
	2015	2016		2017	
	RMB	RMB	US$	RMB	US$
			(in thousands)		
Assets:					
Cash and cash equivalents	135,371	479,605	69,077	982,056	144,861
Restricted cash	26,330	172,870	24,898	306,884	45,268
Short-term financing receivables, net	2,897,791	6,470,898	932,003	8,458,551	1,247,703
Inventories, net	44,295	107,704	15,513	124,704	18,395
Long-term financing receivables, net	320,957	1,066,148	153,557	1,287,102	189,858
Total assets	3,817,082	8,720,135	1,255,960	11,685,691	1,723,731
Liabilities:					
Short-term funding debts	3,159,154	6,968,488	1,003,671	9,534,553	1,406,421
Accrued expenses and other current liabilities	131,236	602,259	86,743	648,538	95,664
Convertible loans—current	—	—	—	738,631	108,954
Long-term funding debts	31,080	21,014	3,027	32,277	4,761
Convertible loans—non-current	—	698,179	100,559	—	—
Total liabilities	3,623,209	8,706,216	1,253,954	11,565,021	1,705,931
Total mezzanine equity	608,514	625,570	90,101	658,974	97,204
Total shareholders' deficit	(414,641)	(611,651)	(88,095)	(538,304)	(79,404)

Cash and Cash Equivalents

Our cash and cash equivalents increased by 105% from RMB480 million (US$69.1 million) as of December 31, 2016 to RMB982 million (US$145 million) as of June 30, 2017, primarily due to the positive cash flows generated from operating activities.

Our cash and cash equivalents increased by 254% from RMB135 million as of December 31, 2015 to RMB480 million (US$69.1 million) as of December 31, 2016, primarily due to an increase in cash inflow from operating activities and issuance of convertible loans.

Restricted Cash

Restricted cash mainly represents (i) cash received from customers but not yet been repaid to investors or received from investors but not yet been remitted to customers, which is not available to fund our general liquidity needs; and (ii) deposits set aside for our partnering commercial banks or certain institutional funding partners in case of customers' defaults.

Our restricted cash increased by 77.5% from RMB173 million (US$24.9 million) as of December 31, 2016 to RMB307 million (US$45.3 million) as of June 30, 2017, primarily due to our expansion of funding sources to include more funding partners that request deposits.

Our restricted cash increased by more than five times from RMB26.3 million as of December 31, 2015 to RMB173 million (US$24.9 million) as of December 31, 2016, primarily due to the significant increase in transaction volume on *Juzi Licai* as well as our expansion of funding sources to include more funding partners that request deposits.

Short-term Financing Receivables, Net

The following table sets forth a breakdown of our short-term financing receivables, net as of December 31, 2015 and 2016 and June 30, 2017:

	As of December 31,			As of June 30,	
	2015	2016		2017	
	RMB	RMB	US$	RMB	US$
			(in thousands)		
Short-term financing receivables:					
Installment purchase loans	1,362,227	1,591,486	229,222	1,492,713	220,187
Personal installment loans	1,578,912	5,045,347	726,680	7,253,853	1,070,000
Deferred origination fees	(434)	(15,839)	(2,281)	(23,822)	(3,514)
Total short-term financing receivables	2,940,705	6,620,994	953,621	8,722,744	1,286,673
Allowance for credit loss	(42,914)	(150,096)	(21,618)	(264,193)	(38,970)
Total short-term financing receivables, net	2,897,791	6,470,898	932,003	8,458,551	1,247,703

Our net short-term financing receivables increased by 30.7% from RMB6,471 million (US$932 million) as of December 31, 2016 to RMB8,459 million (US$1,248 million) as of June 30, 2017, primarily due to a substantial increase associated with on-balance sheet personal installment loans which resulted from the growth of the volume of personal installment loans.

Our net short-term financing receivables increased by 123% from RMB2,898 million as of December 31, 2015 to RMB6,471 million (US$932.0 million) as of December 31, 2016, primarily due to a substantial increase associated with on-balance sheet personal installment loans which resulted from the growth of the volume of personal installment loans.

Inventories, Net

Our net inventories increased by 15.8% from RMB108 million (US$15.5 million) as of December 31, 2016 to RMB125 million (US$18.4 million) as of June 30, 2017, primarily as result of our increased cooperation with SF Express and our expansion of storage capabilities.

Our net inventories increased by 143% from RMB44.3 million as of December 31, 2015 to RMB108 million (US$15.5 million) as of December 31, 2016, primarily due to the increasing customer demand of products on our online consumer finance platform, *Fenqile*.

Long-term Financing Receivables, Net

The following table sets forth a breakdown of our long-term financing receivables, net as of December 31, 2015 and 2016 and June 30, 2017:

	As of December 31,			As of June 30,	
	2015	2016		2017	
	RMB	RMB	US$	RMB	US$
			(in thousands)		
Long-term financing receivables:					
Installment purchase loans	267,540	269,644	38,837	205,939	30,377
Personal installment loans	58,170	824,985	118,822	1,130,079	166,696
Deferred origination fees	—	(3,751)	(540)	(8,203)	(1,210)
Total long-term financing receivables	325,710	1,090,878	157,119	1,327,815	195,863
Allowance for credit loss	(4,753)	(24,730)	(3,562)	(40,713)	(6,005)
Total long-term financing receivables, net	320,957	1,066,148	153,557	1,287,102	189,858

Our net long-term financing receivables increased by 20.7% from RMB1,066 million (US$154 million) as of December 31, 2016 to RMB1,287 million (US$190 million) as of June 30, 2017, primarily due to a substantial increase associated with on-balance sheet personal installment loans which resulted from the growth of the volume of personal installment loans.

Our net long-term financing receivables increased by 232% from RMB321 million as of December 31, 2015 to RMB1,066 million (US$154 million) as of December 31, 2016, primarily due to a substantial increase associated with on-balance sheet personal installment loans which resulted from the growth of the volume of personal installment loans.

Short-term Funding Debts

Short-term funding debts increased by 36.8% from RMB6,968 million (US$1,004 million) as of December 31, 2016 to RMB9,535 million (US$1,406 million) as of June 30, 2017, primarily due to the expansion of on-balance sheet funding sources to include more individual investors on *Juzi Licai* and various institutional funding partners.

Short-term funding debts increased by 121% from RMB3,159 million as of December 31, 2015 to RMB6,968 million (US$1,004 million) as of December 31, 2016, primarily due to the expansion of on-balance sheet funding sources to include more individual investors on *Juzi Licai* and various institutional funding partners.

Accrued Expenses and Other Current Liabilities

Accrued expenses and other current liabilities increased by 7.7% from RMB602 million (US$86.7 million) as of December 31, 2016 to RMB649 million (US$95.7 million) as of June 30, 2017, primarily due to an increase in accrued payroll and welfare, tax payable and deferred interest and financial services income.

Accrued expenses and other current liabilities increased by 359% from RMB131 million as of December 31, 2015 to RMB602 million (US$86.7 million) as of December 31, 2016, primarily due to an increase in funds payable to institutional funding partners, accrued payroll and welfare and tax payable.

Convertible Loans

Convertible loans represented the US$100 million convertible loans we issued to four investors in May 2016 with compounding interest at 12% per annum, maturing two years after the issuance. See "—Liquidity and Capital Resources—Convertible Loans" for more information.

Taxation

Cayman Islands

We are an exempted company incorporated in the Cayman Islands. The Cayman Islands currently have no income, corporation or capital gains tax and no estate duty, inheritance tax or gift tax. The Cayman Islands does not impose a withholding tax on payments of dividends to shareholders.

Hong Kong

Our subsidiary incorporated in Hong Kong is subject to Hong Kong profit tax at a rate of 16.5%. No Hong Kong profit tax has been levied as we did not have assessable profit that was earned in or derived from the Hong Kong subsidiary during the periods presented. Hong Kong does not impose a withholding tax on dividends.

China

Generally, our PRC subsidiaries, variable interest entities and their subsidiaries, which are considered PRC resident enterprises under PRC tax law, are subject to enterprise income tax on their worldwide taxable income as determined under PRC tax laws and accounting standards at a rate of 25%.

During 2015, 2016 and the six months ended June 30, 2017, our online direct sales revenue from sales of electronic products, home appliance products and general merchandise products were subject to a 17% value-added tax, and our financial services income from services to our customers in the PRC was subject to a 6% value-added tax.

Dividends paid by our wholly foreign-owned subsidiary in China to our intermediary holding company in Hong Kong will be subject to a withholding tax rate of 10%, unless the relevant Hong Kong entity satisfies all the requirements under the Arrangement between the PRC and the Hong Kong Special Administrative Region on the Avoidance of Double Taxation and Prevention of Fiscal Evasion with respect to Taxes on Income and Capital and receives approval from the relevant tax authority. If our Hong Kong subsidiary satisfies all the requirements under the tax arrangement and receives approval from the relevant tax authority, then the dividends paid to the Hong Kong subsidiary would be subject to withholding tax at the standard rate of 5%. See "Risk Factors—Risks Related to Doing Business in China—We rely on dividends and other distributions on equity paid by our PRC subsidiaries to fund any cash and financing requirements we may have, and any limitation on the ability of our PRC subsidiaries to make payments to us could have a material adverse effect on our ability to conduct our business."

If our holding company in the Cayman Islands or any of our subsidiaries outside of China were deemed to be a "resident enterprise" under the PRC Enterprise Income Tax Law, it would be subject to enterprise income tax on its worldwide income at a rate of 25%. See "Risk Factors—Risks Related to Doing Business in China—If we are classified as a PRC resident enterprise for PRC income tax purposes, such classification could result in unfavorable tax consequences to us and our non-PRC shareholders or ADS holders."

We intend to indefinitely reinvest all the undistributed earnings of our variable interest entities and their subsidiaries incorporated in the PRC and do not plan to have our PRC subsidiary distribute any

dividend. Therefore, no withholding tax is expected to be incurred in the foreseeable future. Accordingly, no income tax was accrued on the undistributed earnings of our PRC subsidiary, variable interest entities or their subsidiaries as of December 31, 2015 and 2016, and June 30, 2017.

Liquidity and Capital Resources

To date, we have financed our operations primarily through cash generated by operating activities, the funding provided by individual investors on *Juzi Licai* and by institutional funding partners, the issuance of preferred shares in private placements, issuance of convertible loans and asset-backed securities. As of December 31, 2015 and 2016 and June 30, 2017, we had RMB135 million, RMB480 million (US$69.1 million) and RMB982 million (US$145 million), respectively, in cash and cash equivalents. Our cash and cash equivalents solely consist of cash on hand. We believe that our current cash and cash equivalents and our anticipated cash flows from operations and financing activities will be sufficient to meet our anticipated working capital requirements and capital expenditures for the 12 months following this offering. We may, however, need additional capital in the future to fund our continued operations. 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 or convertible loans 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 might restrict our operations. We cannot assure you that financing will be available in amounts or on terms acceptable to us, if at all.

Although we consolidate the results of our consolidated variable interest entities, we only have access to cash balances or future earnings of our consolidated variable interest entities through our contractual arrangements with them. See "Corporate History and Structure." For restrictions and limitations on liquidity and capital resources as a result of our corporate structure, see "—Holding Company Structure."

As a Cayman Islands exempted company and offshore holding company, we are permitted under PRC laws and regulations to provide funding to our wholly foreign-owned subsidiaries in China only through loans or capital contributions, subject to the approval of government authorities and limits on the amount of capital contributions and loans. In addition, our wholly foreign-owned subsidiaries in China may provide Renminbi funding to their respective subsidiaries through capital contributions and entrusted loans, and to our consolidated variable interest entities only through entrusted loans. See "Risk Factors—Risks Related to Our Corporate Structure—PRC regulation of loans to and direct investment in PRC entities by offshore holding companies and governmental control of currency conversion may delay or prevent us from using the proceeds of this offering to make loans to or make additional capital contributions to our PRC subsidiaries, which could materially and adversely affect our liquidity and our ability to fund and expand our business" and "Use of Proceeds."

Funding debts

Liabilities to individual investors on Juzi Licai. We offer individual investors on *Juzi Licai* various investment programs. As of December 31, 2015 and 2016 and June 30, 2017, the terms of those programs were all within 12 months with weighted average interest rates of 9.8%, 8.3% and 7.8%, respectively. As of December 31, 2015 and 2016, and June 30, 2017, individual investors on *Juzi Licai* funded an aggregate amount of RMB2,237 million, RMB5,331 million (US$768 million) and RMB8,055 million (US$1,188 million), respectively, in our outstanding financing receivables.

Liabilities to institutional funding partners. As part of our arrangement with institutional funding partners, we typically agree on an aggregate amount of funds to be provided, the maximum credit limit given to an individual customer, the maximum borrowing term and an annualized interest rate. These liabilities will mature between September 2017 and November 2018, and had weighted average interest rates of 10.7%, 8.3% and 8.0%, as of December 31, 2015 and 2016, and June 30, 2017, respectively. As

of December 31, 2015 and 2016 and June 30, 2017, institutional funding partners funded an aggregate amount of RMB718 million, RMB1,303 million (US$188 million) and RMB1,576 million (US$232 million), in our outstanding financing receivables, respectively.

The weighted average interest rates of the liabilities to individual investors and to institutional funding partners decreased in 2016, primarily due to the increased competition among our funding sources as we continued to expand our funding partnerships and increase the number of individual investors, as well as increased market recognition of the quality of our loan assets.

Asset-backed securitized debts. In December 2015, we, through Shenzhen Fenqile, created an asset-backed securitization program. Interest payments began in January 2016 and are payable quarterly through January 2017. Beginning in January 2017, monthly payments consist of both principal and interest with a final maturity of January 2018. The assets securitized under the ABS program are not available to our creditors. In addition, the investors of the ABS program have no recourse against our assets.

The following table summarizes our outstanding funding debts on our consolidated balance sheets as of December 31, 2015 and 2016 and June 30, 2017, respectively:

	As of December 31,			As of June 30,	
	2015	2016		2017	
	RMB	RMB	US$	RMB	US$
			(in thousands)		
Short-term:					
Liabilities to individual investors on *Juzi Licai*	2,278,692	5,537,031	797,498	8,118,771	1,197,582
Liabilities to institutional funding partners	880,462	1,275,643	183,731	1,412,338	208,331
Asset-backed securitized debts	—	155,814	22,442	3,444	508
Total short-term funding debts	3,159,154	6,968,488	1,003,671	9,534,553	1,406,421
Long-term:					
Liabilities to institutional funding partners	31,080	21,014	3,027	32,277	4,761
Total long-term funding debts	31,080	21,014	3,027	32,277	4,761

The following table summarizes the remaining contractual maturity dates of our funding debts on our consolidated balance sheet as of June 30, 2017 and associated interest payments.

	1 - 12 months	13 - 24 months	25 - 36 months	37 - 48 months	49 - 60 months	Total
			(RMB in thousands)			
Liabilities to individual investors—*Juzi Licai*	8,118,771	—	—	—	—	8,118,771
Liabilities to institutional funding partners	1,412,338	32,277	—	—	—	1,444,615
Asset-backed securitized debts	3,444	—	—	—	—	3,444
Total funding debts	9,534,553	32,277	—	—	—	9,566,830
Interest payments[(1)]	264,999	—	—	—	—	264,999
Total interest payments	264,999	—	—	—	—	264,999

(1) Interest payments with variable interest rates are calculated using the interest rate as of June 30, 2017.

Convertible loans

In May 2016, we issued convertible loans in the aggregated principal amount of US$100 million to four investors with compounding interest at 12% per annum, maturing two years after the issuance. Under the convertible loan agreements, the holders of the convertible loans may (i) convert the

outstanding principal of the convertible loans into a fixed percentage of the equity interest in Shenzhen Fenqile, one of our variable interest entities, or (ii) convert the outstanding principal of the convertible loans into a fixed number of shares of our series C convertible redeemable preferred shares at a conversion price per share of US$2.5105. Accrued interests will be waived if the investors elect to exercise any of the conversion options. Convertible loans in the principal amount of US$15 million were issued by our Cayman Islands holding company and convertible loans in the principal amount of US$85 million were issued by Shenzhen Fenqile.

In October 2017, we entered into a series of agreements with the investors of the convertible loans, pursuant to which the convertible loans were converted into a certain number of series C-1 preferred shares and series C-2 preferred shares of our company. Upon our issuance of the series C-1 preferred shares and the series C-2 preferred shares to the investors or their respective affiliates, the interests associated with the convertible loans were waived by the investors. See also "Description of Share Capital—History of Securities Issuances."

Accounts payable and inventories

Our accounts payable primarily include accounts payable to suppliers (except for JD.com, our related party, the payables to which were recorded as amounts due to related parties) associated with our online direct sales on *Fenqile*. As of December 31, 2015 and 2016 and June 30, 2017, our accounts payable amounted to RMB30.8 million, RMB72.7 million (US$10.5 million) and RMB78.9 million (US$11.6 million), respectively. These increases reflected a significant growth in our sales volumes and scale of operations for our e-commerce business and the related increase in products sourced from our suppliers. The turnover days of our accounts payable and payables to JD.com for our online direct sales were 16.2 days in 2015, 23.2 days in 2016 and 25.0 days in the six months ended June 30, 2017. The turnover days of our accounts payable and payables to JD.com for a given period are equal to the average balance of our accounts payable and payables to JD.com at the beginning and the end of the period divided by total cost of revenues during the period and multiplied by the number of days during the period.

Our net inventories have increased from RMB44.3 million as of December 31, 2015 to RMB108 million (US$15.5 million) as of December 31, 2016, and have further increased to RMB125 million (US$18.4 million) as of June 30, 2017. The increase reflected the additional inventory required to support our substantially expanded sales volumes. Our inventory turnover days were 4.5 days in 2015, 9.5 days in 2016 and 16.6 days in the six months ended June 30, 2017. Inventory turnover days for a given period equal average inventory balances at the beginning and the end of the period divided by total cost of revenues during the period and then multiplied by the number of days during the period. Our inventory balances will fluctuate over time due to a number of factors, including expansion in our product selection and changes in our product mix.

Cash Flows

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

	For the Year Ended December 31,			For the Six Months Ended June 30,		
	2015	2016		2016	2017	
	RMB	RMB	US$	RMB	RMB	US$
	(in thousands)					
Net cash (used in)/provided by operating activities	(1,485,106)	379,839	54,705	(57,173)	543,289	80,137
Net cash used in investing activities	(1,587,645)	(4,502,270)	(648,461)	(1,615,981)	(2,660,239)	(392,406)
Net cash provided by financing activities	3,031,864	4,459,947	642,365	2,374,378	2,621,093	386,631
Net (decrease)/increase in cash and cash equivalents	(26,213)	344,234	49,580	703,431	502,451	74,115
Cash and cash equivalents at beginning of the period	161,584	135,371	19,497	135,371	479,605	70,746
Cash and cash equivalents at end of the period	135,371	479,605	69,077	838,802	982,056	144,861

Operating Activities

Net cash provided by operating activities was RMB543 million (US$80.1 million) in the six months ended June 30, 2017. In the six months ended June 30, 2017, the difference between net cash provided by operating activities and our net income of RMB71.7 million (US$10.6 million) resulted from accrued convertible loans interest expense of RMB40.3 million (US$6.0 million), and certain non-cash expenses, including principally provision for credit losses of RMB271 million (US$40.0 million), share-based compensation expenses of RMB34.7 million (US$5.1 million) and changes in certain working capital accounts. Changes in the working capital accounts mainly included an increase in accrued interest payable of RMB131 million (US$19.3 million) and an increase in accrued expenses and other current liabilities of RMB66.5 million (US$9.8 million), partially offset by an increase in accrued interest receivable of RMB45.8 million(US$6.8 million) and increase in prepaid expenses and other current assets of RMB34.5 million (US$5.1 million). The increase in accrued interest payable was in line with the increase of funding debts including both short-term and long-term. The increase in accrued expenses and other current liabilities was mainly attributable to the increase of tax payable, accrued payroll and welfare and deferred interest and financial services income. The increase in prepaid expenses and other current assets was mainly due to the increase of prepayment to inventory suppliers, prepaid input value-added tax and rental deposits and other current assets.

Net cash provided by operating activities was RMB380 million (US$54.7 million) in 2016. In 2016, the difference between net cash provided by operating activities and our net loss of RMB118 million (US$17.0 million) resulted from accrued convertible loans interest expense of RMB45.3 million (US$6.5 million) and certain non-cash expenses, including principally provision for credit losses of RMB237 million (US$34.1 million), deferred income tax of RMB47.1 million (US$6.8 million), and changes in certain working capital accounts. Changes in the working capital accounts mainly included an increase in accrued expenses and other liabilities of RMB460 million (US$66.2 million), an increase in accrued interest payable of RMB66.8 million (US$9.6 million), partially offset by an increase in financing receivables related to online direct sales of RMB253.7 million (US$36.5 million), a decrease in amounts due to related parties of RMB84.4 million (US$12.2 million) and an increase in inventory of RMB65.1 million (US$9.4 million). The increase in financing receivables related to online direct sales was primarily due to an increase in our outstanding principal balance of installment purchase loans, which was in line with the significant increase in the transaction volume. The increase in accrued expenses and other liabilities was attributable to the increase of funds payable to institutional funding partners, accrued payroll and welfare, tax payable, guarantee liabilities at fair value and payable to third-party sellers. The increase in accrued interest payable was in line with the increase of funding debts. The decrease in amounts due to related parties primarily reflected a decrease in amounts due to JD.com as we developed more diversified supply channels. The increase in inventory was in line with the significant increase of online direct sales transaction volume.

Net cash used in operating activities was RMB1,485 million in 2015. In 2015, the difference between net cash used in operating activities and our net loss of RMB310 million primarily resulted from certain non-cash expenses and deferred income tax benefit, including principally provision for credit losses of RMB68.3 million, deferred income tax of RMB89.5 million, and changes in certain working capital accounts. Changes in the working capital accounts mainly included an increase in financing receivables related to online direct sales of RMB1,313 million and an increase in prepaid expenses and other current assets of RMB210 million, partially offset by an increase in amounts due to related parties of RMB177 million, an increase in accrued expenses and other current liabilities of RMB100 million and an increase in accrued interest payable of RMB64.3 million. The increase in financing receivables related to online direct sales was primarily due to an increase in our outstanding principal balance of installment purchase loans, which was in line with the significant increase in the transaction volume. The increase in amounts due to related parties was primarily attributed to the increase in inventory balance. The increase in prepaid expenses and other current assets was mainly

due to the increase in receivables from third-party online payment service providers, prepayment to inventory suppliers and prepaid input value-added tax. The increase in accrued expenses and other current liabilities was mainly due to the increase in accrued payroll and welfare and tax payable. The increase in accrued interest payable was in line with the increase of funding debts.

Investing Activities

Net cash used in investing activities was RMB2,660 million (US$392 million) in the six months ended June 30, 2017, which was primarily attributable to financing receivables originated (excluding receivables related to online direct sales) of RMB10,694 million (US$1,578 million), partially offset by proceeds provided by principal collections on financing receivables and recoveries (excluding receivables related to online direct sales) of RMB8,200 million (US$1,210 million).

Net cash used in investing activities was RMB4,502 million (US$648 million) in 2016, which was primarily attributable to financing receivables originated (excluding receivables related to online direct sales) of RMB12,004 million (US$1,729 million), partially offset by proceeds provided by principal collections on financing receivables and recoveries (excluding receivables related to online direct sales) of RMB7,703 million (US$1,109 million).

Net cash used in investing activities was RMB1,588 million in 2015, which was primarily attributable to proceeds used in financing receivables originated (excluding receivables related to online direct sales) of RMB3,252 million, partially offset by proceeds provided by principal collections on financing receivables and recoveries (excluding receivables related to online direct sales) of RMB1,651 million.

Financing Activities

Net cash provided by financing activities was RMB2,621 million (US$387 million) in the six months ended June 30, 2017, which was primarily attributable to proceeds from funding debts of RMB9,372 million (US$1,382 million), which were partially offset by principal payments on funding debts of RMB6,796 million (US$1,002 million).

Net cash provided by financing activities was RMB4,460 million (US$642 million) in 2016, which was primarily attributable to proceeds from funding debts of RMB15,432 million (US$2,223 million), proceeds from issuances of convertible loans of RMB655 million (US$94.3 million), and proceeds from financial institution borrowings of RMB80.0 million (US$11.5 million), which were partially offset by principal payments on funding debts of RMB11,590 million (US$1,669 million) and repurchase of preferred shares of RMB87.9 million (US$12.7 million).

Net cash provided by financing activities was RMB3,032 million in 2015, which was primarily attributable to proceeds from funding debts of RMB5,752 million and proceeds from issuance of preferred shares of RMB203 million, partially offset by principal payments on funding debts of RMB2,865 million.

Capital Expenditures

We incurred capital expenditures of RMB10.4 million, RMB32.1 million (US$4.6 million) and RMB24.8 million (US$3.7 million) in 2015, 2016 and the six months ended June 30, 2017, respectively. In these periods, our capital expenditures were mainly used for purchases of property, equipment and software. Our capital expenditures for 2017 are expected to be approximately RMB57.8 million (US$5.8 million), consisting primarily of expenditures related to the expansion and enhancement of our IT infrastructure. We will continue to incur capital expenditures to meet the expected growth of our business.

Contractual Obligations

The following table sets forth our contractual obligations, including interest payments, as of June 30, 2017:

	Payment Due by Period				
	Total	Less than 1 year	1 - 3 years	3 - 5 years	More than 5 years
	(RMB in thousands)				
Contractual Obligations:					
Debts obligations	10,824,117	10,789,834	34,283	—	—
Funding debts	9,888,562	9,855,454	33,108	—	—
Short-term and long-term borrowings	119,518	118,343	1,175	—	—
Convertible loans	816,037	816,037	—	—	—
Operating lease obligations	139,343	42,185	67,667	29,491	—
Total	10,963,460	10,832,019	101,950	29,491	—

Our operating lease obligations relate to our leases of office premises.

Other than those shown above, we did not have any significant capital and other commitments, long-term obligations or guarantees as of June 30, 2017.

Off-Balance Sheet Commitments and Arrangements

We provide services in connection with off-balance sheet loans, including account maintenance, collection and payment processing from customer and distributions to certain institutional funding partners. We are obligated to compensate the funding partners for the principal and interest repayment of loans in the event of a customer default. We also provide full interest repayment according to the terms of the loan in the event that a customer makes an early repayment of the loan to the funding partners. Therefore, we effectively provide guarantees to the funding partners against the credit risk and prepayment risk. See "—Critical Accounting Policies—On- and off-balance sheet treatment of loans—Off-balance sheet: Loans funded by certain other institutional funding partners, such as commercial banks—Guarantee liabilities."

Holding Company Structure

LexinFintech Holdings Ltd. is a holding company with no material operations of its own. We conduct our operations primarily through our subsidiary, our variable interest entities and their subsidiaries in China. As a result, LexinFintech Holdings Ltd.'s ability to pay dividends 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 variable interest entities 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 variable interest entity may allocate a portion of its after-tax profits based on PRC accounting standards to a discretionary surplus fund at its 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.

Inflation

Since our inception, inflation in China has not materially affected our results of operations. According to the National Bureau of Statistics of China, the year-over-year percent changes in the consumer price index for December 2015 and December 2016 were increases of 1.6% and 2.1%, respectively. Although we have not been materially affected by inflation in the past, we may be affected if China experiences higher rates of inflation in the future.

Quantitative and Qualitative Disclosures about Market Risk

Foreign Exchange Risk

All of our revenues and substantially all of our expenses are denominated in RMB. Our exposure to foreign exchange risk primarily relates to cash and cash equivalent denominated in U.S. dollars. We do not believe that we currently have any significant direct foreign exchange risk and have not used any derivative financial instruments to hedge exposure to such risk. Although our exposure to foreign exchange risks should be limited in general, the value of your investment in our ADSs will be affected by the exchange rate between U.S. dollar and RMB because the value of our business is effectively denominated in RMB, while our ADSs will be traded in U.S. dollars.

The conversion of RMB into foreign currencies, including U.S. dollars, is based on rates set by the People's Bank of China. The PRC government allowed the RMB to appreciate by more than 20% against the U.S. dollar between July 2005 and July 2008. Between July 2008 and June 2010, this appreciation halted and the exchange rate between the RMB and the U.S. dollar remained within a narrow band. Between June 2010 and August 2015, the PRC government has allowed the RMB to appreciate slowly against the U.S. dollar again. Since August 2015, the RMB has significantly depreciated against the U.S. dollar. It is difficult to predict how market forces or PRC or U.S. government policy may impact the exchange rate between the RMB and the U.S. dollar in the future.

To the extent that we need to convert U.S. dollars into RMB for our operations, appreciation of the RMB against the U.S. dollar would have an adverse effect on the RMB amount we receive from the conversion. Conversely, if we decide to convert RMB into U.S. dollars for the purpose of making payments for dividends on our ordinary shares or ADSs or for other business purposes, appreciation of the U.S. dollar against the RMB would have a negative effect on the U.S. dollar amounts available to us.

We estimate that we will receive net proceeds of approximately US$ million from this offering if the underwriters do not exercise their option to purchase additional ADSs, after deducting underwriting discounts and commissions and the estimated offering expenses payable by us, based on the initial offering price of US$ per ADS, the midpoint of the estimated initial public offering price range shown on the cover page of this prospectus. Assuming that we convert the full amount of the net proceeds from this offering into RMB, a 10% appreciation of the U.S. dollar against the RMB, from the exchange rate of RMB6.7793 for US$1.00 as of June 30, 2017 to a rate of RMB to US$1.00, will result in an increase of RMB million in our net proceeds from this offering. Conversely, a 10% depreciation of the U.S. dollar against the RMB, from the exchange rate of RMB6.7793 for US$1.00 as of June 30, 2017 to a rate of RMB to US$1.00, will result in a decrease of RMB million in our net proceeds from this offering.

Interest Rate Risk

We have not been exposed to material risks due to changes in market interest rates, and we have not used any derivative financial instruments to manage our interest risk exposure.

The fluctuation of interest rates may affect the demand for loan services on our platform. For example, a decrease in interest rates may cause potential customers to seek lower-priced loans from other channels. A high interest rate environment may lead to an increase in competing investment options and dampen investors' desire to invest on our platform. We do not expect that the fluctuation of interest rates will have a material impact on our financial condition. However, we cannot provide assurance that we will not be exposed to material risks due to changes in market interest rate in the future. See "Risk Factors—Risks Related to Our Business and Industry—Fluctuations in interest rates could negatively affect our business."

After completion of this offering, we may invest the net proceeds we receive from the offering in interest-earning instruments. Investments in both fixed rate and floating rate interest earning instruments carry a degree of interest rate risk. Fixed rate securities may have their fair market value adversely impacted due to a rise in interest rates, while floating rate securities may produce less income than expected if interest rates fall.

Internal Control Over Financial Reporting

Prior to this offering, we have been a private company with limited accounting personnel and other resources with which we address our internal control over financial reporting. In connection with the audits of our consolidated financial statements as of and for the years ended December 31, 2015 and 2016, we and our independent registered public accounting firm identified one material weakness in our internal control over financial reporting. As defined in the standards established by the U.S. Public Company Accounting Oversight Board, a "material weakness" is a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the annual or interim financial statements will not be prevented or detected on a timely basis.

The material weakness that has been identified relates to our lack of sufficient competent financial reporting and accounting personnel with appropriate understanding of U.S. GAAP to design and implement formal period-end financial reporting controls and procedures to address complex U.S. GAAP technical accounting issues, and to prepare and review our consolidated financial statements and related disclosures in accordance with U.S. GAAP and financial reporting requirements set forth by the SEC. The material weakness, if not timely remedied, may lead to significant misstatements in our consolidated financial statements in the future.

We have implemented and plan to implement a number of measures to address the material weakness that has been identified in connection with the audits of our consolidated financial statements as of and for the years ended December 31, 2015 and 2016. We have hired additional qualified financial and accounting staff with working experience of U.S. GAAP and SEC reporting requirements, including our chief financial officer and senior financial director. We have also implemented new financial software to improve visibility of data, journal entries and closing and reporting process controls. Furthermore, we will continue to further expedite and streamline our reporting process and develop our compliance process, including establishing a comprehensive policy and procedure manual, to allow early detection, prevention and resolution of potential compliance issues. We intend to conduct regular and continuous U.S. GAAP accounting and financial reporting programs and send our financial staff to attend external U.S. GAAP training courses. We also intend to hire additional resources to strengthen the financial reporting function and set up a financial and system control framework. However, we cannot assure you that all these measures will be sufficient to remediate our material weakness in time, or at all. See "Risk Factors—Risks Related to Our Business and Industry—In connection with the audits of our consolidated financial statements as of and for the years ended December 31, 2015 and 2016, we and our independent registered public accounting firm identified one material weakness in our internal control over financial reporting. If we fail to develop and maintain an

effective system of internal control over financial reporting, we may be unable to accurately report our financial results or prevent fraud."

As a company with less than US$1.07 billion in revenue for our last fiscal year, we qualify as an "emerging growth company" pursuant to the JOBS Act. An emerging growth company may take advantage of specified reduced reporting and other requirements that are otherwise applicable generally to public companies. These provisions include exemption from the auditor attestation requirement under Section 404 of the Sarbanes-Oxley Act of 2002 in the assessment of the emerging growth company's internal control over financial reporting.

Critical Accounting Policies

On-and off-balance sheet treatment of loans

Financing receivables are measured at amortized cost and reported on our consolidated balance sheets at outstanding principal balance adjusted for any charge-offs, the allowance for credit losses, and deferred fees on originated financing receivables.

With respect to our financing receivables, our main funding sources include the proceeds from individual investors on *Juzi Licai*, institutional funding partners and the issuance of our ABS program. The accounting treatment of assets, liabilities and revenues arising from the loans we originate varies, depending primarily on whether we are considered the primary obligor in the lending relationship.

On-balance sheet: Loans funded by individual investors on Juzi Licai and certain institutional funding partners

Financing receivables. With respect to the loans funded by individual investors through *Juzi Licai* and certain institutional funding partners, our role in the lending relationship includes:

(i) collecting the investment principal from individual investors or institutional funding partners and lending the funds to customers; and

(ii) collecting monthly repayments from the customers and repaying the individual investors or institutional funding partners according to the terms, such as interest rate and scheduled repayment dates, of the applicable investment programs between the individual investors and us or agreements between institutional funding partners and us.

The terms of the underlying loan agreements between the individual investors or institutional funding partners and our customers do not necessarily match the terms of the investment programs or agreements between the individual investors or institutional funding partners and us. The mismatch is mainly due to the fact that some individual investors or institutional funding partners may invest in the programs that have shorter investment periods than the terms of the underlying loan agreements. Depending on the type of investment programs the individual investors choose or the investment agreements the institutional funding partners enter into with us, the investing periods could be as short as one week and as long as 36 months. Pursuant to the investment programs or agreements, the individual investors or institutional funding partners agree on a rate of return with us that is normally lower than the coupon interest rate stipulated in the underlying loan agreement, given the shorter periods we provide. Given that the terms of those investment programs or agreements drive the return of the investments, we conclude that we have liabilities to the individual investors or institutional funding partners when the underlying loans are funded. Accordingly, we are considered the primary obligor in the lending relationship and therefore record the liabilities to these funding sources on our consolidated balance sheets. We considered that the financing receivables would not be settled or extinguished when customers enter into underlying loan agreements with these individual investors or institutional funding partners. Therefore, we continue to account for the financing receivables over the terms of the relevant loans.

Revenue recognition: interest and financial services income. We generate interest and financial services income earned on on-balance sheet loans. Interest and financial services income is amortized over the terms of financing receivables using the effective interest method. Origination fees collected on the first repayment date, which is one month after the origination are recorded as a component of financing receivables on our consolidated balance sheets. Deferred origination fees are recognized over the terms of personal installment loans. Direct origination costs include costs directly attributable to the origination of financing receivables, including vendor costs and personnel costs directly related to the time spent by those individuals performing activities related to the origination of financing receivables. In light of the credit risk characteristics of our customers and the relatively small amount of each individual financing receivable, we determined that direct origination costs incurred for the origination of individual financing receivables are insignificant and expensed as incurred and recorded in "processing and servicing cost" in the consolidated statements of operations. Interest and financial services income is not recorded when reasonable doubt exists as to the full, timely collection of interest or principal.

Off-balance sheet: Loans funded by certain other institutional funding partners, such as certain commercial banks and consumer finance companies

Financing receivables. With respect to the loans funded by certain other institutional funding partners, such as certain third-party commercial banks and consumer finance companies, each underlying loan and customer must be approved by the funding partners. Once a loan is approved and funded by the funding partner, the funds are provided by the funding partner to the customer and a lending relationship between the customer and the funding partner is established by way of a loan agreement. The funds can only be used to settle the installment purchase loans or personal installment loans we have provided to the customer. We effectively offer loan facilitation and matching services to the customers who have credit needs and these funding partners who fund the loans directly to the customers referred by us. We continue to provide account maintenance, collection and payment processing services to the customers over the term of the loan agreement. At the same time, we are obligated to compensate these funding partners for the principal and interest repayment of loans in the event of a customer default. We also provide full interest repayment according to the terms of the loan in the event that a customer makes an early repayment of the loan. We have determined that we are not the legal lender or borrower in the loan origination and repayment process. Accordingly, we do not record financing receivables arising from these loans or loans payable to these funding partners. We consider that the financing receivables arising from installment purchase loans or personal installment loans previously provided to the customers were settled and extinguished when the funds are received.

Guarantee liabilities. With respect to off-balance sheet loans, we are obligated to compensate these funding partners for the principal and interest repayment of loans in the event of a customer default. We also provide full interest repayment according to the terms of the loan in the event that a customer makes an early repayment of the loan. Therefore, we effectively provide a financial guarantee to these funding partners against the credit risk and prepayment risk.

In order to determine the accounting treatment of such protection mechanism, we considered the criteria of scope exception under ASC 815-10-15-58. In order to qualify for this scope exception, the financial guarantee contracts must meet all of the following three criteria: (a) the financial guarantee contracts provide for payments to be made solely to reimburse the guaranteed party for failure of the debtor to satisfy its required payment obligations either at prescriptive payment dates or accelerated payment dates as a result of the occurrence of an event of default or notice of acceleration being made to the debtor by the creditor; (b) payment be made only if the debtor's obligation to make payments as a result of conditions as described in (a) is past due; and (c) the guaranteed party is, as a precondition in the contract for receiving payment of any claim under the guarantee, exposed to the risk of

non-payment both at inception and throughout its term either through direct legal ownership or through a back-to-back arrangement.

As the guarantee we provide to these funding partners does not solely reimburse them for failure of the customers to satisfy required payment obligations, but also the future interest in the event of an early repayment by a customer, the scope exception under ASC 815-10-15-58(a) is not met. Therefore, these contracts are accounted for as a derivative under ASC Topic 815, *Derivatives and Hedging*, and are recognized on our consolidated balance sheets as either assets or liabilities and recorded at fair value.

Derivative assets and liabilities within the scope of ASC 815 are required to be recorded at fair value at inception and re-measured at fair value on an ongoing basis in accordance with ASC Topic 820, *Fair Value Measurement*. Therefore, the financial guarantee derivatives will be subsequently marked to market at the end of each reporting period with gains and losses recognized as change in fair value of financial guarantee derivatives. The estimated fair value of the financial guarantee derivatives is determined based on a discounted cash flow model, with reference to the estimates of cumulative default rate, cumulative prepayment rate, margins on cost of comparable companies and discount rates, using industry standard valuation techniques.

Revenue recognition: loan facilitation and servicing fees. With respect to off-balance sheet loans, we earn loan facilitation and servicing fees from the customers. We provide intermediary services to both the customers and the funding partners, including (1) loan facilitation and matching services, (2) post-origination services (i.e. account maintenance, collection, and payment processing). We also provide a financial guarantee to the funding partners and determine that the financial guarantee is within the scope of ASC 815 *Derivatives and Hedging* and recorded it at fair value at inception, with the remaining consideration recognized as revenues under ASC 605-25.

Under the off-balance sheet loan arrangements, fees for loan facilitation and matching services and post-origination services are charged and collected through deduction from the monthly repayment from the customers to the funding partners, and no fees are collected upfront. While the loan matching and facilitation services are rendered upfront, the amount allocable to these services based on relative selling prices is limited to nil under ASC 605-25-30-5, because all fees are contingent on ongoing servicing as well as the customer not prepaying. In considering that, the revenue is recognized each month when the fee is received over the terms of the loans as the monthly repayments occur in line with the resolution of the contingency.

On-balance sheet: Asset-backed securitization

Financing receivables. With respect to loans funded by ABSs issued by our securitization vehicle, the securitization vehicle is considered our consolidated variable interest entity based upon applicable accounting guidance. The receivables remain with us and are recorded as "financing receivables, net" in our consolidated balance sheets.

Revenue recognition: interest and financial services income. We recognize interest and financial services income over the terms of these receivables using the effective interest rate method. The proceeds from investors are recorded as funding debts. Origination fees associated with these on-balance sheet loans are deferred and recognized as adjustments to interest and financial services income over the terms of the relevant loans.

Online direct sales

We engage in online direct sales of products and services on our e-commerce channel on *Fenqile*. We have considered whether we should report the gross amount of product sales and related cost or the net amount earned as commissions by assessing all indicators set forth in ASC subtopic 605-45. Consistent with the criteria set out by ASC Topic 605, *Revenue Recognition*, we recognize revenues

when the following four criteria are met: (i) persuasive evidence of an arrangement exists, (ii) delivery has occurred or services have been rendered, (iii) the selling price is fixed or determinable, and (iv) collectability is reasonably assured.

For arrangements where we are the primary obligor (that is, we are primarily responsible for fulfilling the promise to provide the good or service, are subject to inventory risk, and have latitude in establishing prices and selecting suppliers), revenues are recorded on a gross basis. Otherwise, revenues are recorded on a net basis as services and others. For online direct sales for which we are considered the principal, we recognize revenue net of discounts and return allowances when the products are delivered and titles are passed to the customers. Return allowances, which reduce net revenues, are estimated based on historical experiences.

For these transactions, we originate installment purchase loans and generate financing receivables due from the customers who place orders. The online direct sales revenues and related financing receivables are accounted for as sales of products to the customers with extended payment terms and are recorded at present value of the contractual cash flows when the above revenue recognition criteria are met.

The installment purchase loans originated through our online direct sales may be subsequently funded by certain other institutional funding partners and such subsequent loans may be categorized as off-balance sheet loans. The financing receivables previously generated from online direct sales are settled with the proceeds our customers receive from the loans issued by the institutional funding partners.

Revenue is recorded net of value-added tax and related surcharges.

Provision for credit losses

We evaluate the creditworthiness and collectability of our financing receivable portfolio mainly based on delinquency levels and historical charge-offs of the financing receivables using an established systematic process on a pooled basis within respective credit risk levels. We consider location, education background, income level, outstanding external borrowings, and external credit references when assigning customers into different credit risk levels. Also, the financing receivable portfolio within each credit risk level consists of individually small amount of installment purchase loans and personal installment loans. In the consideration of above factors, we determine that the entire financing receivable portfolio within each credit risk level is homogenous with similar credit characteristics.

The provision for credit losses is calculated separately for financing receivables within each credit risk level, taking into considerations of those financing receivables with flexible repayment options. For each credit risk level, we estimate the expected credit losses rate based on delinquency status of the financing receivables within that level: current, 1 to 29, 30 to 59, 60 to 89, 90 to 119, 120 to 149, 150 to 179 calendar days past due. These loss rates in each delinquency status are based on average historical loss rates of financing receivables associated with each of the abovementioned delinquency categories. The expected loss rate of each risk level will be applied to the outstanding loan balances within that level to determine the allowance for credit loss for each reporting period. In addition, we consider other general economic conditions, if any, when determining the provision for credit losses.

Accrued interest receivable

Accrued interest income on financing receivables is calculated based on the contractual interest rate of the loan and recorded as interest and financial services income as earned. Financing receivables are placed on non-accrual status upon reaching 90 days past due. When a financing receivable is placed on non-accrual status, we cease to accrue interest and reverse all accrued but unpaid interest as of such date.

Nonaccrual financing receivables and charged-off financing receivables

We consider a financing receivable to be delinquent when any monthly payment is one day past due. When we determine it is probable that we will be unable to collect additional principal amount on the receivables, the remaining unpaid principal balance is charged off against the allowance for credit losses. Generally, charge-offs occur after the 180th day of delinquency. Interest and financial services income for nonaccrual financing receivables is recognized on a cash basis. Cash receipt of non-accrual financing receivables will be first applied to any unpaid principal and late payment fees, if any, before recognizing interest and financial services income.

Share-based compensation

All share-based incentive awards to employees and directors, such as share options, are measured at the grant date based on the fair value of the awards. Share-based compensation, net of estimated forfeitures, is recognized as expenses on a straight-line basis over the vesting period, which is generally over four years. Given the exercise price of each share option is US$0.0001, we use the intrinsic value (approximately the fair value of each of our ordinary share) on the grant date to estimate the fair value of the options. Forfeitures are estimated at the time of grant and revised in subsequent periods if actual forfeitures differ from those estimates. We use historical data to estimate pre-vesting option and record share-based compensation expenses only for those awards that are expected to vest.

Fair Value of Ordinary Shares

Prior to this offering, we have been a private company with no quoted market prices for our ordinary shares. We therefore need to make estimates of the fair value of our ordinary shares at various dates for the purposes of (i) at the date of issuance of convertible instruments as one of the inputs in determining the intrinsic value of the beneficial conversion feature; and (ii) at the date of grant of a share-based compensation award as the only input to determine the grant date fair value of the award.

The following table sets forth the fair value of our ordinary shares estimated at different times with the assistance from an independent valuation firm. The valuation was performed on retrospective

basis, instead of contemporaneous basis because, at that time of valuation, our limited financial and human resources were principally focused on business development efforts.

Date	Fair Value per Share US$	Discount Rate	DLOM	Purpose of Valuation
July 18, 2014	0.032	40.0%	45.0%	To determine potential beneficial conversion feature in connection with the issuance of Series A-1 and Series A-2 preferred shares
November 10, 2014	0.313	30.0%	40.0%	To determine potential beneficial conversion feature in connection with the issuance of Series B-1 and Series B-2 preferred shares
March 13, 2015	0.357	28.0%	35.0%	To determine potential beneficial conversion feature in connection with Series B-2 preferred shares
July 1, 2015	0.504	28.0%	25.0%	Share option grant
December 31, 2015	1.184	26.0%	20.0%	Share option grant
May 26, 2016	1.397	26.0%	20.0%	Share option grant
November 1, 2016	3.465	21.0%	15.0%	Share option grant
January 20, 2017	3.820	20.0%	15.0%	Share option grant
March 31, 2017	4.275	20.0%	15.0%	Share option grant
June 30, 2017	5.112	18.5%	10.0%	Share option grant

In determining the fair value of our ordinary shares, we applied the income approach/discounted cash flow analysis as primary approach based on our projected cash flow using our best estimate as of the valuation date. The determination of the fair value of our ordinary shares requires complex and subjective judgments to be made regarding our projected financial and operating results, our unique business risks, the liquidity of our shares and our operating history and prospects at the time of valuation.

We also applied back-solve method as a secondary method to check the reasonableness of our valuation results developed by the income approach. The back-solve method takes into consideration of the rights and preferences of each class of equity and solves for the total equity value that is comparable with a recent transaction involving our securities. The method was used when we were in the early stage of development and completed financing transactions with investors on arm's length basis. When we entered into the later stage of development and started generating profits, we used guideline companies method and referred to forward price-earnings multiple of guideline companies to check the reasonableness of our valuation results.

The discounted cash flow method of the income approach involves applying appropriate discount rates to discount the forecasted future cash flows to the present value. In determining an appropriate discount rate, we have considered the cost of equity and the rate of return expected by venture capitalists, or VCR.

Cost of Equity. We calculated the cost of equity of the business as of the valuation dates using the capital asset pricing model, or CAPM, the most commonly adopted method for estimating the required rate of return for equity. Under CAPM, the cost of equity is determined with consideration of, the risk-free rate, systematic risk, equity market premium, size of our company, the scale of our business and our ability in achieving forecasted projections. In deriving the cost of equity, certain publicly traded companies involving consumer finance were selected for reference as our guideline companies. To reflect the operating environment in China and the general sentiment in the U.S. capital markets

towards the consumer finance, the guideline companies were selected with consideration of the following factors: (i) the guideline companies should provide similar services, and (ii) the guideline companies should either have their principal operations in Asia Pacific region, as we operate in China, and/or are publicly listed companies in the United States as we plans to list our shares in the United States.

VCR. The expected return from venture capitalists for investing in our company when we were in expansion stage ranges from 30% to 50%. As we progress through an early stage of development towards this offering, the expected return from venture capitalists for investing in our company gradually declines, which generally range from 20% to 30%.

After considering the cost of equity, VCR, the relative risk of the industry and the characteristics of our company, we used a discount rate of 40% as of the valuation dates in July 2014 and 18.5% as of June 2017.

We also applied a discount for lack of marketability, or DLOM, ranging from 45% to 10%, to reflect the fact that there is no ready market for shares in a closely-held company like us. When determining the DLOM, the Black-Scholes option pricing model was used. Under this option-pricing method, the cost of the put option, which can hedge the price change before the privately held shares can be sold, was considered as a basis to determine the discount for lack of marketability. This option pricing method was used because it takes into account certain company-specific factors, including the timing of the expected initial public offering and the volatility of the share price of the guideline companies engaged in the same industry.

The increase in the fair value of our ordinary shares from US$0.032 per share as of July 18, 2014 to US$0.313 per share as of November 10, 2014 was primarily attributable to continuous organic growth of our business, the decrease of the discount rate from 40% as of July 18, 2014 to 30% as of November 10, 2014 and raise of additional capital by issuance of our preferred shares. The decrease in the discount rate was due to increased investors' confidence in our business prospects and a corresponding decrease of their required rate of return.

The increase in the fair value of our Class A ordinary shares from US$0.313 per share as of November 10, 2014 to US$0.357 per share as of March 13, 2015 and further to US$0.504 as of July 1, 2015 was primarily attributable to the continuous organic growth of our business, a decrease of the discount rate from 30% as of November 10, 2014 to 28% as of March 13, 2015 and as of July 1, 2015, and a decrease in the discount for lack of marketability from 40% as of November 10, 2014 to 25% as of July 1, 2015. The decrease in discount rate was due to the substantial progress both in our business development and the hire of key management personnel, which result in a decrease of uncertainties associated with our financial forecasts. The decrease in the discount lack of marketability was due to the increased likelihood of a successful initial public offering of our securities.

The increase in the fair value of our Class A ordinary shares from US$0.504 as of July 1, 2015 to US$1.184 per share as of December 31, 2015 and further to US$1.397 as of May 26, 2016 was primarily attributable to the continuous organic growth of our business and reduced uncertainties associate with our financial forecasts and increased shareholders' confidence in our business prospect due to a convertible bond offering.

The increase in the fair value of our Class A ordinary shares from US$1.397 as of May 26, 2016 to US$3.465 per share as of November 1, 2016 was primarily attributable to the continuous organic growth of our business, a decrease in small size premium and a decrease in the discount rate from 26% as of May 26, 2016 to 21% as of November 1, 2016. The decrease in discount rate was due to improved operating results and increased shareholders' confidence.

The increase in the fair value of our Class A ordinary shares from US$3.465 as of November 1, 2016 to US$4.275 per share as of March 31, 2017 and further to US$5.112 per share as of June 30,

2017 was primarily attributable to the continuous organic growth of our business and generating positive operating profit in the first half of 2017.

Recent Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board, or FASB, issued, ASU 2014-09, *Revenue from Contracts with Customers* (Topic 606). The guidance substantially converges final standards on revenue recognition between FASB and the International Accounting Standards Board providing a framework on addressing revenue recognition issues and, upon its effective date, replaces almost all existing revenue recognition guidance, including industry-specific guidance, in current U.S. GAAP. In August 2015, FASB issued its final standard formally amending the effective date of the new revenue recognition guidance. The amendments in this ASU are effective for public companies for annual reporting periods beginning after December 15, 2017, including interim periods within that reporting period. Earlier application is permitted only as of annual reporting periods beginning after December 15, 2016, including interim reporting periods within that reporting period. We are currently evaluating the impact of the adoption on our consolidated financial statements.

In January 2016, FASB issued ASU 2016-01 (Subtopic 825-10), *Financial Instruments—Overall: Recognition and Measurement of Financial Assets and Financial Liabilities*. The new guidance will impact the accounting for equity investments, financial liabilities under the fair value option, and the presentation and disclosure requirements for financial instruments. In addition, FASB clarified the need for a valuation allowance on deferred tax assets resulting from unrealized losses on available-for-sale debt securities. The accounting for other financial instruments, such as loans, investments in debt securities, and financial liabilities not under the fair value option is largely unchanged. The standard is effective for public companies for annual periods (and interim periods within those annual periods) beginning after December 15, 2017. We do not expect a material impact to the consolidated financial statements due to the adoption of this guidance.

In February 2016, FASB issued ASU 2016-02 (Topic 842), *Leases*, which requires that a lessee should recognize the assets and liabilities that arise from operating leases. A lessee should recognize in the balance sheet a liability to make lease payments (the lease liability) and a right-of-use asset representing its right to use the underlying asset for the lease term. For leases with a term of 12 months or less, a lessee is permitted to make an accounting policy election by class of underlying asset not to recognize lease assets and lease liabilities. If a lessee makes this election, it should recognize lease expenses for such leases generally on a straight-line basis over the lease term. ASU 2016-02 is effective for fiscal years and interim periods within those years beginning after December 15, 2018. Early adoption is permitted. We are currently evaluating the method of adoption and the impact ASU 2016-02 will have on our consolidated financial statements, but expect that most existing operating lease commitments will be recognized as operating lease obligations and right-of-use assets as a result of adoption.

In June 2016, FASB amended guidance related to impairment of financial instruments as part of ASU 2016-13 *Financial Instruments—Credit Losses* (Topic 326): *Measurement of Credit Losses on Financial Instruments*, which will be effective on January 1, 2020. The guidance replaces the incurred loss impairment methodology with an expected credit loss model for which a group is required to recognize an allowance based on its estimate of expected credit loss. We are currently evaluating the impact of this new guidance on our consolidated financial statements.

In August 2016, FASB issued ASU 2016-15, *Statement of Cash Flows* (Topic 230), *Classification of Certain Cash Receipts and Cash Payments*. ASU 2016-15 provides guidance for targeted changes with respect to how cash receipts and cash payments are classified in the statements of cash flows, with the objective of reducing diversity in practice. ASU 2016-15 is effective for interim and annual periods

beginning after December 15, 2017, with early adoption permitted. We are in the process of evaluating the impact of this accounting standard update on our consolidated statements of cash flows.

In November 2016, FASB issued ASU 2016-18, *Statement of Cash Flows* (Topic 230) ("ASU 2016-18"). This ASU affects all entities that have restricted cash or restricted cash equivalents and are required to present a statement of cash flows under Topic 230. ASU 2016-18 requires that a statement of cash flows explain the change during the period in the total of cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents. This update will become effective for fiscal years beginning after December 15, 2017, and interim periods within fiscal years beginning after December 15, 2018, and early adoption is permitted in any interim or annual period. We are currently evaluating the impact of this guidance on our consolidated financial statements.

In May 2017, the FASB issued ASU 2017-09, *Compensation—Stock Compensation (Topic 718): Scope of Modification Accounting.* This ASU clarifies when changes to the terms or conditions of a share-based payment award must be accounted for as modifications. Specifically, an entity would not apply modification accounting if the fair value, vesting conditions, and classification of the awards are the same immediately before and after the modification. The standard is effective for fiscal years beginning after December 31, 2017, and interim periods within those fiscal years. Early adoption is permitted. We do not expect a material impact to the consolidated financial statements due to the adoption of this guidance.

In July 2017, the FASB issued ASU 2017-11, *Earnings Per Share (Topic 260), Distinguishing Liabilities from Equity (Topic 480)* and *Derivatives and Hedging (Topic 815): I. Accounting for Certain Financial Instruments with Down Round Features. II. Replacement of the Indefinite Deferral for Mandatorily Redeemable Financial Instruments of Certain Nonpublic Entities and Certain Mandatorily Redeemable Noncontrolling Interests with a Scope Exception.* This ASU affects all entities that issue financial instruments (for example, warrants or convertible instruments) that include down round features. Part I of this ASU relates to the recognition, measurement, and earnings per share of certain freestanding equity-classified financial instruments that include down round features affect entities that present earnings per share in accordance with the guidance in *Topic 260, Earnings Per Share*, while in Part II does not have an accounting effect. We are in the process of evaluating the impact of this accounting standard update on our consolidated financial statements.

INDUSTRY OVERVIEW

China's Private Consumption Market and Online Consumer Finance Market

Private consumption in China is growing rapidly, allowing for the rapid development of the online consumer finance market. Private consumption grew steadily at a CAGR of 9.5% between 2010 and 2015, and is expected to continue its strong growth momentum in the future and to increase to RMB32 trillion by the end of 2020 (US$4.7 trillion), according to Oliver Wyman.

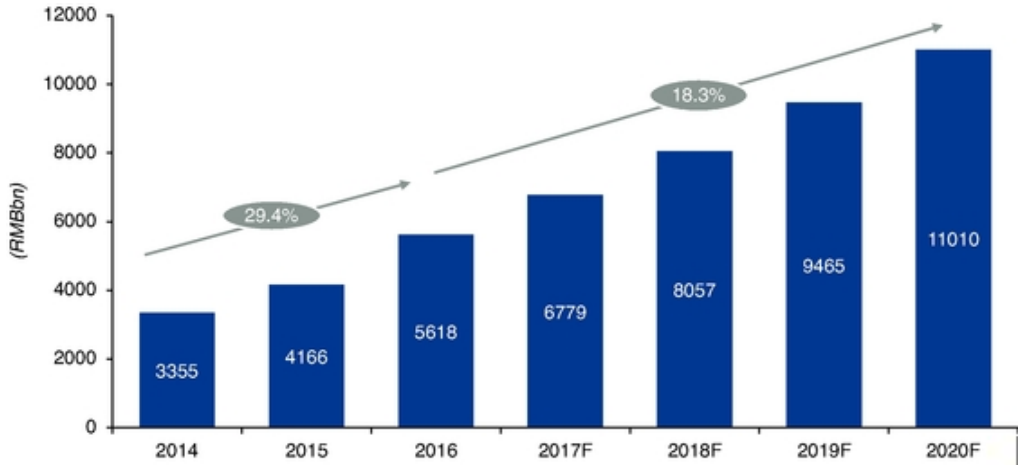
The growth of private consumption in China is driven by a number of factors, including:

- the continued growth of GDP, increasing urbanization and rising disposable income in China;
- economic structural reform and rebalancing towards a consumption-driven economy; and
- deeper mobile and internet penetration, which allows for more convenient access to a wide selection of consumer goods.

Consumption growth drives expansion of the consumer finance market

The growth in private consumption has translated into the rapid growth of the consumer finance market in China in recent years. The consumer finance market is defined as the market providing personal loans for consumption purposes, excluding mortgages and auto loans. This market includes credit card loans and advances, e-commerce credit offerings, and online consumer finance products. According to Oliver Wyman, the outstanding loan balance of the consumer finance market in China increased from RMB3,355 billion (US$495 billion) at the end of 2014 to RMB5,618 billion (US$829 billion) at the end of 2016, representing a CAGR of 29.4%, and is projected to further grow to RMB11,010 billion (US$1,624 billion) by the end of 2020, representing a CAGR of 18.3%.

Outstanding Loan Balance of China's Consumer Finance Market



Despite growing consumption levels, the consumer finance market in China is still highly underdeveloped and underpenetrated. According to Oliver Wyman, in 2016, the ratio of the balance of China's overall unsecured consumer loans to the GDP was 9%, compared to 15% in the United States, the per capita outstanding consumer finance loan in China (excluding mortgages) was RMB4,082 (US$602), compared to US$7,647 in the United States, and the average number of credit cards per capita in China was 0.3, compared to 2.9 in the United States.

In addition, credit infrastructure in China is also underdeveloped. The PRC government has sought to enhance its consumer credit reporting system. The People's Bank of China, or the PBOC,

established the Credit Reference Center, or the CRC, to operate the national centralized commercial and consumer credit reporting system. At the end of 2015, approximately 1 billion individuals, or 72% of the population in China, did not have credit ratings with the CRC, compared to 14% of the total population in the United States who did not have credit ratings. Furthermore, access to the CRC's credit database has been limited to banks and other market players authorized by the CRC. This system does not support sophisticated credit scoring and assessment, and therefore is not comparable to the FICO credit scoring and credit reporting system in the United States, in terms of both coverage and sophistication. While the credit infrastructure is expected to continue to develop, consumer credit reporting system in China is still at a nascent stage.

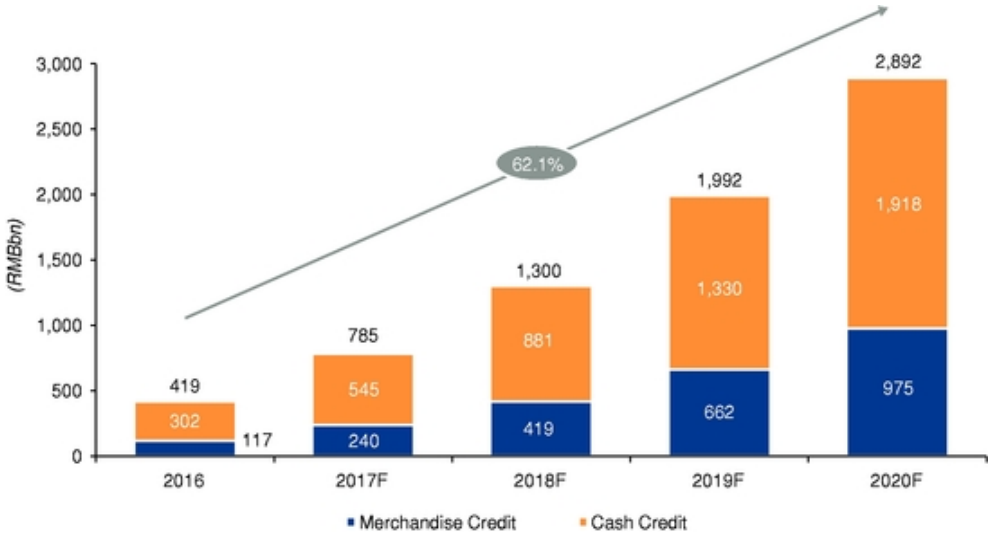
Development of the online consumer finance market in China

China's consumer finance market is further divided into the traditional offline channels offering credit products at retail outlets, and the emerging online channels extending loans on the internet or mobile channels. With significantly increased internet and mobile penetration over the past decade, many online consumer finance service providers have entered China's consumer finance market, which is dominated by traditional offline players.

The online consumer finance market has grown at a rapid pace in the past few years and is projected to grow at a faster pace than the overall consumer finance market. The outstanding balance of China's online consumer finance market increased from RMB40 billion (US$5.9 billion) to RMB419 billion (US$61.8 billion) between 2013 and 2016, representing a CAGR of 118.8%, and is expected to reach RMB2,892 billion (US$427 billion) by the end of 2020, representing a CAGR of 62.1%, according to Oliver Wyman.

The online consumer finance market can be further divided into merchandise credit and cash credit. Merchandise credit is issued to a customer to finance the purchase of a specific product or service. Cash credit is issued directly to a customer for general consumption purposes in cash. The merchandise credit business model currently features lower interest rates, lower credit risk and lower risk of fraud, due to the nature of the loans and the additional customer data available on the e-commerce platforms that can be leveraged for risk management. According to Oliver Wyman, online merchandise credit will experience higher growth rates as compared to online cash credit, and the outstanding balance of online merchandise credit is expected to grow from RMB117 billion at the end of 2016 to RMB975 billion (US$144 billion) by the end of 2020, representing a CAGR of 69.9%.

Outstanding Balance of Online Consumer Finance Market in China



Consumer Finance Market for Educated Young Adults

Characteristics of educated young adults

The educated young adult segment represents a sizeable consumer finance market with enormous growth potential. They generally have the following characteristics:

- *High educational background.* The customers in this segment have associate degrees, college degrees or above.
- *High income potential.* High educational background translates into high income potential. During their education, educated young adults often take on-campus or off-campus jobs. As our target customers enter the workforce, their income becomes higher and more stable than the general population.
- *High consumption needs.* Educated young adults are more open to credit consumption. The use of online installment purchases has become more prevalent. According to Oliver Wyman, customers aged between 19 and 35 contributed approximately 70% of the total online consumer credit usage in China in 2014.
- *A strong desire to build their credit profile.* Educated young adults generally have greater awareness of the importance to maintain a good credit profile and willingness to repay loans in order to maintain good credit histories.
- *An appreciation for efficient customer experience.* Educated young adults grow up as internet and mobile technologies proliferate in China. They have benefited from the ease and convenience provided by China's improving digital infrastructure, and therefore are tech savvy and expect an efficient customer experience. Traditional brick-and-mortar financial institutions are unable to offer such superior customer experience, primarily due to lack of relevant credit data. Their credit products, consist mainly of credit card offerings, often featuring low credit limits (RMB500 to RMB5,000), guarantor/co-signer requirements and in-branch sign-ups. Online consumer finance platforms, on the other hand, are well positioned to cater to the demands from educated young adults for efficient customer experience.

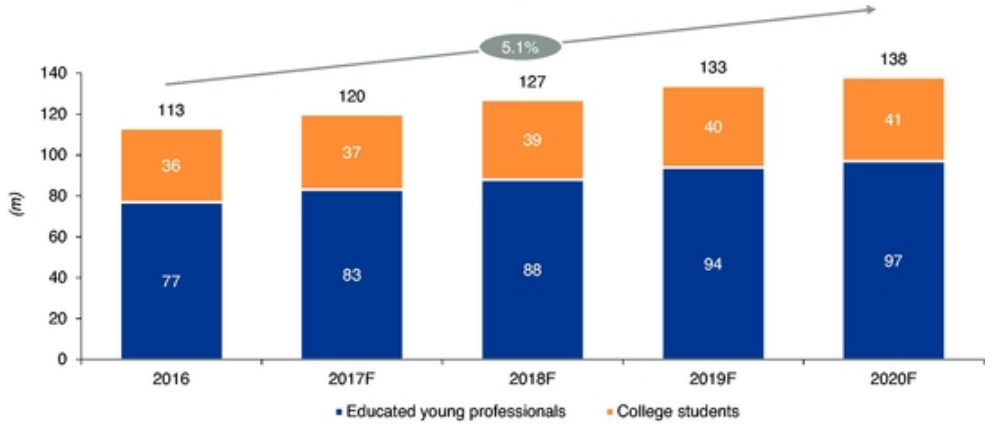
Enormous growth potential of educated young adults

Educated young adults undergo a path of consumption upgrade between age 18 and 36 due to the significant life events that they experience, which require major expenditures over this period. These life events may include professional education, rental deposits, business investment, marriage, home purchase, child birth, and unplanned or unexpected events impacting their finances. The occurrence of these events often gives rise to substantial and increasing needs for financial services and credit products. Educated young adults using the consumer finance market for financial solutions demonstrate a progression toward larger loan amounts and longer loan terms. Their increasing financial needs also correspond with rising income and thus the increasing ability to repay borrowings with their income.

Significant addressable market for educated young adult segment

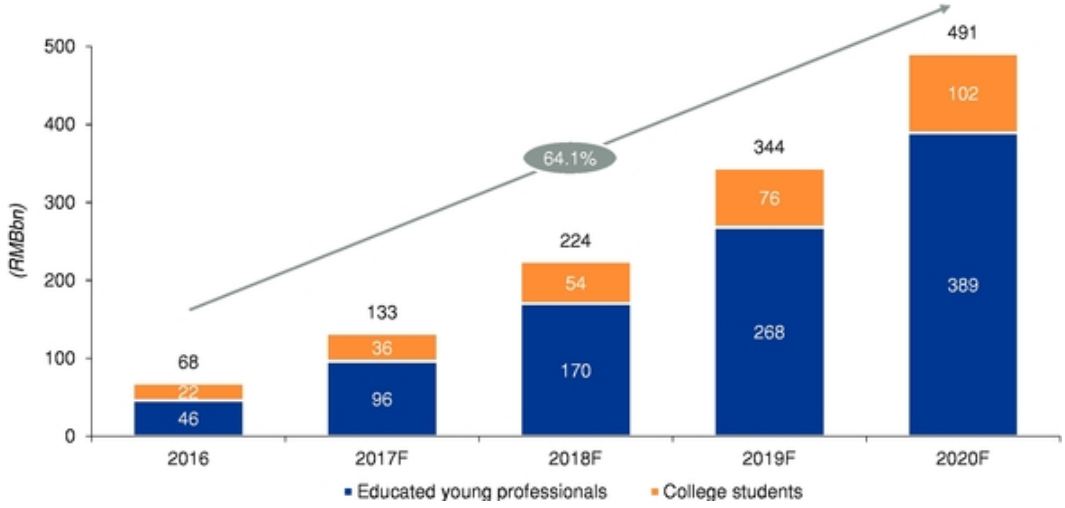
China's population of educated young adults is estimated to be 113 million at the end of 2016 and is expected to grow to 138 million by the end of 2020 at a CAGR of 5.1%, according to Oliver Wyman. In the same period, the population of this segment in the United States and the United Kingdom is expected to grow at a CAGR of 2.6% and 1.9%, respectively, and to reach 44 million and 8.4 million, respectively, by the end of 2020, according to Oliver Wyman.

Estimated Size of Educated Young Adult Population in China



The rapid growth in the number of potential borrowers within the educated young adult segment, coupled with increasingly diverse and upgraded consumption needs, will drive the significant growth of the finance market for this segment. It is expected that the total outstanding loan balance will grow from RMB68 billion (US$10.0 billion) at the end of 2016 to RMB491 billion (US$72.4 billion) by the end of 2020, representing a CAGR of 64.1%.

Outstanding Loan Balance of the Educated Young Adult Segment



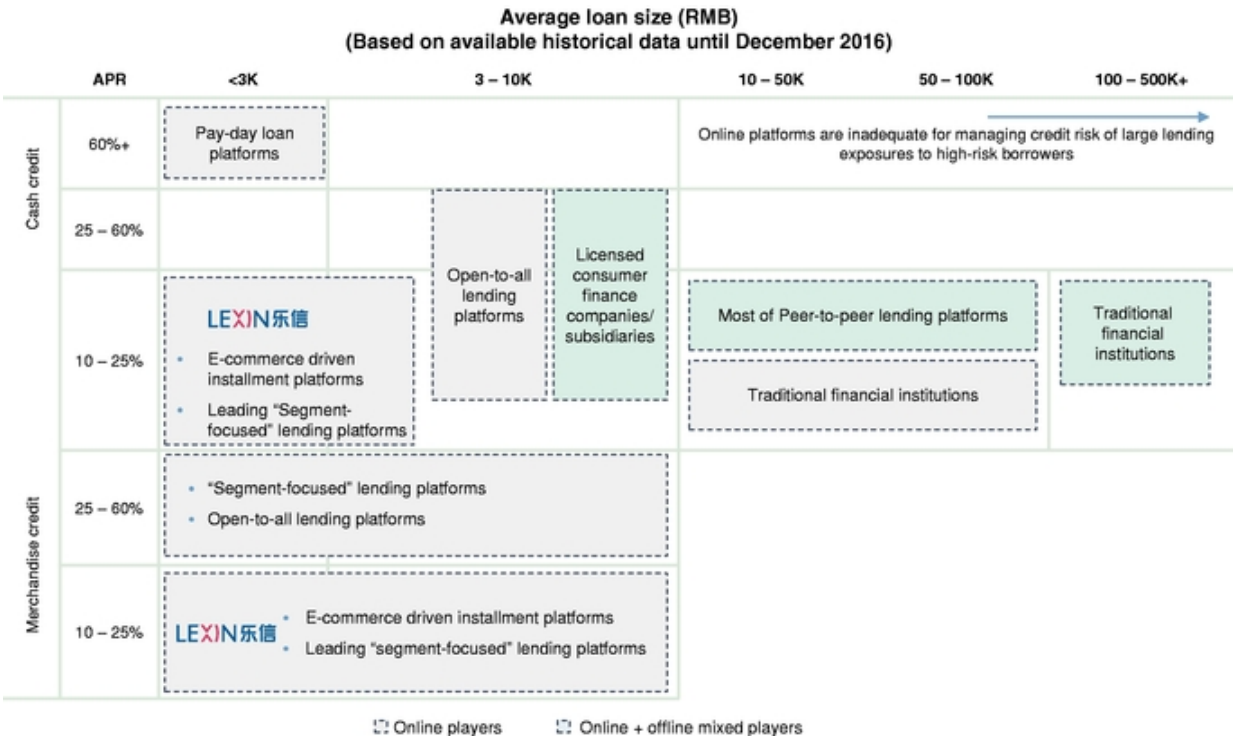
Competitive landscape

According to Oliver Wyman, the educated young adult segment of the consumer finance market is served by four types of players:

- e-commerce-driven installment finance platforms, which focus on the entire population drawn to their platforms;
- "open-to-all" lending platforms, which are open to the entire population but with a focus on sub-prime borrowers and predominantly feature short-term, high-APR loans;
- "segment-focused" lending platforms dedicated to serving educated young adults with products and services tailored to the market segment; and
- traditional financial institutions.

One key difference in competitive strategies employed by various market players is their approach to borrower acquisition, which defines market positioning, borrower base and cost structure. Large and reputable internet companies with comprehensive eco-systems, such as Ant Financial and JD Finance, mainly funnel their existing customers to their lending platforms at low costs. Market players who deploy large scale online and search-based advertising targeted at the mass market often may not be able to filter high-risk customers due to adverse selection. Market players with a geographically concentrated and socially connected customer base are able to leverage word-of-mouth referrals and rapidly scale up borrowers at relatively low costs.

Competitive Landscape



Once a stable borrower base in the educated young adult segment is acquired, the leading players in the market have significant competitive advantages due to substantial barriers of entry. They have accumulated a massive amount of proprietary data relating to borrowers' credit information and credit performance. These data are difficult to access and collect, and transforming data into valuable business insights requires significant experience and accumulation. In addition, strong brand loyalty and recognition also create barriers to new market entrants. Large consumer finance players and traditional financial institutions have not invested resources to specifically target the educated young adult segment.

Key success factors in serving the educated young adult segment of consumer finance market

The following factors are key in successfully operating in China's online consumer finance market and, in particular, the educated young adult segment:

- cost-effective and targeted customer acquisition strategies;
- strong brand reputation and recognition that could successfully retain or increase borrower base and capture a borrower's lifetime value;

- prudent and data-driven risk management enabled by accumulation of historical credit data and credit assessment methodology; and
- access to diversified and sustainable funding at favorable rates.

Regulatory environment and implications for market players

China's online consumer finance industry has historically been largely unregulated, creating a favorable regulatory backdrop for its fast growth. Recently, PRC regulatory authorities, including the CBRC and the PBOC, have issued guidelines and policy directives at the online consumer finance industry. See "Regulation." While tighter regulations may increase overall compliance costs, this trend also promotes the healthy development of the market with more commercially reasonable and sensible credit products, and therefore enhances the competitive edge of established market players, increases the entry barriers and encourages consolidation within the industry.

BUSINESS

Overview

We are a leading online consumer finance platform in China in terms of the outstanding principal balance of loans originated on our platform as of June 30, 2017, according to Oliver Wyman. We strategically focus on serving the credit needs of educated young adults in China. We grow with our customers by offering convenient and innovative loan products to meet their credit needs at different stages of life. We had approximately 3.0 million active customers in 2016 and 2.5 million active customers in the six months ended June 30, 2017, representing a 103% increase from 2015 and a 19% increase from the six months ended June 30, 2016. As of June 30, 2017, we had over 5.6 million customers with an approved credit line and approximately 16.0 million registered users.

Our target customer cohort, educated young adults aged between 18 and 36 in China, includes both college students and educated young professionals who are typically college graduates. This customer cohort features young people with high income potential, high educational background, high consumption needs, a strong desire to build their credit profile, and an appreciation for efficient customer experience. As of June 30, 2017, this target customer group represented over 90% of our customer base. As college students transition into educated young professionals, their consumption requirements and ability to repay loans increase as they receive increasing income, creating long-term growth potential for us. A significant portion of educated young adults, however, have been underserved by traditional financial institutions, which lack the relevant credit information to make credit assessment and offer compelling financial products to address their credit needs.

Our online consumer finance platform, *Fenqile*, addresses our customers' credit needs by offering personal installment loans, installment purchase loans and other loan products. We offer comprehensive and competitively-priced products on our e-commerce channel and allow customers to use their credit lines to finance purchases. We match customer loans with diversified funding sources, including individual investors on our *Juzi Licai* online investment platform, institutional funding partners in our direct lending programs and investors of our asset-backed securities.

We have scalable and stable funding to meet our customers' needs and grow our platform. With the access to multiple funding source and the ability to adjust allocation of funding needs to different sources, we are not dependent on any particular type of funding sources, and we are able to withstand seasonality of demand and fluctuations in the supply and costs of funding. We connect qualified customer loan assets directly with the capital of our institutional funding partners in an automated process that minimizes manual review and approval by the institutional funding partners. This efficient and speedy arrangement demonstrates our funding partners' trust and confidence in the quality of loans originated by us and our risk management and technology capabilities.

We adopt a targeted and cost-effective customer acquisition strategy by leveraging our e-commerce channel, word-of-mouth referrals, as well as cooperation with reputable commercial banks. Our educated young adult customers are often geographically concentrated and socially connected, which enables us to achieve effective customer acquisition through customer referrals. In 2016 and the six months ended June 30, 2017, approximately 36% and 54%, respectively, of our new customers registered on our platform using a referral code obtained from an existing customer. We offer an incentive of RMB10 (US$1.5) to RMB20 (US$3.0) in cash to an existing customer for each new customer who successfully signs up on *Fenqile* using the existing customer's referral code and has been granted a credit line. We cooperate with commercial banks, for example, by promoting co-branded credit cards issued by the bank to reach potential customers. The success of our effective customer acquisition strategy has been demonstrated by our low customer acquisition cost, which is defined as the amount of total costs we incur in connection with acquiring customers divided by the number of new active customers during a given time period. Our customer acquisition cost amounted to

RMB114 per new active customer in 2015, RMB127 (US$18.7) in 2016 and RMB138 (US$20.4) in the six months ended June 30, 2017.

We believe that we are well positioned to assess credit risks, predict spending and borrowing behavior, and serve the credit needs of educated young adults. Leveraging our data insights and technology capabilities, our *Hawkeye* credit assessment engine can predict the income potential and behavior of each customer through sophisticated algorithms and a dynamic model. We have developed more than 1,000 decisioning rules utilizing 5,000 potential data variables, and accumulated a massive amount of proprietary data from over 5 million customers and 19 million credit applications since inception. The customer behavior and risk profile data enable us to develop machine learning to improve our risk management capabilities. As a result of automation and our data capabilities, we are able to perform a more comprehensive credit analysis on our customers than traditional financial institutions.

We offer a superior customer experience through the highly efficient operation of our platform. Our technology infrastructure enables highly automated loan originations, cost-effective servicing and built-in scalability. Our simple and fast online credit application streamlines the often time-consuming and frustrating loan application process. In general, potential customers can complete the application for our credit line within a few minutes by providing basic personal information and authorizing us to collect information from various data sources. Approximately 95% of all loan applications are handled and approved automatically within seconds on average. Our data insights and technology capabilities enable us to assess credit risks and facilitate effective fraud detection and prevention, while requiring limited efforts by our customers.

We have expanded the scale of our platform rapidly since our inception. From our inception in August 2013 through June 30, 2017, we cumulatively originated RMB46.1 billion (US$6.8 billion) in loans. In 2016 and the six months ended June 30, 2017, we originated RMB22.2 billion (US$3.3 billion) and RMB17.3 billion (US$2.6 billion) in loans, respectively, representing a 263% increase and a 116% increase from 2015 and the six months ended June 30, 2016, respectively. As of December 31, 2015 and 2016 and June 30, 2017, our outstanding principal balance of loans was approximately RMB3.4 billion, RMB9.9 billion (US$1.5 billion) and RMB12.5 billion (US$1.8 billion), respectively. The weighted average tenor of loans originated on our platform in 2016 and the six months ended June 30, 2017 was approximately 10 months and 9 months, respectively. Our total operating revenue increased significantly from RMB2,525 million in 2015 to RMB4,339 million (US$625 million) in 2016, and increased from RMB1,883 million in the six months ended June 30, 2016 to RMB2,536 million (US$374 million) in the six months ended June 30, 2017. Our net loss decreased from RMB310 million in 2015 to RMB118 million (US$17.0 million) in 2016. We had a net income of RMB71.7 million (US$10.6 million) in the six months ended June 30, 2017, compared to a net loss of RMB103 million in the six months ended June 30, 2016.

Our Competitive Strengths

A leading and fast-growing online consumer finance platform that is well positioned to capture the long-term growth potential of China's educated young adults

We are a leading online consumer finance platform in China in terms of the outstanding principal balance of loans originated on our platform as of June 30, 2017, according to Oliver Wyman. As of June 30, 2017, we had approximately RMB12.5 billion (US$1.8 billion) in outstanding principal balance of loans and over 5.6 million customers with an approved credit line. In 2016 and the six months ended June 30, 2017, we originated RMB22.2 billion (US$3.3 billion) and RMB17.3 billion (US$2.6 billion) in loans for approximately 3.0 million and 2.5 million active customers, respectively. We have a well-recognized consumer finance brand among educated young adults in China. A significant portion of our customers were acquired by us while they were college students.

We strategically focus on serving the credit needs of educated young adults in China and capturing their long-term growth potential. Our target customer cohort features young people with high income potential, high educational background, high consumption needs, a strong desire to build their credit profile, and an appreciation for efficient customer experience. A significant portion of educated young adults, however, have been underserved by traditional financial institutions, which lack relevant credit information to make credit assessment. We are often the first touchpoint of consumer finance services for our customers. As our college student customers enter the workforce, we continue to serve their growing credit needs as their consumption requirements and ability to repay loans increase as they receive increasing income, creating long-term growth potential for us. For example, approximately 46% of our customers with an approved credit line who graduated from college in 2016 shopped on our e-commerce channel or used our loan products after graduation at least once during the same year.

As we gain experience with our customers, we accumulate credit data on our customers that are unavailable to our competitors. Leveraging our unique customer insights, we are able to provide customers a more compelling user experience in terms of higher credit lines and improved pricing. Throughout our long-term relationships with customers, we serve their consumption requirements by offering new products and services to cater to their evolving needs over time, which further strengthens our position as the go-to consumer finance platform for educated young adults.

Our ability to capture the long-term growth potential of our customers is demonstrated by a cohort analysis on the active customers we acquired in the three months ended March 31, 2015. In the three months ended June 30, 2017, approximately 50.0% of the customers in this cohort were active customers. During the same period, the average available credit line per customer for this cohort was RMB12,465 (US$1,839), a 94.1% increase from RMB6,423 in the three months ended June 30, 2015 See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Key Specific Factors Affecting Our Results of Operations—Ability to satisfy our customers' growing financial needs."

Advanced and customized credit risk management

We believe our target customer cohort is inherently low-risk as they have high income potential, high education background, high consumption needs, and a strong desire to build their credit profile. We believe that we are well positioned to assess credit risks, predict spending and borrowing behavior, and serve the credit needs of educated young adults. Our credit risk management capabilities are enhanced by the large total amount and the large number of loans we originate, as well as our ability to track the shopping and borrowing behavior of customers. Our unique data insight and data analytics capabilities create a strong entry barrier to other market participants and give us a significant competitive advantage.

Our automated and dynamic credit assessment engine, *Hawkeye*, generates an integrated credit risk assessment and approval decision. We have developed more than 1,000 decisioning rules utilizing 5,000 potential data variables, and accumulated a massive amount of proprietary data from over 5 million customers and over 19 million credit applications since inception. Our proprietary data sources include information collected from our existing customers, user behavioral data, e-commerce transaction data, user social graphs, and historical borrowing and repayment patterns. Our external data sources include data from third-party vendors, the public domain, as well as various government authorities. Our *Hawkeye* engine supports a variety of analytical techniques and model outputs ranging from traditional regression models to machine learning and artificial intelligence. Our *Hawkeye* engine utilizes a Restricted Boltzmann Machine (RBM) algorithm to run an artificial neural network. We believe this big data and artificial intelligence approach is foundational to our risk management capabilities.

In addition to leveraging our massive and unique data, we have established a strong risk management culture with nine independent risk management functions spanning across audit, regulatory compliance and risk management R&D, among others. Our management team has significant experience in the finance industry with expertise in risk management, fraud detection and prevention, and data analytics. We have also built risk management-related performance metrics into our business unit and employee review processes.

Our risk management approach has proven to be highly effective as evidenced by the performance of various loan vintages originated through our platform over time. Our M6+ charge-off rates as of March 31, 2017 for each vintage of a three-month period from January 1, 2015 through June 30, 2017 were generally under 2%. See "—Risk Management—Historical credit performance."

Superior customer experience supported by an efficient and robust technology platform

We offer a superior customer experience through the highly efficient operation of our platform. Our technology infrastructure enables highly automated loan originations, cost-effective servicing and built-in scalability. Our technology platform allows us to enhance current products or launch future products to meet the evolving needs of educated young adults and to respond to a dynamic market environment.

Our simple and fast online credit application streamlines the often time-consuming and frustrating loan application process. Our technology automates the workflow covering the entire loan transaction cycle. In general, potential customers can complete the application for our credit line within a few minutes by providing basic personal information and authorizing us to collect information from various data sources. Approximately 95% of all loan applications are handled and approved automatically within seconds on average. Our data insights and technology capabilities enable us to assess credit risks and facilitate effective fraud detection and prevention, while requiring minimal efforts by our customers. Our proprietary *Wormhole* system connects qualified customer loans with the capital of our funding partners in an automated process that minimizes manual review and approval by the funding partners, and allocates funding needs to various funding sources with different risk-and-return parameters.

Our senior management's strong background in engineering and technology is key to our ability to build an efficient and robust technology platform and to focus on innovation. Our seasoned senior executives led by our founder and chief executive officer, Mr. Jay Wenjie Xiao, and our president, Mr. Jared Yi Wu, have extensive experience in internet, online payment and online financial products at leading market players such as Tencent. As of June 30, 2017, we had a research and development team consisting of 650 employees.

Targeted and cost-effective customer acquisition strategy

We adopt a targeted and cost-effective customer acquisition strategy by leveraging our e-commerce channel, word-of-mouth referrals and cooperation with reputable commercial banks. Our educated young adult customers are often geographically concentrated and socially connected, which enables us to achieve effective customer acquisition through customer referrals. In 2016 and the six months ended June 30, 2017, approximately 36% and 54%, respectively, of our new customers registered on our platform using a referral code obtained from an existing customer. We offer an incentive of RMB10 (US$1.5) to RMB20 (US$3.0) in cash to an existing customer for each new customer who successfully signs up on *Fenqile* using the existing customer's referral code and has been granted a credit line. We cooperate with commercial banks, for example, by promoting co-branded credit cards issued by the bank to reach potential customers.

We also leverage our e-commerce channel on *Fenqile* as an entry point to our relationships with customers and to grow consumption-driven borrowing. *Fenqile* offers comprehensive and competitively-

priced products and services across categories that specifically meet the shopping needs of educated young adults, including electronics, fashion accessories, home furnishings and decor, and outdoor apparel, as well as leisure travel and continuing education. Our e-commerce channel allows customers to use credit lines to finance their purchases, converting e-commerce shoppers into borrowing customers at the point-of-sale. Approximately 51% of our customers with an approved credit line as of June 30, 2017 had shopped on our e-commerce channel at least once previously. As customers on our e-commerce channel exhibit consumption needs and shopping behavior, we are able to effectively monitor and control the risks of these customers by tracking their use of loan proceeds.

The success of our effective customer acquisition strategy has been demonstrated by our low customer acquisition cost. Our customer acquisition cost amounted to RMB114 per new active customer in 2015, RMB127 (US$18.7) in 2016 and RMB138 (US$20.4) in the six months ended June 30, 2017.

Diversified and scalable funding

We have scalable and stable funding to meet our customers' needs and to continue to grow our platform. With the access to multiple funding sources and the ability to adjust allocation of funding needs to different sources, we are not dependent on any particular type of funding source, and we are able to withstand seasonality of demand and fluctuations in the supply and costs of funding. Leveraging our proprietary technology, we effectively match customer loan assets with investors and funding partners based on their risk-and-return parameters. We connect qualified customer loan assets directly with the capital of our institutional funding partners in an automated process that minimizes manual review and approval by the institutional funding partners. This efficient and speedy arrangement demonstrates our funding partners' trust and confidence in the quality of loans originated by us and our risk management and technology capabilities.

We have expanded our platform's funding sources by offering superior services and introducing additional investment opportunities that cater to a range of risk-and-return objectives. As of June 30, 2017, *Juzi Licai* had over 90,000 individual investors who had outstanding investments, with an average asset under management, or AUM, of RMB88,113 (US$12,999). As of June 30, 2017, we had over 30 funding partners in our direct lending programs, including commercial banks, consumer finance companies, other licensed financial institutions and peer-to-peer lending platforms. Since 2016, we have also offered four public and private asset-backed securitization programs. While our funding sources diversify over time, we have been able to control our cost of funding.

Self-reinforcing and demographically targeted ecosystem creating powerful network effects

Our platform demonstrates powerful network effects, as we grow the number of customers, investors, funding partners, and suppliers and merchants on our e-commerce channel and as we originate more loans on our platform. As we continue to scale up our business, increase the number of customers and accumulate an increasing amount of customer data over time, we are able to leverage these data to significantly improve the effectiveness of our credit assessment engine to better serve our customers. Through improvements in our credit risk assessment and risk management, we are able to offer a higher degree of transparency and better-quality loans, increasing confidence of investors and funding partners, and reducing future risk premiums required by funding sources. This process facilitates our acquisition of additional funding sources. As a result, we are able to offer increasingly improved credit terms and attract additional high-quality customers, fulfilling customers' credit needs over time. The scale of our customer base also allows us to attract additional suppliers and merchants, expand our product offerings and financing opportunities for customers on our e-commerce channel. This virtuous cycle reinforces our market-leading position as educated young adults' go-to consumer finance platform in China.

Our Growth Strategies

To further grow our business and enhance our competitive position, we intend to pursue the following strategies.

Grow with our educated young adult customers and continue to serve their growing credit and consumption needs

We are dedicated to serving our targeted customer cohort and growing with them over time. We will continue to meet our customers' needs by broadening product offerings on our e-commerce channel to meet the evolving consumption requirements of our educated young adults. As college student customers graduate and enter the workforce, we expect that the proportion of educated young professionals on our platform will increase over time. To serve the needs of our future customer base, we offer new product and service categories on our e-commerce channel, such as home appliances, fashion accessories, home furnishings and decor, and outdoor apparel, as well as leisure travel and continuing education. We also offer those existing customers who have established a credit history with us and are about to enter the workforce higher credit lines and the flexibility of applying the entire credit line towards personal installment loans in anticipation of their increased consumption requirements, such as rental deposit, home renovation and car purchases.

In addition, we plan to expand applications of our credit services to support purchases of product and service offerings offered by third-party partners. We have cooperated with our bank partner to jointly launch co-branded credit cards issued by the bank. We will explore strategic cooperation with banks and other traditional financial institutions and jointly develop and offer additional innovative credit products.

Further diversify and scale funding sources

We are committed to further diversifying and scaling our funding sources to ensure the continued growth, scalability and stability of our business. We will continue to design differentiated investment products to meet varying risk-adjusted return requirements of our investors and funding partners. Moreover, we will strengthen our cooperation with financial institutions and other institutional investors and funding partners, as well as enhance our ability to adjust allocation of funding needs to different sources, which will drive efficient and stable funding supply.

Invest in our technology

We have made and will continue to make significant investments in our technology platform to enhance our market-leading position in the online consumer finance sector for educated young adults in China. We will continue to improve our proprietary platform, funding and risk assessment technologies, as well as invest in new technologies, such as predictive anti-fraud mechanism.

We seek to expand data collection and data sources to increase our credit assessment capabilities, which enable us to more effectively deal with the credit risks of educated young professionals. As we continue to expand data sources and accumulate additional data over time on our customers, our self-reinforcing algorithms continue to improve. Our continued investment in technologies, such as biometric recognition and authentication technology, artificial intelligence and cloud computing, will improve our risk management and user experience.

Promote sustainable consumer finance and continue to lead industry best practices

The development of the consumer finance market for educated young adults in China is at a nascent stage. As a leading consumer finance platform for educated young adults, we seek to educate our customers on the safe and responsible use of credit, and help them build their credit history over

time. We will continue to jointly host educational events and seminars in conjunction with the government and educational institutions to promote sustainable borrowing and consumption behavior, and responsible financial planning and management.

Through our membership and participation in leading industry associations and self-regulatory organizations, such as the National Internet Finance Association of China, Guangdong Internet Finance Association and Shenzhen Internet Finance Association, we will continue to lead industry best practices for compliance and risk control. We believe by fostering a leadership role in the online consumer finance industry, we will be able to attract the highest-quality customers in the market. We engage in regular communications with government authorities and government-sponsored think tanks to keep abreast of the latest industry policies and trends, as well as share our insights and practices to help shape industry policies.

Pursue strategic alliances, investments and acquisitions

In addition to growing our business organically, we may pursue strategic alliances, investments and potential acquisitions that are complementary to our business and operations, including opportunities that further promote our brand, expand product and service offerings on our platform, strengthen our technology infrastructure and capabilities, or expand our geographic reach.

Our Value Propositions

Value propositions to customers

- *Access to affordable credit.* Our platform provides customers quick and convenient access to competitively-priced consumer credit, which would otherwise be generally unavailable to our target customers. Approximately 95% of all loan applications are handled and approved automatically. Once approved, customers enjoy immediate access to affordable loan products, which often offer higher credit limits and lower APRs as compared to credit cards.

- *Responsible spending and borrowing.* The sustainability of our customers' spending and borrowing behavior will enable us to capture the long-term growth of our targeted customer cohort and drive the growth of our platform. As part of our efforts to foster responsible spending and borrowing behavior, we will not grant college student customers a credit line exceeding RMB12,000 per college student customer, except for those existing college student customers who are about to graduate within one year and to whom we offer a higher credit line in anticipation of increasing credit needs. We collect data on customers' borrowing and repayment activities, and voluntarily report certain credit data of our customers to internet finance industry associations. As we help our customers build credit histories and cultivate responsible use of credit, our customers may be able to obtain higher credit lines and lower rates from our funding partners than otherwise these customers would do from them.

- *Education on personal financial planning and management.* We provide educated young adult customers with education on financial planning and management, including on the safe and responsible use of credit. We jointly host on a regular basis educational events and seminars in conjunction with the government and educational institutions to promote sustainable credit practices and financial planning and management. For example, we have offered educational events and seminars across selected college campuses covering topics such as credit and personal information protection, fraud prevention and identity theft prevention.

- *Tailored product and service offerings.* As college student customers graduate and transition into educated young professionals, we leverage our existing relationship and understanding of their credit profile and needs to better serve our customers. As customers build their track record on

our platform, we improve the credit terms available to them. We offer additional financial products that serve our customers' specific, evolving credit needs at different stages of life.

- *Investment in human capital.* We offer education loan products to finance tuition and related expenses to those customers with approved credit lines who seek to pursue higher education or professional training. We believe that an investment in human capital will translate to customers' stronger career prospects and higher income potential, generating long-term value to both our customers and us.

Value propositions to investors and funding partners

- *Access to a new asset class.* We provide individual investors with access to a non-traditional fixed-income asset class that yields attractive risk-adjusted returns. We screen potential customers using our proprietary *Hawkeye* credit assessment engine and set credit terms based on historical loan performance. Our loan assets are comprised of small loans, reducing risk concentration for investors.

- *Efficient matching of customer loan assets with institutional funding partners.* Our proprietary *Wormhole* system connects our customers and funding partners' systems in real time and allocates qualified customer loan assets to various funding sources with different risk-and-return parameters. Our funding partners can deploy their capital in a more cost-effective manner and gain access to relatively high-quality, low-risk borrowers.

- *Flexibility catered to different needs.* Our platform provides investors with access to loan assets with investment thresholds as low as RMB100 (US$14.7) on *Juzi Licai*, but also offer substantially higher amounts of loan assets to institutions, such as commercial banks and asset managers. We have designed options that address the differentiated risk-and-return parameters of investors and funding partners. For example, on *Juzi Licai*, we offer investment products with different maturities and return rates. Through our *Wormhole* system, we match loans with funds from institutional funding partners that satisfy predetermined standards for loan assets of each funding partner.

- *Transparency.* We provide our investors and funding partners with transparency and choice in building their loan portfolios. Individual investors on *Juzi Licai* and funding partners on our direct lending programs have access to credit profile data on approved loans as well as historical performance data. Investors of asset-backed securities have access to information that meets regulatory requirements for ABS programs.

Our Customers

From our inception in August 2013 through June 30, 2017, we originated loans to over 5.4 million customers on a cumulative basis. In 2016, we originated loans to approximately 3.0 million active customers through our platform, representing a 103% increase from 2015. Our online consumer finance platform features a high proportion of repeat customers. Of all active customers on our platform in 2015, 2016 and the six months ended June 30, 2017, approximately 63%, 74% and 87%, respectively, were repeat customers who had successfully borrowed on our platform at least once previously.

Our target customer cohort

We strategically focus on serving educated young adults in China, our target customer cohort. As of June 30, 2017, this target customer group represented over 90% of our customer base. This customer cohort features young people with high income potential, high educational background, high consumption needs, a strong desire to build their credit profile, and an appreciation for efficient customer experience. We are often the first touchpoint of consumer financial services for our customers

before they are served by traditional financial institutions. As such, we seek to educate our target customer cohort on the concept of credit and help these individuals build their credit profiles over time. Through efforts by our operational team and offline marketing and promotional initiatives, we have achieved significant brand awareness and customer loyalty.

Customer acquisition

We have successfully accumulated a large customer base and achieved deep market penetration among college students in China. Historically, we attracted college student customers through various channels, mainly our e-commerce channel and operational team. With the growth of our business, our customer acquisition efforts have become primarily driven by our e-commerce channel, word-of-mouth referrals, and cooperation with reputable commercial banks.

Our e-commerce channel offers comprehensive and competitively-priced products across categories that specifically meet the shopping needs of educated young adults. Our e-commerce channel allows customers to use their credit lines to finance their purchases, converting e-commerce shoppers into borrowing customers at points-of-sale. See "—Our E-commerce Channel."

Our educated young adult customers are often geographically concentrated and socially connected, which enables us to achieve effective customer acquisition through customer referrals. In 2016 and the six months ended June 30, 2017, approximately 36% and 54%, respectively, of our new customers registered on our platform using a referral code obtained from an existing customer.

We leverage our close partnership with our institutional funding partners, especially those large banks with reputable and established brands. We assist our bank partners to reach our target customers through both online and offline channels by offering educated young adults loans originated on our direct lending programs. We work with our bank partner to promote co-branded credit cards issued by the bank to potential college student customers across campuses in China.

Our operational team provides ongoing customer service by addressing our customers' questions in using our platform, which enhances user experience and customer loyalty. Our operational team also facilitates our risk management efforts by verifying customers' educational and personal background information. Our offline marketing and promotional initiatives cultivate awareness and trust of our brand among our customers.

We also use other online marketing channels to attract customers, including using social media such as WeChat and Weibo and press outlets to help drive brand awareness, using paid placement on major online search engines in China, partnering with leading websites such as Jumei that are able to reach quality customers with credit needs, and working with online advertising channels such as app stores to promote our mobile applications.

The success of our targeted and cost-effective customer acquisition strategy has been demonstrated by our low customer acquisition cost. Our customer acquisition cost amounted to RMB114 per new active customer in 2015, RMB127 (US$18.7) in 2016 and RMB138 (US$20.4) in the six months ended June 30, 2017.

Grow with our customers

We seek to attract and retain educated young professionals by offering products and services that cater to their evolving consumption needs. As college students enter the workforce and become educated young professionals, we offer existing customers higher credit lines and the flexibility of applying the entire credit line towards personal installment loans in anticipation of their increased consumption requirements, such as rental deposit, home renovation and car purchases. We monitor and assess customers' credit performance in a dynamic process, and offer higher credit lines and lower rates on our own initiative to those who have established a credit history with us. We also expand product

offerings on our e-commerce channel to address the needs of educated young professionals, such as maternity and baby products, and home appliances. Furthermore, we organize promotional events, for example, with certain budget airline business partner.

We are well positioned to capture our target customer cohort's long-term growth potential. Approximately 46% of our customers with an approved credit line who completed their higher education in 2016 shopped on our e-commerce channel or used our loan products after graduation at least once during the same year.

Our E-Commerce Channel

We leverage e-commerce as an entry point to our relationships with customers as it directly serves the consumption needs of our customers. The e-commerce channel on *Fenqile* offers competitively-priced products across 14 categories with relatively high value, including electronics, fashion accessories, home furnishings and decor, and outdoor apparel. The product offerings on our e-commerce channel specifically meet the shopping needs of educated young adults.

Our e-commerce channel features both direct sales of merchandise curated by us, as well as a marketplace through which third-party online merchants offer and sell their own products and services, such as leisure travel and continuing education. On our online marketplace, customer orders are placed and fulfilled directly by the third-party merchants.

We have designed a number of features to stimulate the online shopping experience. For example, our e-commerce channel features time-limited and quantity-limited flash sales of quality products, which is particularly appealing to shoppers who enjoy an impulsive shopping experience. We also offer more compelling discounts exclusively to new shoppers when they register and shop on our e-commerce channel for the first time, in order to drive customer conversion. The GMV of our e-commerce channel amounted to RMB2.7 billion in 2015, RMB4.0 billion (US$0.6 billion) in 2016 and RMB1.9 billion (US$0.3 billion) in the six months ended June 30, 2017. As of June 30, 2017, we had approximately 630,000 stock keeping units.

Customers use their approved credit line to finance their purchases on our e-commerce channel. See "—Our Loan Products." Approximately 51% of our customers with an approved credit line as of June 30, 2017 had shopped on our e-commerce channel at least once previously. As we accumulate more data and understanding on the behavior, risk profiles and other characteristics of customers, we utilize this insight to facilitate anti-fraud detection and credit assessment on our consumer financing platform. Moreover, our e-commerce channel plays an integral role in our risk monitoring and control by enabling us to track the customers' use of loan proceeds when they use the loans to finance purchases on our e-commerce channel.

The operation of our e-commerce channel is highly efficient because of our asset-light approach. Together with our experienced and capable merchandizing team, our strategic cooperation with business partners enables us to offer more competitively-priced products, while requiring minimal capital, personnel and other resources. For example, we strategically cooperate with JD.com, a major supplier from which we acquire products for our direct sales business at competitive prices. We have achieved seamless connections of customer order data with JD.com's platform. Pursuant to our annual sales agreement with JD.com, which may be automatically extended by another year, JD.com offers us products at exclusive prices and is also responsible for the delivery of product orders. We are responsible for the payment of product orders within 60 days of the purchase.

Furthermore, by leveraging the inventory and logistics capabilities of business partners such as JD.com and SF Express, we have been able to rapidly develop and grow our e-commerce channel without building our own fulfillment infrastructure for warehousing and delivery. We typically enter into annual contracts with our business partners for logistics services, which may be terminated upon

advance notice ranging from 30 days to 3 months. Our business partners agree to provide warehousing or delivery services to us, and we are responsible for the settlement of service fees typically on a monthly basis.

As a result of our brand recognition and penetration among educated young adults, our e-commerce channel serves as an effective business partner of international and domestic brands for sales and promotions targeting the same customer cohort. For example, we have been Apple's partner for organizing "Mac4Me" events for college students in China, which offer price discounts and the ability to purchase Apple products with installment payments.

Our Loan Products

We launched *Fenqile*, our online consumer finance and e-commerce channel, in August 2013 to address the consumption and credit needs of educated young adults in China. On *Fenqile*, we offer personal installment loans and installment purchase loans using available credit lines approved by us with flexible repayment solutions. We believe these quality credit products are easy ways for our customers to budget their repayment obligations and meet their financial goals. The design of our products reflects our mission and philosophy of offering socially responsible credit products, while helping our customers build their credit history and cultivating responsible spending and consumer financing habits. All of our loan products are unsecured and feature fixed monthly payments with various terms.

We have expanded the scale of our platform rapidly since our inception. In 2016, we originated RMB22.2 billion (US$3.3 billion) in loans, representing a 263% increase from 2015. As of December 31, 2015 and 2016 and June 30, 2017, the average customer loan balance was RMB2,881, RMB4,838 (US$714) and RMB5,460 (US$805), respectively.

Le Card credit line

Le Card is the credit line that we offer to our customers. We determine the amount of credit line available to each customer based on the result of our credit assessment. When a customer is first approved for a credit line, the amount of credit line we offer ranges from RMB500 to RMB18,000, and the aggregate loan amount of personal installment loans and installment purchase loans borrowed by one single customer may not exceed the credit line available to the customer. The credit line available to a customer, once approved, does not have a term limit. Based on our continuing risk monitoring and assessment, we may unilaterally adjust the amount of the credit line, change the percentage of the credit line that may be applied towards personal installment loans, or revoke the credit line. We may grant up to an RMB50,000 credit line to existing customers who have established a credit history with us. While a customer may use the entire amount of this credit line towards purchases on our e-commerce channel, only up to a certain percentage of such credit line may be applied towards personal installment loans to obtain cash, the percentage of which ranges from 50% to 100%, depending on the result of the credit assessment. We had approved 5.6 million customers for our Le Card credit line as of June 30, 2017. The average credit limit we granted to each customer was RMB5,150 in 2015, RMB6,165 (US$909) in 2016 and RMB7,066 (US$1,042) in the six months ended June 30, 2017.

The aggregate amount of credit lines approved by us was RMB9.5 billion as of December 31, 2015, RMB27.8 billion (US$4.1 billion) as of December 31, 2016 and RMB39.8 billion (US$5.9 billion) as of June 30, 2017, whereas the utilization rate, which is calculated as the percentage of outstanding principal balance relative to the total amount of credit lines approved by us, was 35.6% as of December 31, 2015, 35.5% as of December 31, 2016 and 31.4% as of June 30, 2017.

Personal installment loans

Our customers approved for our credit line are automatically eligible for personal installment loans with terms generally ranging from 1 to 36 months. Customers can have multiple personal installment loans outstanding as long as the aggregated outstanding balance does not exceed the credit limit available for personal installment loans. Customers may use personal installment loans to obtain cash or to finance purchases from third-party merchants on our marketplace through our e-commerce channel. With respect to the personal installment loans that are not borrowed to finance customer purchases on the e-commerce channel, we do not track the actual use of the loans, while we require the customers to select in their loan applications one of the specified permissible uses of loan proceeds, such as education, cost of living or driving school expenses.

To offer a better user experience and cultivate healthy and responsible use of credit, we offer customers who meet certain criteria, including customer's credit profile and repayment history, flexible repayment options. These include the option to postpone their current monthly repayment to the next scheduled payment date or finance the repayment of a particular monthly repayment with a new loan. The flexible repayment options will not increase the available credit line for each customer approved by us. We have set certain requirements for the use of flexible repayment options, such as minimum monthly repayments. Moreover, our customers currently may not use the flexible repayment options for any new loan that is borrowed to finance the repayment of a monthly repayment. We may adjust the features of the flexible repayment options based on credit performance and our risk management approach from time to time. The flexible repayment options are designed to assist those customers who have relatively high consumption needs, and the willingness and potential ability to repay their loans. The new loans are newly originated personal installment loans at higher APRs than other personal installment loans.

The APR for personal installment loans currently ranges from 9.80% to 36.00%. In 2015, 2016 and the six months ended June 30, 2017, the total amount of personal installment loans originated on our platform was approximately RMB3.6 billion, RMB19.0 billion (US$2.8 billion) and RMB16.0 billion (US$2.4 billion), respectively. The outstanding principal balance of these loans (including on- and off-balance sheet loans) was RMB10.5 billion (US$1.6 billion) as of June 30, 2017.

Installment purchase loans

A customer approved for our credit line can use the available credit line to purchase a variety of products available on direct sales on our e-commerce channel, subject to the approved credit limit available to the customer. See "—Our E-Commerce Channel." Our e-commerce channel enables us to track the customers' use of loans when they are borrowed to finance purchases on our e-commerce channel.

We provide financing solutions to help our customers finance a purchase by offering installment payment options with flexible minimum down payments ranging from 0% to 50% as well as various loan term ranging from 1 to 36 months, depending on the product, price, supplier and source of funding. Shoppers have the option to choose any combination of these terms, and our system will automatically calculate monthly payments and service fees. The APR for installment purchase loans currently ranges from 11.28% to 15.24%. In 2015, 2016 and the six months ended June 30, 2017, the total amount of installment purchase loans originated on our platform was approximately RMB2.5 billion, RMB3.2 billion (US$0.5 billion) and RMB1.4 billion (US$0.2 billion), respectively. The outstanding principal balance of installment purchase loans (including on- and off-balance sheet loans) was RMB2.0 billion (US$0.3 billion) as of June 30, 2017.

Loan pricing

Our loan pricing mechanism consists of two components, APRs and credit lines. We price our loans with different APRs based on different products to address product-related credit risks and as a function of market competition and supply and demand.

We primarily address credit risks by varying the amount of credit lines approved for each customer. To enhance customer experience, we seek to maintain consistency in terms of credit lines among newly acquired customers in the same geographic area as they are likely to share their experience with each other. This approach is also consistent with the fact that the risk profiles of similarly situated customers are largely homogenous and we utilize grouping as our primary method of credit assessment for new customers. For the determination of credit limit based on the level of credit risks, see "—Our Loan Approval Process—Step 3: Credit risk assessment."

Our Investors and Funding Partners

We benefit from our position of having diversified funding sources, including a wide array of types of investors and funding partners. Our various investment programs and products are designed to cater to investors and funding partners with different risk-and-return parameters. We believe our strategy of pursuing diversified funding sources will continue to strengthen our risk management, improve our ability to facilitate a wide variety of loans under changing business and economic conditions, and provide more affordable credit products and services to our customers.

The table below sets forth the outstanding principal balance of loans (including on-balance sheet loans and off-balance sheet loans) funded by different funding sources as of December 31, 2015 and 2016 and June 30, 2017 respectively:

	As of December 31,					Change in outstanding balance	As of June 30,			Change in outstanding balance
	2015		2016				2017			
	RMB	%	RMB	US$	%	%	RMB	US$	%	%
	(in thousands, except for percentages)									
Individual investors	2,278,692	69.2%	5,537,031	816,756	58.9%	143.0%	8,118,771	1,043,638	66.6%	46.6%
Institutional funding partners	1,014,183	30.8%	3,711,341	547,452	39.5%	265.9%	4,066,438	522,725	33.4%	9.6%
Asset-backed securities	—	—	155,814	22,984	1.6%	N/A	3,444	443	less than 0.1%	(97.8%)
Total	3,292,875	100.0%	9,404,186	1,387,192	100.0%	185.6%	12,188,653	1,566,806	100%	29.6%

Individual investors on Juzi Licai

We offer our *Juzi Licai* online investment platform to individual investors seeking attractive risk-adjusted investment returns. Our intuitive, convenient and secure platform gives access to individual investors to asset classes and investment products that are historically inaccessible to them. As of June 30, 2017, a typical investment was allocated to an average of 142 borrowing customers with an average amount of RMB215 (US$31.7) allocated to each borrowing customer. We believe our approach in portfolio construction for our investors helps them diversify investment risks while enjoying highly attractive risk-adjusted returns.

We have experienced strong growth in both the number of individual investors and the investment amount per investor in recent years. On *Juzi Licai*, we had over 247,000 cumulative individual investors as of June 30, 2017. In the six months ended June 30, 2017, over 96,000 individual investors invested through *Juzi Licai*, compared to over 131,000 in 2016 and over 95,000 in 2015, among which over 50,000, 98,000 and 77,000 were repeat investors who invested at least once previously in 2015, 2016 and the six months ended June 30, 2017, respectively. We had over 94,000, over 97,000 and over 54,000 new active individual investors in 2015, 2016 and the six months ended June 30, 2017, respectively, who invested through *Juzi Licai* during the relevant year but had not done so prior to the beginning of that

year. As of June 30, 2017, *Juzi Licai* had over 90,000 individual investors who had outstanding investments, with an average AUM of RMB88,123 (US$12,999).

Investment programs offered on Juzi Licai. We offer streamlined investment programs and tools that enable individual investors to efficiently manage their investments while bypassing brick-and-mortar investment services offered by traditional financial institutions. Investors can choose from several investment programs with different terms and estimated rates of return and commit a minimum amount of RMB100 (US$14.8). Once the funds are committed, they are automatically matched with our approved customers. Our platform automatically reinvests investors' funds as soon as a loan is repaid, enabling investors to speed up the reinvestment process without continuously revisiting our website or mobile application. If an investment period ends during the loan terms of the underlying loans, we will facilitate the investor's exit by transferring, on the investor's behalf, his or her creditor's rights with respect to the underlying loans. We do not maintain a secondary loan market on our investment platform. Investors can monitor the performance of their investment real time through our website or mobile application.

Depending on the type of investment program an individual investor chooses, an investing period could be as short as one week and as long as 12 months. Currently, we offer the following two main types of investment programs:

- *Fixed maturities:* Terms of 1, 3, 6 and 12 months with expected rates of return ranging from 5.50% to 9.38%. Principals and interests are collected at the end of the investing period. We offer fixed maturity investment programs with a preferred rate of return exclusively to certain VIP individual investors to foster investor loyalty;

- *Weekly or monthly step-up returns:* Up to 12 months. Investors who commit funds for a longer period of time are rewarded with higher rates of return. To encourage longer commitment of investment funds, we offer investors the option to receive a step-up in the rate of return on a weekly or monthly basis on the condition that withdrawals can only be made on specified dates during each weekly or monthly period, as applicable.

Acquisition and retention of individual investors. Our investor acquisition efforts are primarily directed towards enhancing our brand name, building investor trust and enhancing word-of-mouth referrals. To attract and retain individual investors, we organize a variety of promotional events, encourage referrals by offering more attractive returns and other benefits, and cooperate with our business partners to offer joint member benefit programs.

Institutional funding partners in our direct lending programs

Beginning in 2015, we expanded our funding sources to include institutional funding partners, including commercial banks, consumer finance companies, other licensed financial institutions and peer-to-peer lending platforms. In our direct lending programs, we refer qualified customers to institutional funding partners which provide the funds to finance the loans, based on their risk-and-return requirements. Our proprietary *Wormhole* system connects our customers and funding partners' systems in an automated process that minimizes manual review and approval by the funding partners, and allocates funding needs to various funding sources with different risk-and-return parameters.

As part of our arrangement with each institutional funding partner, we typically agree on an aggregated amount of funds provided by the funding partner, maximum credit limit given to an individual customer, maximum maturity and an annualized interest rate. The investing period of our institutional funding partners ranges from one to 36 months. Depending on contractual terms of our arrangement with each intuitional funding partners, loans funded by funding partners include on-balance sheet loans and off-balance sheet loans. With respect to certain institutional funding

partners, we are responsible for collecting loan proceeds from the institutional funding partners and lending the funds to customers, as well as collecting monthly repayments from the customers and repaying the funding partners according to the terms of our agreements with the funding partners. Loans funded by these intuitional funding partners are accounted for as on-balance sheet loans. With respect to the other funding partners, such as commercial banks, consumer finance companies, we only offer loan facilitation and matching services to the customers and the funding partners, and the funding partners will fund the loans directly to the customers referred by us. Loans funded by these intuitional funding partners are accounted for as off-balance sheet loans.

As of June 30, 2017, we had over 30 funding partners on our direct lending programs. The increase in the outstanding principal balance of loans funded by institutional funding partners from RMB1.0 billion as of December 31, 2015 to RMB3.7 billion (US$0.5 billion) as of December 31, 2016 and further to RMB4.1 billion (US$0.6 billion) as of June 30, 2017 demonstrated our stronger collaboration with institutional funding partners over time. We will continue to strengthen our cooperation with institutional funding partners and enhance our ability to adjust allocation of funding needs to different sources, which will drive efficient and stable funding supply.

Investors purchasing our asset-backed securities

We have issued both public and private asset-backed securities to diversify our funding sources. We securitize the financing receivables arising from online direct sales through the transfer of those assets to a securitization vehicle. The securitization vehicle then issues debt securities to third-party investors. At the time of its launch in 2016, our offering of *Fenqile No. 1* asset-backed securities listed on the Shanghai Stock Exchange was one of the first asset-backed securities with creditor's rights to consumer loans as underlying assets that were issued by an online consumer finance platform in China. The offering of our public asset-backed securities is subject to a comprehensive due diligence process, stringent disclosure and regulatory requirements, and credit ratings by reputable credit rating agencies. The four successful public and private offerings of ABS products, all with AAA credit ratings by a China-based rating agency and with interest rates ranging from 5.05% to 8.50%, demonstrated the quality of our loan product as the underlying securitized assets has been recognized by the investor market. As of June 30, 2017, approximately RMB3.4 million (US$0.5 million) of the total outstanding principal balance of loans was funded by the proceeds of ABS programs.

Loan matching and fund allocation

Our proprietary *Wormhole* system connects our customers and funding partners' systems in an automated process that minimizes manual review and approval by the funding partners, allocates funding needs to various funding sources with different risk-and-return parameters, and quickly adjusts to a dynamic and evolving regulatory environment. See "—Technology—Funding-related Technology—*Wormhole system*." This efficient and speedy arrangement demonstrates our funding partners' trust and confidence in the quality of loans originated by us and our risk management and technology capabilities. With the access to multiple funding sources and the ability to adjust allocation of funding needs to different sources, we are not dependent on any particular type of funding source, and we are able to withstand seasonality of demand and fluctuations in the supply and costs of funding. We believe this ensures that we have access to scalable and stable funding, which sustains the continuous growth of our platform to meet our customers' needs.

Protection of investors and funding partners

Juzi Licai. We started our current quality assurance program in July 2017. With respect to loans funded by individual investors on *Juzi Licai*, a portion of each repayment by the customer equal to a certain percentage of the outstanding principal balance of the loan is transferred to a custody account managed by China Guangfa Bank, which we refer to as our quality assurance funds. Such portion of

the quality assurance funds is held in the custody account until the corresponding investment on *Juzi Licai* is repaid to the relevant individual investors. Our quality assurance funds provide make-up payments to an investor when a customer fails to satisfy his interest or principal repayment obligations, up to the currently available balance of the quality assurance funds.

We determine the percentage of the outstanding principal balance to be transferred to the custody account based on, among other factors, historical loan performance, in particular, the percentage of loans that are more than seven days delinquent, and the expected repayments (including prepayments) by customers. We also consider market conditions, our product lines, profitability, cash position and the actual and expected payouts of our quality assurance funds. Currently, the amount to be transferred from each customer's monthly repayment to our quality assurance funds is equal to 4.5% of the outstanding principal balance at the beginning of the relevant monthly period, divided by 12. We reserve the right to revise this percentage upwards or downwards from time to time.

If a customer is 7 days delinquent in repaying an installment of principal and interest of a loan, an amount equal to the delinquent principal or interest repayment will be transferred from the quality assurance funds to the corresponding investor. If a loan is accelerated as a result of a serious default by a customer in accordance with the terms of the relevant loan agreement (for example, if a customer is 30 days delinquent), an amount equal to the entire outstanding principal and accrued interest and any penalty will be transferred from the quality assurance funds to the corresponding investor.

If the quality assurance program becomes insufficient to pay back all the investors with delinquent loans, these investors will be repaid on a pro rata basis, and their outstanding unpaid balances will be deferred to the next time the quality assurance program is replenished, at which time a distribution will again be made to all investors with delinquent loans. We place a three-year limit on the period during which an investor has the right to receive distribution from the quality assurance program, which means if an investor has not recovered the full default amount by the time that is three years since the customer is 7 days delinquent or triggers an acceleration, the investor will no longer have the right to receive pro rata repayment from our quality assurance funds. As a result, investors will bear the risk that they will not be able to fully recover their investment principal and unpaid interest. See also "Risk Factors—Risks Related to Our Business and Industry—We have limited experience operating our quality assurance program. If it is under- or over-funded, or if we fail to accurately forecast the expected payouts or otherwise implement the quality assurance program successfully, our financial results and competitive position may be harmed."

Once we make a payment to an investor, we seek to collect the amounts from the customer through the collection process. The amount collected from the customer, if any, is remitted to first replenish the portion of the quality assurance program used to repay the investor, and if there is any additional amount remaining, then to reimburse our collection expenses.

Funding partners in direct lending programs. With respect to certain institutional funding partners on our direct lending programs, we are obligated to provide advances to the funding partners to compensate them for delinquent principal and interest repayments of loans in the event of a customer default. We may also provide full interest repayment according to the terms of the loan, in the event that a customer makes an early repayment of the loan.

Certain of our funding partners also require us to set up a deposit account with the funding partner and maintain a cash deposit equal to an agreed percentage (generally 5%) of the outstanding principal balance, which amount is calculated and replenished on a monthly basis. The funding partner has a priority right to be compensated by using the deposit amount for any delinquent repayments for which we have not compensated the funding partner.

If we fail to compensate the funding partners for delinquent repayments either with our own funds or with the amount deposited with our funding partner, our funding partner may terminate or decline to renew their funding partnership with us.

While to date we have not been viewed by the PRC regulatory authorities as providing a security interest or guarantee to our individual investors or a financing guarantee to institutional funding partners under applicable PRC laws and regulations, we cannot rule out the possibility that we might be deemed as doing so by the PRC regulatory authorities as the interpretation and implementation of the relevant PRC laws and regulations evolve. See "Risk Factors—Risks Related to Our Business and Industry—The laws and regulations governing the online consumer finance industry in China are developing and evolving rapidly. If any of our business practices is deemed to violate any existing PRC laws or regulations, our business, financial condition and results of operations would be materially and adversely affected."

Our Loan Application and Approval Process

We incorporate advanced technology into every step of the transaction process on our platform to provide a superior experience to our customers. Our highly automated system enables a convenient, simple and fast loan application process that allows prospective customers to complete a loan application within a few minutes. Our proprietary credit assessment system backed by our ever-growing credit database and sophisticated algorithms can quickly provide applicants with a credit decision. We match customer loans with our funding sources in a smooth and efficient fashion. Our service is provided in a seamless fashion to credit applicants and make it possible for customers approved for our credit lines to receive funds within a few minutes following their applications. We believe these features are essential to meeting customers' often imminent financing needs. The entire process is simple, seamless and efficient.

Step 1: Customer credit application

The first step to fully utilize our installment loan products and other products and service on our platform is to be approved for a *Le Card* credit line. Prospective customers registered with *Fenqile* can initiate the *Le Card* application anywhere and anytime, accessible from our e-commerce channel at the point-of-sale or directly from our *Le Card* channel.

Potential customers may generally complete the *Le Card* application process within a few minutes by providing the required personal information.

Step 2: Customer identification and anti-fraud detection

We identify our customers and detect fraudulent customers or behavior with three methods, each of which leverages sophisticated identification and rule-based detection technology:

- *First*, we work with our external data sources and utilize existing databases to authenticate the identities of our prospective customers during the application process through facial recognition, bank issued debit and credit card registration information and real name mobile registration information. We also use the Ministry of Public Security's identity verification system in authenticating prospective customers.

- *Second*, we maintain our own database and external data sources to detect fraudulent activities and criminal behaviors. We consistently fine tune our anti-fraud rules and analyze fraud cases by drawing insights using sophisticated big data analytics with the massive amount of data we accumulated over time. Our anti-fraud model uses a multifaceted detection method that combines sophisticated data integration with a hybrid analytical approach to both identify individual fraud based on existing fraud databases and spot collusions among multiple individuals

to uncover fraudulent schemes. We conduct social network analysis to identify relationships pertinent to fraud and connect the individual fraudulent activities to uncover complex fraud schemes and criminal organizations. In addition, we run anomaly detection to detect individual and aggregated abnormal patterns in order to catch unknown fraudulent behaviors. We also perform such anomaly detection regularly throughout other transaction processes such as risk management to measure the suspicious activities on our platform.

- *Third*, if available information is insufficient for our system to exclude the possibility of fraud at a preset confidence level, then the relevant credit applications will be forwarded to our antifraud team for manual examination, which involves members of our anti-fraud team speaking with applicants to inquire into any discrepancies in the application and to verify application materials. Our operational team also facilitates our risk management efforts by verifying customers' educational and personal background information by visiting selected customers onsite.

Step 3: Credit risk assessment

Following a vigorous process of customer identification and anti-fraud detection, we match the application with data from both internal and external sources, including information submitted by prospective customers, collected from third-party data partners (including commercial data providers as well as governmental data providers), and collected from the internet using our proprietary data collection technologies with the authorization of our prospective customers.

Our information collected for the evaluation of the creditworthiness of a customer may include:

- basic personal background information, including age, gender and educational background, social network information;
- additional personal background information relating to occupation and employment history;
- information on customer behavior, including the customer's online shopping history, GPS data and information available on social media;
- information relating to credit card balances and the balance of outstanding borrowings of the same individual from other online consumer finance platforms;
- the customer's credit history, if available, maintained by China UnionPay and the Credit Reference Center of the People's Bank of China; and
- for repeat customers, the historical loan performance accumulated on our platform.

We perform a screening of our prospective customers' creditworthiness and decline applications by those who appear on any of the credit blacklists maintained by us or our partners, and those who have reached their credit limits with us. We have maintained a blacklist system including high-risk incidents such as bad faith defaults, significant delinquencies, and fraudulent applications or agents, which cover both credit and fraud risks. Our anti-fraud, collection and credit assessment personnel can add customers to our blacklist system after review of a particular incident. We closely monitor the additions to our blacklist system. A removal from our blacklist will be subject to manual approval by supervisors of the relevant function, while to date we have not removed any individual from our blacklist. In 2015 and 2016, and the six months ended June 30, 2017 approximately 54.8%, 67.5% and 76.5% of all credit applications were declined, respectively.

We then initiate a credit review using our proprietary credit assessment engine *Hawkeye* to generate a credit risk level for a prospective customer, which informs our decision on whether to extend a credit. For discussion of our *Hawkeye* engine, see "—Risk Management—Our proprietary credit assessment process" and "—Technology—Our risk analytics capabilities—Artificial intelligence and *Hawkeye* engine." We will assign a credit line to each customer approved by our credit assessment

system. After obtaining a credit line, a customer may apply for installment purchase loans or personal installment loans from us. Approximately 95% of all loan applications are handled and approved automatically. The remaining applications, which require additional information or verification, are forwarded to our credit assessment team for manual review. The manual review is generally completed within 48 hours. Following this review, our credit assessment team will either approve or decline the application.

Step 4: Our loan funding and issuance mechanism

Once we approve a loan application from a customer, our system will then automatically generate a form of service agreement between the customer and us. Our customers authorize us to facilitate borrowing from third parties and our partners. See "—Our Funding Sources." Our proprietary *Wormhole* system connects our customers and funding partners' systems in an automated process that minimizes manual review and approval by the funding partners, and allocates funding needs to various funding sources with different risk-and-return parameters. We also continuously monitor customer behavior for fraud and other anomalies, and may decline loan applications and halt a transaction at any time.

Step 5: Loan servicing and repayment

Upon the origination of our loan products, we establish a repayment schedule with repayment occurring on a set business day each month and update the loan performance status in real time once a payment has been made or is overdue. We charge service fees to customers by deducting the relevant fees from the customer's monthly repayment. We do not collect fees directly from funding partners. Customers are able to monitor the status of loan repayment on our platform on PC and mobile apps. Customers can make loan repayments via third-party payment platforms (including WeChat Pay, YeePay and 99Bill), and either authorize us to settle with the relevant sources of funding or settle repayments through a clearing bank. We have adopted a set of responsible collection policies and practices that focus on enhancing user experience and cultivating healthy habits of credit use and repayment among our customers.

We determine the priorities of our collection efforts based on the level of delinquency, which dictates the level of collection steps taken. The majority of our collection activities are done in automated processes through digital means such as payment reminder notifications on our app, reminder text messages, voice messages and e-mails. We have an effective in-house collection team consisting of 115 members as of June 30, 2017. If a loan remains overdue after a certain time period, we then outsource loan collection to third-party contractors to optimize collection efficiency. We very carefully select our third-party contractors, setting forth certain guidelines and limitations on their collection actions, and enforce those guidelines and limitations.

Risk Management

We take an advanced and customized risk management approach driven by our *Hawkeye* credit assessment engine and strong risk management culture. We believe our abilities in advanced risk management are one of the key competitive advantages that enable us to make credit available to our customers. This approach provides a high level of automation in the loan application process and has proven to be effective, resulting in stable credit performance.

Our proprietary credit assessment process

Backed by our *Hawkeye* engine, our credit assessment process utilizes sophisticated algorithms and credit assessment models. For a new customer, our credit assessment primarily utilizes grouping on the basis of the new customer's education background, location and other available information, as well as

our insights into similarly situated customers. Our newly acquired customers share similar risk profiles and certain key group or risk characteristics, which adequately account for a majority of their credit risks. As we gain more experience with the customer, our credit assessment gradually shifts emphasis to the individual's credit history with us, employment and income information, and other data that we have accumulated. With the massive amount of data we have accumulated, we are better positioned to assess credit risks, predict spending and borrowing behavior, and serve the credit needs of educated young adults, as compared to traditional financial institutions.

We develop our credit assessment model based on the historical delinquency performance of our customers as well as information submitted in the customers' credit applications. Our credit assessment model is designed to predict the likelihood that a customer will be delinquent in the future. Based on our prediction of the customer's likelihood of future delinquency and the customer profile, we assign one of the seven credit risk levels to each customer, with risk level A representing the lowest risk, risk level F representing the highest risk and risk level N representing customers who are approved for trial purposes only and will be separately tracked accordingly.

The key factors we consider in determining the credit risk level of each customer include:

- Geographic location, for example, whether the customer is located in a first-tier, second-tier or third-tier city, and the level of economic development of the relevant city;
- Education background, *i.e.*, the customer's academic degree and past or current education institutions;
- Level of income;
- Outstanding loans from other external sources, such as credit card issuers and other consumer finance platforms; and
- External credit references.

The table below sets forth the amount of our loan originations to customers of each credit risk level in 2015, 2016 and the six months ended June 30, 2017, respectively.

	Years Ended December 31,					Six Months Ended June 30,		
	2015		2016			2017		
Credit risk level	RMB	%	RMB	USD	%	RMB	US$	%
	(in thousands, except for percentages)							
A	2,081	34.1	7,831	1,128	35.3	6,272	925	36.2
B	1,154	18.9	3,827	551	17.2	4,024	594	23.2
C	1,972	32.3	6,927	998	31.2	3,340	493	23.2
D	394	6.4	2,360	340	10.6	2,102	310	12.1
E	127	2.1	650	94	2.9	1,202	177	6.9
F	28	0.5	235	34	1.1	194	29	1.2
N	354	5.7	367	52	1.7	189	28	1.1
Total	6,110	100.0	22,197	3,197	100.0	17,323	2,556	100.0

We have established a strong risk management culture with nine independent risk management functions spanning across, among others, audit, regulatory compliance and risk management R&D. Our management team has significant experience in the credit industry with expertise in risk management, fraud detection and prevention, and data analytics. We have also built risk management-related performance metrics into our business unit and employee review procedures.

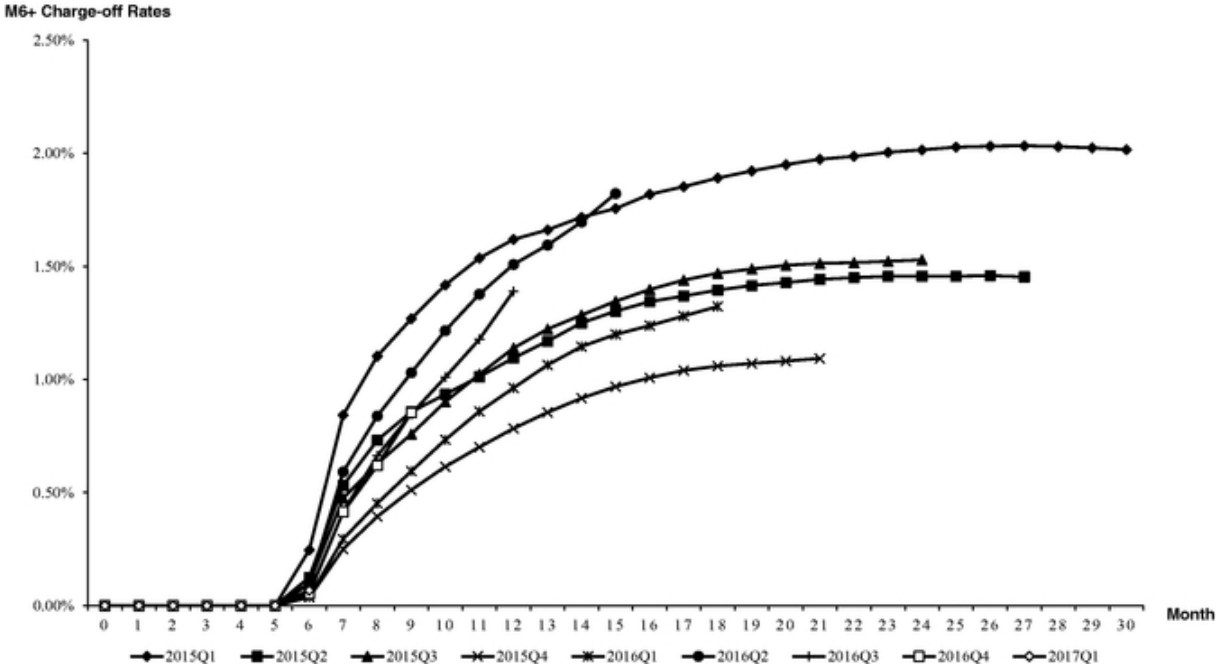
Historical credit performance

The following table provides our delinquency rates for all loans (including on- and off-balance sheet loans) as of December 31, 2015 and 2016 and June 30, 2017:

	Delinquent for			
	1 - 29 days	30 - 59 days	60 - 89 days	90 - 179 days
December 31, 2015	1.66%	0.38%	0.22%	0.47%
December 31, 2016	1.32%	0.55%	0.43%	0.84%
June 30, 2017	1.88%	0.80%	0.63%	1.42%

During 2015, 2016 and the six months ended June 30, 2017, the total principal amount of loans that were charged off after 180 days past due was 1.25%, 1.73% and an annualized rate of 3.13%, respectively, of the average outstanding principal balance during the relevant period.

Our risk management approach has proven to be highly effective as evidenced by the performance of various loan vintages originated on our platform over time. The following chart displays our historical M6+ charge-off rates as of June 30, 2017 for each vintage of a three-month period from January 1, 2015 to March 31, 2017. As the chart below shows, our M6+ charge-off rates for each vintage were generally under 2%.



Technology

The success of our business depends on our strong technological capabilities that support us in delivering a seamless user experience, making accurate credit assessment, protecting information on our platform, increasing operational efficiency and enabling innovations. Diversified data collection and aggregation and robust credit assessment through advanced technologies translate into reduced fraud on our platform, creating a superior user experience.

We have our own proprietary end-to-end loan origination, decisioning, loan management and servicing platform, which is designed to optimize customer experience. Our platform was fully developed internally, with our own proprietary architecture. Our technology platform allows us to

quickly modify products, add functionality, and provide data analytics to meet evolving market conditions. Our technology platform includes proprietary architecture that facilitates high availability, scalability, and flexibility for modifying product features. It supports both open-end lines of credit as well as closed-end installment loans and is easily configurable for new pricing and term structures, whether in response to evolving customer demands or competitive opportunities.

Our risk analytics capabilities

Data aggregation. We believe that successfully providing loan products to our target customer cohort that lacks historical credit information requires access to a much wider variety of data including not only traditional credit attributes and application information, but also website behavior, internal information, bank account information, social media information, GPS data, email and phone number information, among others. We have invested significant resources in building up a comprehensive credit database since our inception. Today, we own an extensive database covering a wide range of information pertinent to a customer's creditworthiness and presenting a user profile from a 360-degree view. Data are aggregated from a number of sources. We cooperate with a number of organizations, such as government agencies, who grant us the access to their respective data. Our strong data-mining capabilities, which we believe differentiate us from many other players in the online consumer finance platform market, also enable us to collect a large amount of data concerning prospective customers. Leveraging the innovation DNA of our research and development team, we have developed a number of proprietary automated programs that are capable of searching, aggregating and processing massive data from the internet in a short period of time. Another important component of our credit database is the payment histories of our prior and existing customers.

Artificial intelligence and Hawkeye engine. Upon data aggregation, our system converts the originally unstructured data into structured data using machine learning and artificial intelligence techniques. We apply artificial intelligence in assessing credit risks, detecting potential frauds, optimizing marketing resource allocation and increasing collection efficiency. We have made substantial investments in our *Hawkeye* risk analytics infrastructure and in the development of the latest generation of our risk management strategies. Our *Hawkeye* is a highly automated and dynamic credit assessment engine. We developed more than 1,000 decisioning rules utilizing 5,000 potential data variables and accumulated a massive amount of proprietary data from over 5 million customers and 19 million credit applications since inception. Our team of data scientists uses *Hawkeye* to build and test scores and strategies across the entire loan transaction process described above under "—Our Loan Application and Approval Process." Our *Hawkeye* engine supports a variety of analytical techniques and model outputs from traditional regression models to artificial intelligence.

Our *Hawkeye* engine also utilizes a Restricted Boltzmann Machine (RBM) algorithm to run a artificial neural network to detect any anomaly indicative of fraudulent behaviors on our platform. Our deep learning algorithms, through supervised learning processes and leveraging our massive data, enable us to identify any red flags for fraud based on a customer's credit application information, social connections and contacts.

We believe this big data and artificial intelligence approach is foundational to our predictive abilities in our credit risk assessment process, and drive our operational efficiencies.

Funding-related technologies

Wormhole system. Our proprietary *Wormhole* system connects our customers and funding partners' systems in real time, and allocates funding needs to various funding sources with different risk-and-return parameters, including individual investors on *Juzi Licai* and funding partners through our direct lending programs. We are capable of allocating and sending qualified customer loans and

proposed credit limits to funding partners for final approval, with both typically completed in an automated process using sophisticated algorithms.

Our ABS asset management. We utilize an automated assets filtering and packaging process to select assets and optimize the securitization process. Our assets are trenched to cater to different investors' risk appetite and investment goals. We provide transparent monitoring and disclosure of the performance of the underlying assets of our ABS products that meet the regulatory requirements for ABS programs.

Our operational infrastructure

Data security and multi-dimensional monitoring. We are committed to maintaining a secure online platform, as data protection and privacy are key concerns of our target customer cohort. We have built a firewall that monitors and controls incoming and outgoing traffic on our platform around the clock. Once any abnormal activity is detected, our system will immediately notify our IT team and simultaneously take automatic counter measures, such as activating third-party traffic control services, to prevent any harm to our platform. We block over 400 million visit requests that we deemed harmful or malicious and we have maintained an IP blacklist of over 1 million IPs. Our platform has been rated as ICP Internet Safety 3.2. For any transmission of sensitive user information, we use data encryption to ensure confidentiality. Within our organization, we have adopted a series of policies on internal control over information system, including physical security measures, such as entry and equipment control, and network access management, such as identification, authentication and remote access control. We employ data slicing and distribute the storage of a user's data points across several servers. We also maintain redundancy through a real-time multi-layer data backup system to prevent loss of data resulting from unforeseen circumstances. We conduct periodic reviews of our technology platform, identifying and correcting problems that may undermine our system security.

Cloud-based service and computing capabilities. We depend on cloud-based services for computing power for our customer-facing systems and services. Our business is growing at a tremendous pace and thus need to scale up services to fit our needs and customize applications. Our cloud-based services enable us to maintain flexibility in managing our IT resources with improved manageability and less maintenance. Thus we can more rapidly adjust resources to meet any fluctuating or unpredictable business demand.

System stability. Our systems infrastructure is hosted in data centers at 3 separate locations in Guangzhou and Beijing. We maintain redundancy through a real-time multi-layer data backup system to ensure the reliability of our network. Our platform adopts modular architecture that consists of multiple connected components, each of which can be separately upgraded and replaced without compromising the functioning of other components. This makes our platform both highly reliable and scalable. We have developed a business continuity plan and have implemented a disaster recovery program, which enables us to move operations to a back-up data center in the event of a catastrophe.

Competition

The online consumer finance market is an emerging industry in China. It provides a new means for consumers to obtain financing and for investors and funding partners to seek new investment and lending opportunities. As a leading online consumer finance platform in China in terms of the outstanding principal balance of loans we originated as of December 31, 2016, we face competition from other online platforms, major internet players, traditional financial institutions as well as other installment loan service providers. In addition, we compete with other online platforms for customers. Our competitors include, among others, Ant Financial Services Group, JD Finance and WeBank. We also compete with traditional financial institutions, including credit card issuers, consumer finance business units in commercial banks and other consumer finance companies. Some of our larger

competitors have substantially broader product or service offerings and significant financial resources to support heavy spending on sales and marketing and to provide lower APRs to customers. We believe that our ability to compete effectively for customers, investors and funding partners depends on many factors, including the variety of our products, user experience on our platform, effectiveness of our risk management, the risk-adjusted return offered to investors and funding partners, our partnership with third parties, our marketing and selling efforts and the strength and reputation of our brands.

Furthermore, as our business continues to grow rapidly, we face significant competition for highly skilled personnel, including management, engineers, product managers and risk management personnel. The success of our growth strategy depends in part on our ability to retain existing personnel and add additional highly skilled employees.

Employees

The following table sets forth the numbers of our employees categorized by function as of June 30, 2017.

	As of June 30, 2017	
	Number	% of Total Employees
Functions:		
E-commerce and operations	278	9.9%
Risk management	382	13.6%
Research and development	650	23.0%
Sales and marketing	1,335	47.5%
General and administrative	168	6.0%
Total number of employees	2,813	100.0%

As required by laws and regulations in China, we participate in various employee social security plans that are organized by municipal and provincial governments, including, among others, pension insurance, medical insurance, unemployment insurance, maternity insurance, on-the-job injury insurance, and housing fund plans through a PRC government-mandated defined contribution plan. We are required under PRC law to make contributions to employee benefit plans at specified percentages of the salaries, bonuses and certain allowances of our employees, up to a maximum amount specified by the local government from time to time.

We typically enter into standard employment and confidentiality agreements with our senior management and core personnel. We maintain a good working relationship with our employees, and we have not experienced any material labor disputes. None of our employees are represented by labor unions.

Facilities

Our corporate headquarters is located in Shenzhen, China where we lease office space with an area of approximately 11,400 square meters as of the date of this prospectus. For our customer services, data verification services and collection services, we lease an area of approximately 1,800 square meters in Shenzhen but at a separate location from our corporate headquarters. We also lease office space in various locations in the PRC, with an aggregate area of approximately 15,000 square meters. We lease our premises from unrelated third parties under operating lease agreements. The lease term varies from 6 months to 6 years. Our servers are primarily hosted at internet data centers owned by major domestic internet data center providers. We believe that our existing facilities are generally adequate to meet our current needs, but we expect to seek additional space as needed to accommodate future growth.

Intellectual Property

We rely on a combination of patent, copyright, trademark and trade secret laws and restrictions on disclosure to protect our intellectual property rights. We have registered one patent in China, and have applied for 28 additional patents with the PRC State Intellectual Property Office. We have registered 47 software copyrights with the PRC National Copyright Administration. We have 75 registered domain names, including *lexinfintech.com*, *fenqile.com* and *juzilicai.com*. As of the date of this prospectus, we had 39 registered trademarks, including our "*Fenqile*", " 分期乐 " and " 桔子理财 " trademarks.

Despite our efforts to protect our proprietary rights, unauthorized parties may attempt to copy or otherwise obtain and use our technology. Monitoring unauthorized use of our technology is difficult and costly, and we cannot be certain that the steps we have taken will prevent misappropriation of our technology. From time to time, we may have to resort to litigation to enforce our intellectual property rights, which could result in substantial costs and diversion of our resources. In addition, third parties may initiate litigation against us alleging infringement of their proprietary rights or declaring their non-infringement of our intellectual property rights. In the event of a successful claim of infringement and our failure or inability to develop non-infringing technology or license the infringed or similar technology on a timely basis, our business could be harmed. Even if we are able to license the infringed or similar technology, license fees could be substantial and may adversely affect our results of operations. See "Risk Factors—Risks Related to Our Business—We may not be able to prevent others from unauthorized use of our intellectual property, which could harm our business and competitive position" and "—We may be subject to intellectual property infringement claims, which may be expensive to defend and may disrupt our business and operations."

Insurance

We maintain property insurance policies covering certain equipment and other property that are essential to our business operations to safeguard against risks and unexpected events. We also provide social security insurance including pension insurance, medical insurance, unemployment insurance, maternity insurance, on-the-job injury insurance, and housing fund plans through a PRC government-mandated defined contribution plan for our employees. We do not maintain business interruption insurance or general third-party liability insurance, nor do we maintain product liability insurance or key-man insurance. We consider our insurance coverage to be sufficient for our business operations in China.

Legal Proceedings

We are currently not a party to any material legal or administrative proceedings. We may from time to time be subject to various legal or administrative claims and proceedings arising in the ordinary course of business. Litigation or any other legal or administrative proceeding, regardless of the outcome, is likely to result in substantial cost and diversion of our resources, including our management's time and attention.

REGULATION

This section sets forth a summary of the most significant laws, rules and regulations that affect our business activities in the PRC and our shareholders' rights to receive dividends and other distributions from us.

Regulations Relating to Foreign Investment

The Draft PRC Foreign Investment Law

In January 2015, the Ministry of Commerce, or the MOFCOM, published a discussion draft of the proposed Foreign Investment Law, or the Draft Foreign Investment Law, for public review and comments. Among other things, the Draft Foreign Investment Law purports to introduce the principle of "actual control" in determining whether a company is considered a foreign invested enterprise, or a FIE. The Draft Foreign Investment Law provides that entities established in China but "controlled" by foreign investors will be treated as FIEs. In this connection, "control" is broadly defined in the Draft Foreign Investment Law to cover any of the following: (i) holding 50% or more of the voting rights of the subject entity; (ii) holding less than 50% of the voting rights of the subject entity but having the power to secure at least 50% of the seats on the board or other equivalent decision-making bodies, or having the voting power to exert material influence on the board, the shareholders' meeting or other equivalent decision-making bodies; or (iii) having the power to exert decisive influence, via contractual or trust arrangements, over the subject entity's operations, financial matters or other key aspects of its business operations. Once an entity is determined to be a FIE, and its investment amount exceeds certain thresholds or its business operation falls within the "catalog of special management measures" proposed to be separately issued by the State Council in the future, market entry clearance by the MOFCOM or its local counterparts would be required. According to the Draft Foreign Investment Law, variable interest entities would also be deemed as FIEs, if they are ultimately "controlled" by foreign investors, and be subject to restrictions on foreign investments. However, the Draft Foreign Investment Law has not taken a position on what actions will be taken with respect to the existing companies with the "variable interest entity" structures, whether or not these companies are controlled by Chinese parties.

The Draft Foreign Investment Law emphasizes on the security review requirements, whereby all foreign investments that jeopardize or may jeopardize national security must be reviewed and approved in accordance with the security review procedure. In addition, the Draft Foreign Investment Law imposes stringent *ad hoc* and periodic information reporting requirements on foreign investors and the applicable FIEs. Aside from investment implementation report and investment amendment report that are required at each investment and alteration of investment specifics, an annual report is mandatory, and quarterly report is required regarding large foreign investors meeting certain criteria. Any company found to be non-compliant with these information reporting requirements may potentially be subject to fines and/or administrative or criminal liabilities, and the persons directly responsible for non-compliance may be subject to criminal liabilities.

It is still uncertain when the Draft Foreign Investment Law would be signed into law and whether the final version would have any substantial changes from the Draft Foreign Investment Law. When the Foreign Investment Law becomes effective, the three existing laws regulating foreign investment in China, namely, the Sino-foreign Equity Joint Venture Enterprise Law, as amended by the Standing Committee of the National People's Congress, or the Standing Committee of the NPC in September 2016, the Sino-foreign Cooperative Joint Venture Enterprise Law, as amended by the Standing Committee of the NPC in September 2016 and the Wholly Foreign-Owned Enterprise Law, as amended by the Standing Committee of the NPC in September 2016, together with their implementation rules and ancillary regulations, will be repealed.

Interim Measures for the Recordation Administration of the Formation and Modification of Foreign-Invested Enterprises

In September 2016, the Standing Committee of the NPC published its decision to revise the laws relating to wholly foreign-owned enterprises and other foreign-invested enterprises. Such decision, which became effective in October 2016, changes the "filing or approval" procedure for foreign investments in China. Foreign investments in those business sectors that are not subject to special entry management measures will only be subject to filing instead of approval requirement. Pursuant to the Interim Measures for the Recordation Administration of the Formation and Modification of Foreign-Invested Enterprises promulgated by the MOFCOM in October 2016, establishment and changes of foreign investment enterprises not subject to the approval under the special entry management measures shall be filed with the relevant authorities. In June 2017, the MOFCOM and the NDRC promulgated the Guidance Catalog of Industries for Foreign Investment (2017 Revision), which will be effective in July 2017, or the Catalog (2017 Revision), according to which the special management measures for the entry of foreign investment, or the Negative List, is specified.

Industry Catalog Relating to Foreign Investment

Investment activities in the PRC by foreign investors are principally governed by the Guidance Catalog of Industries for Foreign Investment promulgated and as amended from time to time by the MOFCOM and the NDRC, or the Catalog. In June 2017, the MOFCOM and the NDRC promulgated the Catalog (2017 Revision), which will be effective in July 2017. Industries listed in the Catalog (2017 Revision) are divided into two parts: encouraged category, and the special management measures for the entry of foreign investment, or the Negative List, which are further divided into the restricted category and prohibited category. Industries not listed in the Catalog (2017 Revision) are generally deemed to be in a fourth "permitted" category, and are generally open to foreign investment unless specifically restricted by other PRC regulations. The Negative List, in a unified manner, lists the restrictive measures for the entry of foreign investment. For examples, some restricted industries are limited to Sino-foreign equity/cooperative joint ventures, and some cases, Chinese partners are required to hold the majority interests in such joint ventures. In addition, restricted category projects are subject to higher-level government approvals. Furthermore, foreign investors are not allowed to invest in companies in industries in the prohibited category. For the industries not listed the Negative List, the restrictive measures for the entry of foreign investment shall not apply in principle, and establishment of wholly foreign-owned enterprises in such industries is generally allowed.

We provide the value-added telecommunication services that are restricted to foreign investment through our consolidated variable interest entities.

Licenses and Permits

Value-added Telecommunication Service License

The Telecommunications Regulations of PRC promulgated in September 2000 and amended in July 2014 and February 2016 respectively by the State Council and its related implementation rules, including the Catalog of Classification of Telecommunications Business issued by the Ministry of Industry and Information Technology, or the MIIT, categorize various types of telecommunications and telecommunications-related activities into basic or value-added telecommunications services. The Administrative Measures on Telecommunications Business Operating set forth more specific provisions regarding the types of licenses required to operate value-added telecommunications services, the qualifications and procedures for obtaining such licenses and the administration and supervision of such licenses. Under these regulations, a commercial operator of value-added telecommunications services must first obtain a license for value-added telecommunications business, or value-added telecommunications service license, from the MIIT or its provincial level counterparts.

According to the Provisions on the Administration of Foreign-Invested Telecommunications Enterprises issued by the State Council in December 2001 and amended in September 2008 and February 2016, foreign-invested value-added telecommunications enterprises must be in the form of Sino-foreign equity joint ventures. The regulations restrict the ultimate capital contribution percentage held by foreign investors in a foreign-invested value-added telecommunications enterprise to 50% or less and require the primary foreign investor in a foreign-invested value-added telecommunications enterprise to have a good track record and operational experience in the value-added telecommunications industry. The Catalog (2017 Revision) and Circular of the Ministry of Industry and Information Technology on Liberalizing the Restrictions on Foreign Shareholding Percentages in Online Data Processing and Transaction Processing Business (for-profit e-commerce business) promulgated by the MIIT, in June 2015, or Circular 196, allow a foreign investor to own more than 50% of the total equity interest in an e-commerce business.

In July 2006, the Ministry of Information Industry (which was integrated into the MIIT with other governmental departments in March 2008), issued the Notice of the Ministry of Information Industry on Strengthening the Administration over Foreign Investment in the Operation of Value-Added Telecommunications Business, or the MIIT Notice. According to the MIIT Notice, a foreign investor in the telecommunications service industry must establish a FIE and apply for a telecommunications service license. The MIIT Notice also requires that: (i) PRC domestic telecommunications enterprises must not, through any form, lease, transfer or sell a telecommunications service license to a foreign investor, or provide resources, offices and working places, facilities or other assistance to support illegal telecommunications services operations by a foreign investor; (ii) value-added telecommunications enterprises or their shareholders must directly own the domain names and trademarks used in their daily operations; (iii) each value-added telecommunications enterprise must have necessary facilities for its approved business operations and maintain such facilities only in the regions covered by its license; and (iv) all value-added telecommunications enterprises are required to maintain network and internet security in accordance with the standards set forth in relevant PRC regulations. If a license holder fails to comply with these requirements in the MIIT Notice and cure any non-compliance, the Ministry of Information Industry or its local counterparts have the discretion to take measures against such license holder, including revoking its value-added telecommunications service license.

The Interim Measures for Administration of the Business Activities of Online Lending Information Intermediary Agencies published in August 2016, or the Interim Measures, provide that the "online lending information intermediary agencies," or online lending intermediaries, must apply for applicable telecommunications service license in accordance with relevant provisions of telecommunications authorities after record-filing with a local financial regulatory authority. However, PRC telecommunication authorities have not explicitly stipulated which kind of telecommunications service license is required for online lending intermediaries (including in the form of a website or mobile application) engaged in telecommunication services.

Administration of mobile internet application information services is strengthened through the Regulations for Administration of Mobile Internet Application Information Services, or the MIAIS Regulations, issued in June 2016 and effective in August 2016. The MIAIS Regulations were enacted to regulate mobile application information services, or the App, the App providers (including App owners or operators) and online App stores. App service providers are required to obtain relevant qualifications pursuant to PRC laws and regulations.

Our online consumer finance platform, *Fenqile*, operated by Shenzhen Fenqile, has obtained a certain value-added or telecommunications service licenses for the operations of internet content service from the Guangdong Administration of Telecommunications in April 2017, which will remain valid until May 2019 and certain value-added telecommunications service license for the operation of domestic call center service and content service (excluding internet content service) from MIIT in July 2017, which will remain valid until July 2022. Our online investment platform, *Juzi Licai*, operated by Qianhai Juzi, would be required to obtain a certain telecommunications service licenses in

accordance with the Interim Measures and the relevant provisions of telecommunications authorities after record-filing with a local financial regulatory authority. Furthermore, it is uncertain if our variable interest entities and their subsidiaries will be required to obtain a separate operating license with respect to our mobile applications in addition to the value-added telecommunications business license.

Online Culture Operating Permit

The Provisional Measures on Administration of Internet Culture issued by the Ministry of Culture in February 2011 and effective in April 2011, and other related rules require an entity to obtain an Online Culture Operating Permit from the applicable provincial level cultural administrative authority before engaging in activities related to "online cultural products," which is defined as cultural products produced, disseminated and circulated via the internet. Pursuant to Interim Measures for the Administration of Online Games promulgated by the Ministry of Culture in June 2010 and effective in August 2010, an entity is required to obtain an Online Culture Operating Permit to engage in transaction service of virtual currencies used for online games. We provide platform services for trading virtual currencies used for online games on *Fenqile*. We have obtained an Online Culture Operating Permit from the Guangdong Municipal Bureau of Culture in March 2017 which will remain valid until March 2020.

Regulations Relating to Online Consumer Finance Services

Regulations Relating to Loans Between Individuals

The Contract Law of the PRC which became effective in October 1999, or the Contract Law, governs the formation, validity, performance, enforcement and assignment of contracts. The PRC Contract Law recognizes the validity of loan agreement between natural persons and provides that a loan agreement becomes effective when an individual lender provides the loan to an individual borrower. The Contract Law requires that the interest rates charged under the loan agreement must not violate the applicable provisions of the PRC laws and regulations. In accordance with the Provisions on Several Issues Concerning Laws Applicable to Trials of Private Lending Cases issued by the Supreme People's Court in August 2015 and effective in September 2015, or the Private Lending Judicial Interpretations, private lending is defined as financing between individuals, legal entities and other organizations.

The Private Lending Judicial Interpretations provides that agreements between a lender and a borrower on loans with annual interest rates below 24% are valid and enforceable. With respect to loans with annual interest rates between 24% and 36%, if the interest on the loans has already been paid to the lender, and so long as such payment has not damaged the interest of the state, the community or any third parties, the courts will likely turn down the borrower's request to demand the return of the interest payment. If the annual interest rate of a private loan is higher than 36%, the obligations to pay interest payment in excess of the maximum interest rate allowed will be invalidated. The Certain Opinions Regarding Further Strengthening the Financial Judgment Work issued by the Supreme People's Court in August 2017, or the Opinions for Financial Judgment Work, further emphasize that in case the total amount of interest, compounded interest, default interest and other fees charged by the creditor of a financial loan contract substantially exceeds the actual loss of such creditor, then the request by the debtor of such financial loan contract to reduce or adjust the part of the aforementioned fees exceeding the amount accrued on an annual rate of 24% shall be upheld.

Pursuant to the Contract Law, a creditor may assign its rights under an agreement to a third party, provided that the debtor is notified. Upon due assignment of the creditor's rights, the assignee is entitled to the creditor's rights and the debtor must perform its obligations under the agreement for the benefit of the assignee. We offer investment products on *Juzi Licai* to individual investors. If an investing period ends prior to the maturity date of any of the underlying loans of the investment, we will facilitate the investor's exit by transferring, with the authorization of such investor, his or her creditor's rights with respect to the underlying loans. To facilitate the assignment of the loans, the

template loan agreement applicable to the lenders and borrowers on our platform specifically provides that a lender has the right to assign his or her rights under the loan agreement to any third parties and the borrower agrees to such assignment.

In addition, according to the Contract Law, an intermediation contract is defined as a contract whereby an intermediary presents to its client an opportunity for entering into a contract or provides the client with other intermediary services in connection with the conclusion of a contract, and the client pays the intermediary service fees. Pursuant to the Contract Law, an intermediary must provide true information relating to the proposed contract. If an intermediary conceals any material fact intentionally or provides false information in connection with the conclusion of the proposed contract, which results in harm to the client's interests, the intermediary may not claim for service fees and is liable for the damages caused. The Opinions for Financial Judgment Work issued by the Supreme People's Court in August 2017 further specify that the relationship between online lending intermediary and each party of online lending loan agreement shall be defined as an intermediary contractual relationship, and the intermediary service fees charged by an online lending intermediary to circumvent the legal limit of interest of private lending shall be invalid. Our services offered on *Juzi Licai* constitute intermediary service, and the agreements by and between Qianhai Juzi, customers and/or individual investors on *Juzi Licai* are intermediation contracts under the Contract Law.

Regulations Relating to Illegal Fund-Raising and Unapproved Loan Facilitation

Raising funds by entities or individuals from the general public must be conducted in strict compliance with applicable PRC laws and regulations to avoid administrative and criminal liabilities. The Measures for the Banning of Illegal Financial Institutions and Illegal Financial Business Operations promulgated by the State Council in July 1998 and amended in January 2011, and the Notice on Relevant Issues Concerning the Penalty on Illegal Fund-Raising issued by the General Office of the State Council in July 2007, explicitly prohibit illegal public fund-raising. The main features of illegal public fund-raising include: (i) illegally soliciting and raising funds from the general public by means of issuing stocks, bonds, lotteries or other securities without obtaining the approval of relevant authorities, (ii) promising a return of interest or profits or investment returns in cash, properties or other forms within a specified period of time and (iii) using a legitimate form to disguise the unlawful purpose.

To further clarify the criminal charges and punishments relating to illegal public fund-raising, the Supreme People's Court promulgated the Judicial Interpretations to Issues Concerning Applications of Laws for Trial of Criminal Cases on Illegal Fund-Raising which came into force in January 2011, or the Illegal Fund-Raising Judicial Interpretations. The Illegal Fund-Raising Judicial Interpretations provide that a public fund-raising will constitute a criminal offense related to "illegally soliciting deposits from the public" under the PRC Criminal Law, if it meets all of the following four criteria: (i) the fund-raising has not been approved by the relevant authorities or is concealed under the guise of legitimate acts; (ii) the fundraising employs general solicitation or advertising such as social media, promotion meetings, leafleting and short messaging service advertising; (iii) the fundraiser promises to repay, after a specified period of time, the capital and interests, or investment returns in cash, properties in kind and other forms; and (iv) the fund-raising targets at the general public as opposed to specific individuals. An illegal fund-raising activity will be fined or prosecuted in the event that it constitutes a criminal offense. Pursuant to the Illegal Fund-Raising Judicial Interpretations, an offender that is an entity will be subject to criminal liabilities, if it illegally solicits deposits from the general public or illegally solicits deposits in disguised form (i) in an amount exceeding RMB1,000,000, (ii) with over 150 fund-raising targets involved, or (iii) with the direct economic loss caused to fund-raising targets exceeding RMB500,000, or (iv) the illegal fund-raising activities have caused baneful influences to the public or have led to other severe consequences. An offender who is a natural person is also subject to criminal liabilities but with lower thresholds.

The Measures for the Banning of Illegal Financial Institutions and Illegal Financial Business Operations, promulgated by the State Council in July 1998 and amended in January 2011 also prohibits facilitating loans to the public without the approval of the PBOC. The General Rules on Loans issued by the PBOC in June 1996 further provides that a financial institution shall conduct the loan business with the approval of the PBOC.

Regulations Relating to Online Lending Information Intermediary Service Agency

In July 2015, ten PRC regulatory agencies, including the People's Bank of China, or the PBOC, the MIIT and the China Banking Regulatory Commission, or the CBRC, jointly issued the Guidelines on Promoting the Healthy Development of Internet Finance, or the Guidelines. The Guidelines call for active government support of China's internet finance industry, including the online peer-to-peer lending service industry, and clarify the division of responsibility among regulatory agencies. The Guidelines specify that the CBRC will have primary regulatory responsibility for the online peer-to-peer lending service industry in China and state that online peer-to-peer lending service providers shall act as an intermediary platform to provide information exchange, matching, credit assessment and other intermediary services, and must not provide credit enhancement services and/or engage in illegal fund-raising. The Guidelines provide additional requirements for China's internet finance industry, including the use of custody accounts with qualified banks to hold customer funds as well as information disclosure requirements.

In April 2016, to further implement the requirements specified in the Guidelines, the General Office of the State Council and fifteen regulatory agencies (including the CBRC) promulgated the Implementation Plan of Specific Rectification for Risks in Internet Finance and the Implementation Plan of Specific Rectification for Risks in Online Peer-to-Peer Lending, or the Implementation Plans. The Implementation Plans emphasize several requirements that are contemplated for the rectification of the peer-to-peer lending service industry, which include, among others, that (i) an online peer-to-peer lending service provider is an information intermediary; (ii) the lending through the online platform conducted by such service provider meets the standards of direct lending, namely the direct lending from individuals to individuals realized through the online platform; (iii) the online peer-to-peer lending service provider shall not violate regulatory "red lines", including setting up any capital pools, financing for itself, promising on a guarantee of principal and interest and etc.; (iv) the funds of lenders and borrowers shall be deposited with eligible third-party custodian accounts and (v) full, timely and objective disclosure of the information, and the establishment of information security measures.

In August 2016, four PRC regulatory agencies, including the CBRC, the MIIT, the MPS and Cyberspace Administration of China, published the Interim Measures. The Interim Measures define online lending intermediaries as the financial information intermediaries that are engaged in online peer-to-peer lending information business and provide lenders and borrowers with lending information services, such as information collection and publication, credit rating, information interaction and loan facilitation. Consistent with the Guidelines, the Interim Measures prohibit online lending intermediaries from providing credit enhancement services and collecting funds directly or indirectly, and require, among others, (i) that online lending intermediaries intending to provide online lending information agency services and its subsidiaries and branches must make relevant record-filing with local financial regulatory authorities with which it is registered after obtaining the business license; (ii) that online lending intermediaries operating telecommunication services must apply for relevant telecommunication service license after the completion of the record-filing and registration with the local financial regulatory authority; and (iii) that online lending intermediaries must materially specify the online lending information intermediary in the business scope.

The Interim Measures list the following businesses that an online lending intermediary must not, by itself or on behalf of a third party, participate in: (i) financing for themselves whether or not in disguised form; (ii) accepting or collecting directly or indirectly the funds of lenders; (iii) providing

lenders with guarantee or promise on guarantee of principal and interest directly or in disguised form; (iv) publicizing or promoting financing projects at physical locations; (v) extending loans, except otherwise as provided by laws and regulations; (vi) splitting the term of any financing project; (vii) offering wealth management and other financial products by themselves to raise funds, and selling as an agent bank wealth management, securities company asset management, fund, insurance or trust products and other financial products; (viii) conducting asset securitization business or realizing transfer of creditors' rights in the forms of asset packaging, asset securitization, trust assets, fund shares, etc.; (ix) engaging in any form of mixture, bundling or agency with other institutions in investment, agency in sale, brokerage and other business except as permitted by laws, regulations and relevant regulatory provisions on online peer-to-peer lending; (x) falsifying or exaggerating earnings outlook of financing projects, concealing the defects and risks of financing projects, making false advertising or promotion, etc., by using ambiguous words or other fraudulent means, fabricating or spreading false or incomplete information impairing the business reputation of others or misleading lenders or borrowers; (xi) providing information intermediary services for high-risk financing which uses the borrowed funds for investment in stocks, over-the-counter fund distribution, futures contracts, structured funds and other derivative products; (xii) engaging in businesses such as crowd-funding in equity; and (xiii) other activities prohibited by the laws, regulations and the regulatory provisions on online peer-to-peer lending. In addition, the Interim Measures stipulate that online lending intermediaries shall not operate businesses other than risk management and necessary business processes such as information collection and confirmation, post-loan tracking and pledge management in accordance with online lending regulations, via offline physical locations. Furthermore, the Interim Measures provide that online lending intermediaries shall, based on their risk management capabilities, set upper limits on the loan balance of a single borrower borrowing both from one online lending intermediary and from all online lending intermediaries. In the case of natural persons, this limit shall not be more than RMB200,000 for one online lending intermediary and not more than RMB1 million in total from all platforms, while the limit for a legal person or organization shall not be more than RMB1 million for one online lending intermediary and not more than RMB5 million in total from all platforms.

Moreover, the Interim Measures require that each online lending intermediary (i) separate its own capital from funds received from lenders and borrowers and (ii) select a qualified banking financial institution as its funding custodian institution, which shall perform custody and administrative responsibilities as required.

The Interim Measures also set out certain additional requirements applicable to online lending intermediaries on, among other things, the real-name registration of lenders and borrowers, the risk control, internet and information security, limits on the fund collection period (up to 20 business days), allocation of charges, personal credit management, file management, lenders and borrowers protection, prohibition on making decisions by online lending intermediaries on behalf of the lender without the authorization of the lender, administration of electronic signatures and information disclosure.

Any violation of the Interim Measures by an online lending intermediary may subject such online lending intermediary to certain penalties as determined by applicable laws, and regulations, or by relevant government authorities if the applicable laws and regulations are silent on the penalties. The applicable penalties may include but are not limited to, criminal liabilities, warning, rectification, tainted integrity record and fines of up to RMB30,000.

If any online lending intermediary established prior to the implementation of these Interim Measures fail to conform to the provisions of these Interim Measures, the local financial regulatory authority shall require such online lending intermediary to make rectification, and the rectification period shall not exceed 12 months.

In April 2017, CBRC issued the Guidelines on Prevention and Control of the Risks in Banking Industry, to further emphasize that the Interim Measures and the supporting mechanism (including but

not limited to the record-filing mechanism and the fund custodian mechanism) shall be strictly implemented.

Regulations Relating to Record-filings of Online Lending Information Intermediary Service Agency

In November 2016, the CBRC, the MIIT and the State Administration for Industry and Commerce, or the SAIC, jointly published the Guidelines on the Administration of Record-filings of Online Lending Information Intermediary Agencies, or the Record-filings Guidelines, to establish and improve the record-filing mechanisms for online lending intermediaries.

According to the Record-filings Guidelines, a newly established online lending intermediary shall make the record-filings with the local financial regulatory authority after obtaining the business license; while with respect to any online lending intermediary which is established and begins to conduct the business prior to the publication of this Record-filings Guidelines, the local financial regulatory authority shall, pursuant to relevant arrangement of specific rectification work for risks in online peer-to-peer lending, accept the application for record-filings submitted by a qualified online lending intermediary, or any online lending intermediary which has completed the rectification confirmed by relevant authorities.

Regulations Relating to Funds Custodian of Online Lending

The Interim Measures purport, among other things, to require an online lending intermediary to carry out isolated management of its proprietary funds and the funds of lenders and borrowers and choose an eligible banking financial institution as the custodian institution for the funds of lenders and borrowers. Pursuant to the Interim Measures, the depositary shall enter into fund custodian agreements with an online Information Intermediary, the borrowers, the lenders and/or other related parties, and conduct custodian, transfer, payment, accounting and supervision of the funds of lenders and borrowers pursuant to such agreements.

In February 2017, the CBRC released the Guidelines to Regulate Funds Custodian for online lending intermediaries, or the Custodian Guidelines. The Custodian Guidelines define depositories as commercial banks that provide online lending fund custodian services, and stipulate that the depositories shall engage in offering any guarantee, including: (i) offering guarantees for lending transaction activities conducted by online lending intermediaries, or undertaking any liability for breach of contract related to such activities; (ii) offering guarantees to lenders, guaranteeing principal and dividend payments or bearing the risks associated with fund lending operations for lenders.

Apart from the requirements set forth in the Interim Measures and the Guidelines, the Custodian Guidelines impose certain responsibilities on online lending intermediaries, including entering into fund custodian agreements with only one commercial bank to provide fund custodian services, and organizing independent audit on funds custodian accounts of borrowers and investors and various other services. The Custodian Guidelines also provide that online lending intermediaries are permitted to develop an online lending fund custodian business only after satisfying certain conditions, including: (i) completing registration, filing records and obtaining a business license from the competent industry and commerce administration authority; (ii) filing records with the local financial regulatory authority; and (iii) applying for a corresponding telecommunications service license pursuant with the relevant telecommunication authorities. The Custodian Guidelines also require online lending intermediaries to perform various obligations, and prohibits them from advertising their services except in accordance with certain exposure requirements, the interpretation and applicability of which is unclear, as well as certain oversight requirements. The Custodian Guidelines also sets forth other business standards and miscellaneous requirements for depositories and online lending intermediaries as well. Online lending intermediaries and commercial banks conducting the online custodian services prior to the effectiveness of the Custodian Guidelines have a six-month grace period to rectify any activities not in compliance with the Custodian Guidelines.

We have entered into an online lending fund custodian agreement with China Guangfa Bank, pursuant to which China Guangfa Bank shall set up separate custodian accounts for funds of lenders and customers on *Juzi Licai*, and shall perform fund custody, payment and settlement services on *Juzi Licai*.

Regulations Relating to Information Disclosure by Online Lending Intermediary

The Interim Measures stipulate certain requirements on the information disclosure by an online lending intermediary, which include, among other things: (i) full disclosure of the basic information of borrowers and the financing projects, the risk assessment results and potential risk of the projects, the use of funds, and other related information on the official websites; and (ii) submission of the regular information disclosure announcements and other relevant documents to the local financial regulatory authorities for records, and preservation of such documents at the intermediary's domicile for inspection by the public. Pursuant to the Interim Measures, detailed rules on the information disclosure by an online lending intermediary shall be formulated separately.

In August 2017, the General Office of the CBRC released the Guidelines on Information Disclosure of Business Activities of Online Lending Information Intermediaries, or the Information Disclosure Guidelines. Consistent with the Interim Measures, the Information Disclosure Guidelines emphasize the requirement of information disclosure by an online lending intermediary and further, detail the frequency and scope of such information disclosure. Any violation of the Information Disclosure Guidelines by an online lending intermediary may subject the online lending intermediary to certain penalties under Interim Measures. In addition, the Information Disclosure Guidelines require online lending intermediaries that do not fully comply with the Information Disclosure Guidelines in conducting their business to rectify the relevant activities within six months after the release of the Information Disclosure Guidelines.

Regulations Relating to Campus Online Lending

In April 2016, the General Office of the Ministry of Education, or the MOE, and the General Office of the CBRC jointly issued the Notice on Education and Guidance Work and Strengthening the Risks Prevention of Campus Delinquency Online Lending, or the Education and Guidance Work Notice. The Education and Guidance Work Notice provides that (i) the local financial regulatory authority shall closely monitor the online lending intermediaries' actions, such as false and misleading advertising and promotion, or other actions that may mislead the lenders or borrowers, and strengthen the supervision and the risk warnings of online lending intermediaries' advertising and promotional activities focusing on those college students, as well as those online lending intermediaries who neglect to conduct borrower qualification examination; and (ii) the corresponding response measures and plan for non-compliant campus online lending shall be established and improved; and any non-compliant online lending intermediary that has advertised and promoted its services within the campus and thus may infringe upon the legal rights of the students, cause safety hazards or lack advance permission, shall promptly be reported to the relevant regulatory authorities and be dealt with pursuant to the applicable laws.

In October 2016, six PRC regulatory agencies, including the CBRC, the Office of the Central Leading Group for Cyberspace Affairs and the MOE, jointly issued the Notice on Further Strengthening the Rectification of Campus Online Lending, or Rectification of Campus Online Lending Notice. The Rectification of Campus Online Lending Notice strengthens and details the remediation measures of the online lending business focusing on the students, or campus online lending, and provides the following: (i) providing online lending service to college students under the age of eighteen is prohibited (for college students over eighteen, the person engaging in campus online lending must verify the secondary repayment source of such borrower (which could be the borrower's parents, guardian, or other custodian), obtain the written undertaking documents consenting to the loan and the repayment guarantee from the secondary repayment source of such borrower, and verify the

identity of the secondary repayment source of such borrower through the phone or other methods); (ii) prohibits false and fraudulent advertising and promotion through the use of discriminatory and misleading language or other methods, and the distribution of false or incomplete information to mislead college students borrowers; (iii) prohibits publicizing or promoting lending services at physical locations (excluding electronic means such as the internet) either by persons engaging in campus online lending themselves or by a third party; or (iv) prohibits usurious loans in disguised forms by charging various fees such as procedure fee, overdue fine, service fee and recovery fee, or forcing repayment by illegal collection.

In addition, the Rectification of Campus Online Lending Notice requires that the person engaging in campus online lending shall establish the three mechanisms, namely borrower qualification examination, risk monitoring and customer information protection, as follows: (i) to establish borrower qualification examination and classification system to ensure that the borrowers have the repayment capacity for the loan pursuant to the relevant agreement; (ii) to establish risk monitoring system to further strengthen information disclosure and to provide risk warnings to borrowers, and to ensure that the lending procedures and the key elements of the loan are open and transparent; and (iii) to establish the customer information protection mechanism, by implementing the Order for the Protection of Telecommunication and Internet User Personal Information and other relevant criteria and by conducting the information system gradation registration and testing, to strength customer information protection and ensure the legality and information security during the collection, settlement and use of lenders' and borrowers' information.

Pursuant to the Rectification of Campus Online Lending Notice, the local financial regulatory authorities and the branches of the CBRC shall jointly conduct a thorough examination and centralized rectification of persons engaging in campus online lending. When the violation is determined to be minor, rectification shall be made within a prescribed time limit; and when the conduction of the rectification is refused or the violation is determined to be material, such person's business of campus online lending could be suspended, shut down or banned according to the applicable laws. Any person that is suspected to be involved in any malicious fraud or other serious extraordinary activities shall be severely punished. In any case involving criminal activities, the relevant person shall be dealt with by relevant judicial authorities.

In April 2017, CBRC issued the Guidelines on Prevention and Control of the Risks in Banking Industry, to further emphasize the relevant requirements on the campus online lending business provided in the Rectification of Campus Online Lending Notice, which include the prohibitions of: (i) marketing to individuals unable to repay loans; (ii) providing online lending service to college students under the age of eighteen; (iii) conducting false and fraudulent advertising and promotion; or (iv) providing usurious loans in disguised forms.

In May 2017, CBRC, MOE and Ministry of Human Resources and Social Security issued the Notice on Further Strengthening the Regulation and Management Work of Campus Online Lending Business, or the CBRC Circular 26. The CBRC Circular 26 provides that (i) the commercial banks and the policy banks may research and develop financial products and provide loans that provide general assistance to college students and support them in areas such as learning and training, consumption and entrepreneurship, and provide customized and quality financial services to college students with reasonable credit limits and interest rates; (ii) any entity established without approval of the relevant banking regulatory authority shall not provide any credit services to college students so as to eliminate fraud, usurious loans or violent loan collections; and (iii) all Campus Online Lending business conducted by the Online Lending Information Intermediaries shall be suspended and the outstanding balance of Online Campus Lending loans shall be gradually reduced until reaching a zero balance.

Regulations Relating to Microcredit

The Guidance on the Pilot Establishment of Microcredit Companies jointly promulgated by the CBRC and the PBOC in May 2008 allows provincial governments to approve the establishment of microcredit companies on a test basis. Based on this guidance, many provincial governments in China, including that of Jiangxi Province, promulgated local implementation rules on the administration of microcredit companies.

The Notice on Issuing Implementation Opinions on and Interim Measures of the Pilot Establishment of Microcredit Companies issued by the Jiangxi Provincial Government in February 2009, or the Implementation Opinions and Interim Measures, provide that the sources of funds of a microcredit company must be limited to the capital contributions paid by its shareholders, monetary donations, and loans provided by no more than two banking financial institutions, and that the outstanding loans from such banking financial institutions do not exceed 50% of the net capital of the microcredit company. Among other requirements, the Implementation Opinions and Interim Measures require a microcredit company to grant at least 70% of its loans to those borrowers having less than RMB0.5 million loan balance and the remaining 30% of its loans to those borrowers having a loan balance less than 5% of the net capital of the microcredit company. In addition, a microcredit company is not permitted to conduct any businesses outside the county where it is located.

In March 2012, Jiangxi Financial Service Office, the regulatory authority for microcredit companies in Jiangxi Province, promulgated Measures for the Supervision and Administration of Microcredit Companies in Jiangxi Province (Trial Version), to impose the management duties upon the relevant regulatory authorities and to specify more detailed requirements on the microcredit companies, in accordance with which, among other requirements, (i) the microcredit companies are prohibited from engaging in deposit taking activities from the public and illegal fund-raising; (ii) the modification of certain company registration issues shall be subject to the approval by the relevant regulatory authorities; and (iii) the microcredit company shall engage in the loan business in the place of registration and in or around the surrounding counties within the same municipality of the place of registration, and the loan balance for the borrowers in the county of registration shall not be less than the 60% of the aggregate loan balance.

In August 2016, the Interim Measures for the Supervision and Administration of Network Microcredit Companies in Ji'an Municipality issued by the Ji'an Municipality Government, or the Ji'an Network Microcredit Companies Interim Measures, provide that a network microcredit company is entitled to conduct business on the internet, and could raise funds through capital contributions from its shareholders, loans from its shareholders and banking financial institutions, and bonds issuance in the securities market. Neither the outstanding loans from banks nor the outstanding bonds amount issued in the securities market shall exceed two times the registered capital of the network microcredit company, and the outstanding loans from its shareholders shall not exceed the registered capital of the network microcredit company. In addition, the Ji'an Network Microcredit Companies Interim Measures require a network microcredit company to grant no less than 70% of its aggregate loan balance to those borrowers with less than RMB1 million in total loan balance and the aggregate loan balance for one borrower shall not exceed 5% of its net capital.

Jiangxi Financial Service Office, the regulatory authority for microcredit companies in Jiangxi Province, issued the Guidelines for the Supervision and Administration of Network Microcredit Companies of Jiangxi Province (for Trial Implementation) in September 2016, or Jiangxi Network Microcredit Companies Guidelines, to provide more specific rules on the supervision and administration of network microcredit companies in Jiangxi Province, pursuant to which, among other things, the network microcredit company could raise funds through transferring credit asset and asset-backed securitization with the approval of the regulatory authority, apart from the capital contributions paid by its shareholders and loans from no more than two banking financial institutions. In addition,

Jiangxi Network Microcredit Companies Guidelines require that (i) the network microcredit company shall primarily conduct its microcredit loan business through the internet, and that the working capital used in the microcredit loan business through the internet shall be no less than 70% of the aggregate working capital of such network microcredit company, and (ii) the aggregate loan balance within the municipality where such network microcredit company is located shall be no less than 30% of the aggregate loan balance of the network microcredit company.

We engage in network microcredit businesses through Ji'an Fenqile Network Microcredit Co., Ltd., a subsidiary of Shenzhen Fenqile, in Ji'an, Jiangxi Province, which has obtained the authority's permission.

Regulations Relating to Financing Guarantee

In August 2010, CBRC, NDRC, MIIT, MOC, PBOC, SAIC and Ministry of Finance of PRC promulgated the Tentative Administrative Measures for Financing Guarantee Companies. The Tentative Administrative Measures for Financing Guarantee Companies require an entity or individual to obtain a prior approval from the relevant regulatory body to engage in the financing guarantee business, and defines "financing guarantee" as an activity whereby the guarantor and the creditor, such as a financial institution in the banking sector, agree that the guarantor shall bear the guarantee obligations in the event that the secured party fails to perform its financing debt owed to the creditor.

In August 2017, the State Council promulgated the Regulations on the Supervision and Administration of Financing Guarantee Companies, or the Financing Guarantee Regulations, which became effective on October 1, 2017. The Financing Guarantee Regulations define "financing guarantee" as a guarantee provided for the debt financing (including but not limited to the extension of loans or issuance of bonds), and set out that the establishment of a financing guarantee company or engagement in the financing guarantee business without approval may result in several penalties, including but not limited to banning, an order to cease business operation, confiscation of illegal gains, fines of up to RMB 1,000,000, and criminal liabilities.

Regulations Relating to Anti-Money Laundering

The PRC Anti-money Laundering Law, which became effective in January 2007, sets forth the principal anti-money laundering requirements applicable to financial institutions as well as non-financial institutions with anti-money laundering obligations, including the adoption of precautionary and supervisory measures, establishment of various systems for client identification, retention of clients' identification information and transactions records, and reports on large transactions and suspicious transactions. According to the PRC Anti-money Laundering Law, financial institutions subject to the PRC Anti-money Laundering Law include banks, credit unions, trust investment companies, stock brokerage companies, futures brokerage companies, insurance companies and other financial institutions as listed and published by the State Council, while the list of the non-financial institutions with anti-money laundering obligations will be published by the State Council. The PBOC and other governmental authorities issued a series of administrative rules and regulations to specify the anti-money laundering obligations of financial institutions and certain non-financial institutions, such as payment institutions. However, the State Council has not promulgated a list of the non-financial institutions subject to anti-money laundering obligations.

The Guidelines jointly released by ten PRC regulatory agencies in July 2015, purport, among other things, to require the internet finance industry, including online peer-to-peer lending platforms, to comply with certain anti-money laundering requirements, including establishing a customer identification program, monitoring and reporting of suspicious transactions, preserving customer information and transaction records, and providing assistance to the public security department and judicial authority in investigations and proceedings in relation to anti-money laundering matters. The

PBOC will formulate implementation rules to further specify the anti-money laundering obligations of internet finance industry.

Pursuant to the Interim Measures, an online lending intermediary shall perform the anti-money laundering obligations by verifying client identity, reporting suspicious transactions, keeping identity data and transaction records, etc.

In addition, the Custodian Guidelines requires that the anti-money laundering obligation be included in the fund custodian agreements between an online lending intermediary and the commercial bank acting as the depositary, and the online lending intermediary shall fulfill and cooperate with depositary to fulfill anti-money laundering obligations.

Regulations Relating to Internet Information Security and Privacy Protection

Internet information in China is regulated from a national security standpoint. The NPC has enacted the Decisions on Preserving Internet Security in December 2000 and amended in August 2009, which subject violators to potential criminal punishment in China for any effort to: (i) gain improper entry into a computer or system of strategic importance; (ii) disseminate politically disruptive information; (iii) leak state secrets; (iv) spread false commercial information; or (v) infringe intellectual property rights. The MPS has promulgated measures that prohibit use of the internet in ways which, among other things, result in a leak of state secrets or a spread of socially destabilizing content. If an internet information service provider violates these measures, the MPS and its local branches may revoke its operating license and shut down its websites.

In recent years, PRC government authorities have enacted laws and regulations on internet use to protect personal information from any unauthorized disclosure. Under the Several Provisions on Regulating the Market Order of Internet Information Services, issued by the MIIT in December 2011 and effective in March 2012, an internet information service provider may not collect any user personal information or provide any such information to third parties without the consent of the user. An internet information service provider must expressly inform the users of the method, content and purpose of the collection and processing of such user personal information and may only collect such information necessary for the provision of its services. An internet information service provider is also required to properly maintain the user's personal information, and in case of any leak or likely leak of the user's personal information, the internet information service provider must take immediate remedial measures and, in severe circumstances, immediately report to the telecommunications authority. In addition, pursuant to the Decision on Strengthening the Protection of Online Information issued by the Standing Committee of the NPC in December 2012, the Order for the Protection of Telecommunication and Internet User Personal Information issued by the MIIT in July 2013 and came into force in September 2013, any collection and use of user personal information must be subject to the consent of the user, abide by the principles of legality, rationality and necessity and be within the specified purposes, methods and scopes. An internet information service provider must also keep such information strictly confidential, and is further prohibited from divulging, tampering or destroying any such information, or selling or providing such information to other parties. An internet information service provider is required to take technical and other measures to prevent the collected personal information from any unauthorized disclosure, damage or loss. Any violation of these laws and regulations may subject the internet information service provider to warnings, fines, confiscation of illegal gains, revocation of licenses, cancellation of filings, closedown of websites or even criminal liabilities.

Moreover, pursuant to the Ninth Amendment to the Criminal Law issued by the Standing Committee of the NPC in August 2015 which became effective in November 2015, any internet service provider that fails to fulfill the obligations related to internet information security administration as required by applicable laws and refuses to rectify upon orders, shall be subject to criminal penalty for

the result of (i) any dissemination of illegal information in large scale; (ii) any severe effect due to the leakage of the client's information; (iii) any serious loss of criminal evidence; or (iv) other severe situation. Any individual or entity that (i) sells or provides personal information to others in a way violating the applicable law, or (ii) steals or illegally obtain any personal information, shall be subject to criminal penalty in severe situation. In addition, the Interpretations of the Supreme People's Court and the Supreme People's Procuratorate of the PRC on Several Issues Concerning the Application of Law in Handling Criminal Cases of Infringing Personal Information, issued in May 2017 and effective in June 2017, clarified certain standards for the conviction and sentencing of the criminals in relation to personal information infringement.

In November 2016, the Standing Committee of the NPC released the Internet Security Law, which took effect in June 2017. The Internet Security Law requires network operators to perform certain functions related to internet security protection and the strengthening of network information management. For instance, under the Internet Security Law, network operators of key information infrastructure generally shall, during their operations in the PRC, store the personal information and important data collected and produced within the territory of the PRC.

The Guidelines and the Interim Measures also set out certain requirements applicable to online lending intermediaries on, among other things, internet and information security. For example, an online lending intermediary shall in accordance with the relevant provisions on internet security of the state and the requirements of the state's system for classified protection of information security, conduct the record-filing of the class determination and class testing of information system, and possess perfect internet security facility and management system.

Regulations Relating to Online Transaction

The principal legislation with respect to the online and mobile commerce industry is the Online Transaction Measures. The Online Transaction Measures impose more stringent requirements and obligations on online trading or service operators as well as the marketplace platform providers. For example, the marketplace platform providers are obligated to examine the legal status of each third-party merchant selling products or services on the platform and display on a prominent location on the web page of such merchant the information stated in the merchant's business license or a link to such business license. Where the marketplace platform providers also act as online distributors, these marketplace platform providers must make a clear distinction between their online direct sales and sales of third-party merchant products on the marketplace platform. Moreover, consumers are generally entitled to return the products sold by an online trading operator within seven days upon the receipt thereof and are not required to provide reasons for such return.

Regulations Relating to Product Quality and Consumer Rights Protection

Pursuant to the Product Quality Law of PRC promulgated by the Standing Committee of the NPC in February 1993, amended in July 2000 and further amended in August 2009, or the Product Quality Law, a seller must establish and practice a check-for-acceptance system for replenishment of its stock, and examine the quality certificates and other marks and must also adopt measures to keep the products for sale in good quality. Violation of the Product Quality Law could result in various penalties, including the imposition of fines, suspension of business operations, revocation of business licenses or criminal liabilities. Where a defective product causes physical injury to a person or damage to other person's property, the victim may claim compensation from the manufacturer or from the seller of the product. If the seller pays compensation and it is the manufacturer that should bear the liability, the seller has a right of recourse against the manufacturer. Similarly, if the manufacturer pays compensation and it is the seller that should bear the liability, the manufacturer has a right of recourse against the seller.

The PRC Consumer Rights and Interests Protection Law, as amended and effective as of March 15, 2014, and the Online Transaction Measures, have provided stringent requirements and obligations on business operators, including internet business operators and platform service providers. For example, consumers are entitled to return goods purchased online, subject to certain exceptions, within seven days upon receipt of such goods for no reason. To ensure that sellers and service providers comply with these laws and regulations, the platform operators are required to implement rules governing transactions on the platform, monitor the information posted by sellers and service providers, and report any violations by such sellers or service providers to the relevant authorities. In addition, online marketplace platform providers may, pursuant to the relevant PRC consumer protection laws, be exposed to liabilities if the lawful rights and interests of consumers are infringed upon in connection with consumers' purchase of goods or acceptance of services on online marketplace platforms and the online marketplace platform providers fail to provide consumers with the contact information of the seller or manufacturer. In addition, online marketplace platform providers may be jointly and severally liable with sellers and manufacturers if they are aware or should be aware that any seller or manufacturer is using the online platform to infringe upon the lawful rights and interests of consumers and fail to take measures necessary to prevent or stop such activity.

The Tort Liability Law of the PRC, which was enacted by the Standing Committee of the NPC in December 2009 and took effect in July 2010, also provides that if an online service provider is aware that an online user is committing infringing activities, such as selling counterfeit products, through its internet services and fails to take necessary measures, it shall be jointly liable with the said online user for such infringement. If the online service provider receives any notice from the infringed party on any infringing activities, the online service provider shall take necessary measures, including deleting, blocking and unlinking the infringing content, in a timely manner. Otherwise, it will be jointly liable with the relevant online user for the extended damages.

Regulations Relating to Intellectual Property Rights

The PRC has adopted comprehensive legislation governing intellectual property rights, including copyrights, patents, trademarks and domain names.

Copyright. Copyright in the PRC, including copyrighted software, is principally protected under the Copyright Law of the PRC promulgated in February 2010 and which took effect in April 2010, or the Copyright Law, and related rules and regulations. Under the Copyright Law, the term of protection for copyrighted software is 50 years.

Patent. The Patent Law of the PRC promulgated in December 2008 and which became effective in October 2009, or the Patent Law, provides for patentable inventions, utility models and designs. An invention or utility model for which patents may be granted shall have novelty, creativity and practical applicability. The State Intellectual Property Office under the State Council is responsible for examining and approving patent applications.

Trademark. The Trademark Law of the PRC promulgated in August 2013 which took effect in May 2014, or the Trademark Law, and its implementation rules protect registered trademarks. The PRC Trademark Office of the SAIC is responsible for the registration and administration of trademarks throughout the PRC. The Trademark Law has adopted a "first-to-file" principle with respect to trademark registration.

Domain Name. Domain names are protected under the Administrative Measures on the Internet Domain Names promulgated by the MIIT in November 2004 which became effective in December 2004, or the Domain Names Measures. The MIIT is the major regulatory body responsible for the administration of the PRC internet domain names. The Domain Names Measures has adopted a "first-to-file" principle with respect to the registration of domain names.

Regulations Relating to Tax

Enterprise Income Tax

PRC enterprise income tax is calculated based on taxable income, which is determined under (i) the PRC Enterprise Income Tax Law, promulgated by the NPC and implemented in January 2008, or the EIT Law, and (ii) the implementation rules to the EIT Law promulgated by the State Council and implemented in January 2008. The EIT Law imposes a uniform enterprise income tax rate of 25% on all resident enterprises in the PRC, including foreign-invested enterprises and domestic enterprises, unless they qualify for certain exceptions. According to the EIT Law and its implementation rules, the income tax rate of an enterprise that has been determined to be a high and new technology enterprise may be reduced to 15% with the approval of relevant tax authorities.

In addition, according to the EIT Law, enterprises registered in countries or regions outside the PRC but have their "de facto management bodies" located within China may be considered as PRC resident enterprises and are therefore subject to PRC enterprise income tax at the rate of 25% on their worldwide income. Though the implementation rules of the EIT Law define "de facto management bodies" as "establishments that carry out substantial and overall management and control over the manufacturing and business operations, personnel, accounting, properties, etc., of an enterprise," the only detailed guidance currently available for the definition of "de facto management body" as well as the determination and administration of tax residency status of offshore-incorporated enterprises are set forth in the Notice Regarding the Determination of Chinese-Controlled Overseas Incorporated Enterprises as PRC Tax Resident Enterprises on the Basis of De Facto Management Bodies promulgated by the State Administration of Taxation, or the SAT, in April 2009, or Circular 82, and the Administrative Measures for Enterprise Income Tax of Chinese-Controlled Overseas Incorporated Resident Enterprises (Trial Version) issued by the SAT in July 2011, or Bulletin No. 45, which provides guidance on the administration as well as the determination of the tax residency status of a Chinese-controlled offshore-incorporated enterprise, defined as an enterprise that is incorporated under the law of a foreign country or territory and that has a PRC company or PRC corporate group as its primary controlling shareholder.

According to Circular 82, a Chinese-controlled offshore-incorporated enterprise will be regarded as a PRC resident enterprise by virtue of having its "de facto management body" in China and will be subject to PRC enterprise income tax on its global income only if all of the following conditions are met:

- the primary location of the day-to-day operational management and the places where they perform their duties are in the PRC;
- decisions relating to the enterprise's financial and human resource matters are made or are subject to approval of organizations or personnel in the PRC;
- the enterprise's primary assets, accounting books and records, company seals and board and shareholder resolutions are located or maintained in the PRC; and
- 50% or more of voting board members or senior executives habitually reside in the PRC.

Bulletin No. 45 further clarifies certain issues related to the determination of tax resident status and competent tax authorities. It also specifies that when provided with a copy of Recognition of Residential Status from a resident Chinese-controlled offshore-incorporated enterprise, a payer does not need to withhold income tax when paying certain PRC-sourced income such as dividends, interest and royalties to such Chinese-controlled offshore-incorporated enterprise.

Income Tax for Share Transfers

According to the Notice on Strengthening Administration of Enterprise Income Tax for Share Transfers by Non-Resident Enterprises, or Circular 698, promulgated by the SAT in December 2009 which took effect in January 2008, and the Announcement of the SAT on Several Issues Concerning the Enterprise Income Tax on Indirect Property Transfer by Non-Resident Enterprises, or Circular 7, promulgated by the SAT in February 2015, if a non-resident enterprise transfers the equity interests of a PRC resident enterprise indirectly by transfer of the equity interests of an offshore holding company (other than a purchase and sale of shares issued by a PRC resident enterprise in public securities market) without a reasonable commercial purpose, the PRC tax authorities have the power to reassess the nature of the transaction and the indirect equity transfer will be treated as a direct transfer. As a result, the gain derived from such transfer, which means the equity transfer price less the cost of equity, will be subject to PRC withholding tax at a rate of up to 10%. Under the terms of Circular 7, the transfer which meets all of the following circumstances shall be directly deemed as having no reasonable commercial purposes: (i) over 75% of the value of the equity interests of the offshore holding company are directly or indirectly derived from PRC taxable properties; (ii) at any time during the year before the indirect transfer, over 90% of the total properties of the offshore holding company are investments within PRC territory, or in the year before the indirect transfer, over 90% of the offshore holding company's revenue is directly or indirectly derived from PRC territory; (iii) the function performed and risks assumed by the offshore holding company are insufficient to substantiate its corporate existence; or (iv) the foreign income tax imposed on the indirect transfer is lower than the PRC tax imposed on the direct transfer of the PRC taxable properties.

There is uncertainty as to the application of Circular 698 and Circular 7. Circular 698 and Circular 7 may be determined by the PRC tax authorities to be applicable to our prior private equity financing transactions that involved non-resident investors, if any of such transactions are determined by the tax authorities to lack reasonable commercial purpose. As a result, we and our non-resident investors in such transactions may become at risk of being taxed under Circular 698 and Circular 7, and we may be required to expend valuable resources to comply with Circular 698 and Circular 7 or to establish that we should not be taxed under the general anti-avoidance rule of the EIT Law, which may have a material adverse effect on our financial condition and results of operations.

Dividend Withholding Tax

Pursuant to the EIT Law and its implementation rules, if a non-resident enterprise has not set up an organization or establishment in the PRC, or has set up an organization or establishment but the income derived has no actual connection with such organization or establishment, it will be subject to a withholding tax on its PRC-sourced income at a rate of 10%. Pursuant to the Arrangement between Mainland China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and Tax Evasion on Income, the withholding tax rate in respect to the payment of dividends by a PRC enterprise to a Hong Kong enterprise is reduced to 5% from a standard rate of 10% if the Hong Kong enterprise directly holds at least 25% of the PRC enterprise. Pursuant to the Notice of the SAT on the Issues concerning the Application of the Dividend Clauses of Tax Agreements, or Circular 81, promulgated by the SAT in February 2009, a Hong Kong resident enterprise must meet the following conditions, among others, in order to enjoy the reduced withholding tax: (i) it should be a company as provided in the tax treaty; (ii) it must directly own the required percentage of equity interests and voting rights in the PRC resident enterprise; and (iii) it must have directly owned such percentage in the PRC resident enterprise throughout the 12 months prior to receiving the dividends. In August 2015, the SAT promulgated the Administrative Measures for Non-Resident Taxpayers to Enjoy Treatments under Tax Treaties, or Circular 60, which became effective in November 2015. Circular 60 provides that non-resident enterprises are not required to obtain pre-approval from the relevant tax authority in order to enjoy the reduced withholding tax rate. Instead, non-resident

enterprises and their withholding agents may, by self-assessment and on confirmation that the prescribed criteria to enjoy the tax treaty benefits are met, directly apply the reduced withholding tax rate, and file necessary forms and supporting documents when performing tax filings, which will be subject to post-tax filing examinations by the relevant tax authorities. Accordingly, Installment (HK) Investment Limited, our Hong Kong subsidiary, may be able to enjoy the 5% withholding tax rate for the dividends they receive from Beijing Shijitong Technology Co., Ltd., our PRC subsidiary, if it satisfies the conditions prescribed under Circular 81 and other relevant tax rules and regulations. However, according to Circular 81, if the relevant tax authorities consider the transactions or arrangements we have are for the primary purpose of enjoying a favorable tax treatment, the relevant tax authorities may adjust the favorable withholding tax in the future.

Regulations Relating to Foreign Currency Exchange

Foreign Currency Exchange

The principal regulations governing foreign currency exchange in China are the Regulations of the People's Republic of China on Foreign Exchange Control, promulgated by the State Council as amended in August 2008. Under these regulations, the Renminbi is freely convertible for current account items, including the trade and service-related foreign exchange transactions and other current exchange transactions, but not for capital account items, such as direct investments, loans, repatriation of investments and investments in securities, unless the prior approval of the State Administration of Foreign Exchange, or SAFE, is obtained and prior registration with SAFE is made.

In August 2008, the Notice of the General Affairs Department of the State Administration of Foreign Exchange on the Relevant Operating Issues concerning the Improvement of the Administration of Payment and Settlement of Foreign Currency Capital of Foreign-invested Enterprises, or Circular 142, was promulgated by the General Affairs Department of SAFE, which regulates the conversion by foreign-invested enterprises of foreign currency into Renminbi by restricting how the converted Renminbi may be used. Circular 142 requires that Renminbi converted from the foreign currency-denominated capital of a foreign-invested enterprise may only be used for purposes within the business scope approved by the relevant government authority and may not be used to make equity investments in PRC, unless specifically provided otherwise. SAFE further strengthened its oversight over the flow and use of Renminbi funds converted from the foreign currency-denominated capital of a foreign-invested enterprise. The use of such Renminbi may not be changed without approval from SAFE, and may not be used to repay Renminbi loans if the proceeds of such loans have not yet been used. Any violation of Circular 142 may result in severe penalties, including substantial fines.

In November 2012, SAFE promulgated the Notice of the State Administration of Foreign Exchange on Further Improving and Adjusting the Foreign Exchange Administration Policies on Direct Investments, which substantially amends and simplifies the current foreign exchange procedure. Pursuant to this circular, the opening of various special purpose foreign exchange accounts, such as pre-establishment expense accounts, foreign exchange capital accounts and guarantee accounts, the reinvestment of Renminbi proceeds by foreign investors in the PRC, and remittance of foreign exchange profits and dividends by a foreign-invested enterprise to its foreign shareholders no longer require the approval or verification of SAFE, and multiple capital accounts for the same entity may be opened in different provinces, which was not possible previously. In addition, SAFE promulgated the Notice of the State Administration of Foreign Exchange on Issuing the Provisions on the Foreign Exchange Administration of Domestic Direct Investment of Foreign Investors and the Supporting Documents in May 2013, which specifies that the administration by SAFE or its local branches over direct investment by foreign investors in the PRC shall be conducted by way of registration and banks shall process foreign exchange business relating to the direct investment in the PRC based on the registration information provided by SAFE and its branches.

In July 2014, SAFE further reformed the foreign exchange administration system in order to satisfy and facilitate the business and capital operations of FIEs, and issued the Notice of the State Administration of Foreign Exchange on the Pilot Reform of the Administrative Approach Regarding the Settlement of the Foreign Exchange Capitals of Foreign-Invested Enterprises in Certain Areas, or Circular 36, in July 2014. This circular suspends the application of Circular 142 in certain areas and allows a foreign-invested enterprise registered in such areas to use the Renminbi capital converted from foreign currency registered capital for equity investments within the PRC.

In March 2015, SAFE released the Notice of the State Administration of Foreign Exchange on Reforming the Administrative Approach Regarding the Settlement of the Foreign Exchange Capitals of Foreign-invested Enterprises, or Circular 19, which became effective in June 2015 and has made certain adjustments to some regulatory requirements on the settlement of foreign exchange capital of foreign-invested enterprises, lifted some foreign exchange restrictions under Circular 142, and annulled Circular 142 and Circular 36. However, Circular 19 continues to, prohibit foreign-invested enterprises from, among other things, using Renminbi fund converted from its foreign exchange capitals for expenditure beyond its business scope, providing entrusted loans or repaying loans between non-financial enterprises.

In June 2016, SAFE issued the Notice of the State Administration of Foreign Exchange on Reforming and Standardizing the Administrative Provisions on Capital Account Foreign Exchange Settlement, or Circular 16, which took effect on the same day. Compared to Circular 19, Circular 16 provides that, in addition to foreign exchange capital, foreign debt funds and proceeds remitted from foreign listings should also be subject to the discretional foreign exchange settlement. In addition, it also lifted the restriction, that foreign exchange capital under the capital accounts and the corresponding Renminbi capital obtained from foreign exchange settlement should not be used for repaying the inter-enterprise borrowings (including advances by the third party) or repaying bank loans in Renminbi that have been sub-lent to the third party.

In January 2017, SAFE issued SAFE Circular 3, which stipulates several capital control measures with respect to the outbound remittance of profit from domestic entities to offshore entities, including (i) under the principle of genuine transaction, banks shall check board resolutions regarding profit distribution, the original version of tax filing records and audited financial statements; and (ii) domestic entities shall hold income to account for previous years' losses before remitting profits. Moreover, pursuant to SAFE Circular 3, domestic entities shall make detailed explanations of the sources of capital and utilization arrangements, and provide board resolutions, contracts and other proof when completing the registration procedures in connection with an outbound investment.

Foreign Exchange Registration of Overseas Investment by PRC Residents

In July 2014, SAFE promulgated the Notice of the State Administration of Foreign Exchange on the Administration of Foreign Exchange Involved in Overseas Investment, Financing and Return on Investment Conducted by Residents in China via Special-Purpose Companies, or Circular 37, which replaced the former circular commonly known as Circular 75 promulgated by SAFE in October 2005. Circular 37 requires PRC residents to register with local branches of SAFE in connection with their direct establishment or indirect control of an offshore entity, for the purpose of overseas investment and financing, with such PRC residents' legally owned assets or equity interests in domestic enterprises or offshore assets or interests, referred to in Circular 37 as a "special purpose vehicle." Circular 37 further requires amendment to the registration in the event of any significant changes with respect to the special purpose vehicle, such as an increase or decrease of capital contributed by PRC individuals, share transfer or exchange, merger, division or other material event. In the event that a PRC shareholder holding interests in a special purpose vehicle fails to fulfill the required SAFE registration, the PRC subsidiaries of that special purpose vehicle may be prohibited from making profit distributions to the offshore parent and from carrying out subsequent cross-border foreign exchange activities, and

the special purpose vehicle may be restricted in its ability to contribute additional capital into its PRC subsidiary. Furthermore, failure to comply with the various SAFE registration requirements described above could result in liability under PRC law for evasion of foreign exchange controls.

In February 2015, SAFE released the Notice of the State Administration of Foreign Exchange on Further Simplifying and Improving the Policies of Foreign Exchange Administration Applicable to Direct Investment, or Circular 13, which has amended Circular 37 by requiring PRC residents or entities to register with qualified banks rather than SAFE or its local branch in connection with their establishment or control of an offshore entity established for the purpose of overseas investment or financing.

Share Option Rules

Pursuant to Circular 37, PRC residents who participate in share incentive plans in overseas non-publicly-listed companies may submit applications to SAFE or its local branches for the foreign exchange registration with respect to offshore special purpose companies. In addition, under the Notice of the State Administration of Foreign Exchange on Issues Related to Foreign Exchange Administration in Domestic Individuals' Participation in Equity Incentive Plans of Companies Listed Abroad issued by SAFE in February 2012, or the Share Option Rules, PRC residents who are granted shares or share options by companies listed on overseas stock exchanges under share incentive plans are required to (i) register with SAFE or its local branches, (ii) retain a qualified PRC agent, which may be a PRC subsidiary of the overseas listed company or another qualified institution selected by the PRC subsidiary, to conduct SAFE registration and other procedures with respect to the share incentive plans on behalf of the participants, and (iii) retain an overseas institution to handle matters in connection with their exercise of share options, purchase and sale of shares or interests and funds transfers.

Regulations Relating to Dividend Distribution

Under our current corporate structure, our Cayman Islands holding company may rely on dividend payments from Beijing Shijitong Technology Co., Ltd., which is a wholly foreign-owned enterprise incorporated in China, to fund any cash and financing requirements we may have. The principal legislation with respect to payment or distribution of dividends by wholly foreign-owned enterprises include (i) the Company Law of the PRC, most recently amended by the Standing Committee of the NPC as of March 1, 2014, (ii) the Wholly Foreign-Owned Enterprise Law, most recently amended by the Standing Committee of the NPC as of September 3, 2016, and its implementation rules. Under these laws, wholly foreign-owned enterprises in the PRC may pay dividends only out of accumulated profits, after setting aside annually at least 10% of accumulated after-tax profits as reserve fund, if any, unless these reserves have reached 50% of the registered capital of the enterprises. These reserve funds may not be distributed as cash dividends. A wholly foreign-owned enterprise may allocate a portion of its after-tax profits to its employee welfare and bonus funds at its discretion. Profit of a wholly foreign-owned enterprise shall not be distributed before the losses thereof for the previous accounting years have been made up. Profits retained from prior fiscal years may be distributed together with distributable profits from the current fiscal year.

Regulations Relating to M&A and Overseas Listings

Six PRC regulatory agencies, including China Securities Regulatory Commission, or the CSRC, jointly adopted the Regulations on Mergers and Acquisitions of Domestic Enterprises by Foreign Investors, which became effective in September 2006 and was amended in June 2009, or the M&A Rules. The M&A Rules, among other things, require offshore special purpose vehicles formed for overseas listing purposes through acquisitions of PRC domestic companies and controlled by PRC

companies or individuals, to obtain the approval of the CSRC prior to publicly listing their securities on an overseas stock exchange.

Regulations Relating to Employment

Pursuant to the Labor Law of PRC, promulgated by the NPC in July 1994 and revised in August 2009, or the Labor Law, and the Labor Contract Law of PRC, promulgated by Standing Committee of the NPC in June 2007 and amended in December 2012, or the Labor Contract Law, employers must execute written employment contracts with full-time employees. If an employer fails to enter into a written employment contract with an employee for more than a month but less than a year from the date on which the employment relationship is established, the employer must rectify the situation by entering into a written employment contract with the employee and pay the employee twice the employee's salary for the period from the day following the lapse of one month from the date of establishment of the employment relationship to the day prior to the execution of the written employment contract. If an employer fails to conclude a written labor contract with a worker within one year as of the date when it employs the worker, it shall be deemed to have concluded an open-ended labor contract with the latter. All employers must compensate their employees with wages equal to at least the local minimum wage. Violations of the Labor Law and the Labor Contract Law may result in fines and other administrative sanctions, and serious violations may result in criminal liabilities.

Enterprises in China are required by the Social Insurance Law of PRC promulgated by the Standing Committee of the NPC in October 2010 which became effective in July 2011, or the Social Insurance Law, the Regulations on Management of Housing Provident Fund released by the State Council in March 2002, and other related rules and regulations, to participate in certain employee benefit plans, including social insurance funds, namely a pension plan, a medical insurance plan, an unemployment insurance plan, an on-the-job injury insurance plan and a maternity insurance plan, and a housing provident fund, and contribute to the plans or funds in amounts equal to certain percentages of salaries, including bonuses and allowances, of the employees as specified by the local government. Failure to make adequate contributions to various employee benefit plans may be subject to fines and other administrative sanctions. According to the Social Insurance Law, an employer that fails to make social insurance contributions may be ordered to rectify the non-compliance and pay the required contributions within a stipulated deadline and be subject to a late fee of 0.05% per day, as the case may be. If the employer still fails to rectify the failure to make social insurance contributions within the deadline, it may be subject to a fine ranging from one to three times the amount overdue. According to the Regulations on Management of Housing Fund, an enterprise that fails to make housing fund contributions may be ordered to rectify the noncompliance and pay the required contributions within a stipulated deadline; otherwise, an application may be made to a local court for compulsory enforcement.

MANAGEMENT

Directors and Executive Officers

The following table sets forth information regarding our directors and executive officers as of the date of this prospectus.

Directors and Executive Officers	Age	Position/Title
Jay Wenjie Xiao	34	Chief Executive Officer and Director
Jared Yi Wu	38	President and Director
Craig Yan Zeng(1)	49	Chief Financial Officer and Director Appointee
Luping Le	37	Chief Operation Officer
Kris Qian Qiao	39	Chief Financing Cooperation Officer
Ryan Huanian Liu	39	Chief Risk Officer
Keyi Chen	40	Director
Yibo Shao	44	Director
Wei Wu(2)	52	Independent Director Appointee

(1) Mr. Craig Yan Zeng has been appointed by our board of directors as our director, effective upon the SEC's declaration of effectiveness of our registration statement on Form F-1, of which this prospectus is a part.

(2) Mr. Wei Wu has accepted the appointment to become our director, effective upon the SEC's declaration of effectiveness of our registration statement on Form F-1, of which this prospectus is a part.

Mr. Jay Wenjie Xiao is our founder and has served as our chief executive officer and director since our inception. Mr. Xiao has over 10 years of experience in the online finance industry. Prior to founding our company, Mr. Xiao served as product manager in the infrastructure platform department of Tenpay, a leading online payment platform in China owned by Tencent, and was responsible for product development and operations. Mr. Xiao received his bachelor's degree in design from Nanchang Hangkong University in 2005.

Mr. Jared Yi Wu has served as our president since May 2016 and as our director since November 2017. Prior to joining us, Mr. Wu served at Tencent for 9 years. From 2013 to 2016, Mr. Wu served as general manager of WeChat Pay, an integrated feature in Tencent's WeChat. From 2007 to 2013, Mr. Wu served first as the director of product development at Tenpay and then as its deputy general manager. Mr. Wu received his master's degree in computing and internet systems from King's College London in 2003 and his bachelor's degree in automation from South China University Technology in 2002. He obtained his EMBA degree from China Europe International Business School.

Mr. Craig Yan Zeng has served as our chief financial officer since November 2016, and will serve as our director commencing from the SEC's declaration of effectiveness of our registration statement on Form F-1, of which this prospectus is a part. Mr. Craig Yan Zeng previously held various senior management positions at other companies. Prior to joining us, Mr. Craig Yan Zeng served as chief financial officer of YeePay. From 2013 to 2015, Mr. Zeng served as vice president of Hop Hing Group Holdings Limited, a company listed on the Hong Kong Stock Exchange. From 2010 to 2013, Mr. Zeng served as executive vice president of VanceInfo Technologies Inc., a NYSE-listed company. Prior to 2010, Mr. Zeng served as a financial director at Microsoft (Greater China), and was chief operating officer and chief financial officer of Venustech Group Inc. Mr. Zeng received his master's degree in business administration from the Stern School of Business at New York University in 1999 and his bachelor's degree in chemistry from Beijing University of Chemical Technology in 1991.

Ms. Luping Le has served as chief operation officer since August 2015. Ms. Le has over 13 years of experience in the internet industry and served as general manager in the MIG marketing department of Tencent before joining our company. Ms. Le received her master's degree in business administration from the Shanghai University of Finance and Economics in 2010 and her bachelor's degree in business

administration from Guangdong University of Finance and Economics in 2002. Ms. Le is currently enrolled in the EMBA program at the Hong Kong University of Science and Technology.

Mr. Kris Qian Qiao has served as our chief financing cooperation officer since April 2016. He was our vice president from December 2013 to March 2016. Mr. Qiao has over 14 years of experience in finance and other related areas. Prior to joining our company, Mr. Qiao worked as senior manager of China Universal Asset Management Co., Ltd. from 2010 to 2012. Prior to that, Mr. Qiao was senior product manager for financing cooperation at Tenpay from 2005 to 2010. Mr. Qiao also served as software engineer and project manager at the Bank of China Software Development Center (Shenzhen) from 2002 to 2005. Mr. Qiao received his master's degree in business administration from the Hong Kong Polytechnic University and his bachelor's degree in applied computer science from Henan University, Mr. Qiao is currently enrolled in the EMBA program at Cheung Kong Graduate School of Business.

Mr. Ryan Huanian Liu has served as our chief risk officer since April 2015. Mr. Liu has over 14 years of experience of working in large financial institutions. Mr. Liu served as the general manager at the Zhejiang Province branch of PingAn Private Bank from May 2014 to April 2015. Prior to that, Mr. Liu was executive director of PingAn Trust Co., Ltd. from March 2013 to May 2014. Mr. Liu also served as the senior vice president of risk at Societe Generale from September 2010 to March 2013. From June 2007 to September 2010, Mr. Liu served as a senior risk manager of Standard Chartered Bank. Between April 2005 and June 2007, Mr. Liu served as the Asia risk manager at GE Capital. Mr. Liu received his master's degree in informatics from the University of Edinburgh in 2002 and his bachelor's degree in statistics from Zhejiang University in 2000.

Mr. Keyi Chen has served as our director since July 2014. Since 2010, Mr. Chen has served as the managing partner for K2 Partners in charge of fund operations. Prior to joining K2 Partners, Mr. Chen served as a principal in Ce Yuan Ventures covering early stage investments in the companies from the technology, media and telecommunication sector. Mr. Chen received his bachelor's degree in economics from Peking University in 2001.

Mr. Yibo Shao has served as our director since July 2014. Mr. Shao is the co-founder and managing partner of Matrix Partners China, a leading venture capital firm in China focusing on the technology sector. Mr. Shao co-founded BabyTree.com, a parenting website and community in China, and co-founded and serves as the chairman of Nuance Biotech Inc. In addition, Mr. Shao founded EachNet.com and served as its chief executive officer until its acquisition by eBay in 2003. He also served as its chief executive officer from 1999 to September 21, 2006. He worked at Boston Consulting Group and Goldman Sachs prior to founding EachNet. Mr. Shao received his bachelor degree in physics and electrical engineering from Harvard College and MBA degree from Harvard Business School. Mr. Shao has been named one of the Young Global Leaders of the World Economic Forum and Entrepreneur of the Year 2003 by Asian Venture Capital Journal.

Mr. Wei Wu will serve as our independent director commencing from the SEC's declaration of effectiveness of our registration statement on Form F-1, of which this prospectus is a part. Mr. Wu has over 17 years of experience in the investment banking industry. Mr. Wu held several senior positions at leading investment banks. He served as managing director from 2010 to 2017 and as executive director from 2008 to 2010 at Nomura International (Hong Kong) Limited, leading the coverage of TMT sector and general industrial sectors in China. From 2007 to 2008, Mr. Wu served as senior vice president at Lehman Brothers in Hong Kong. Mr. Wu received his bachelor's degree in economics from Peking University in 1988 and his MBA degree from Harvard Business School in 2000.

Board of Directors

Our board of directors will consist of six directors upon the SEC's declaration of effectiveness of our registration statement on Form F-1, of which this prospectus is a part. A director is not required to

hold any shares in our company to qualify to serve as a director. A director who is in any way, whether directly or indirectly, interested in a contract or proposed contract with our company is required to declare the nature of his interest at a meeting of our directors. A director may vote in respect of any contract, proposed contract or arrangement notwithstanding that he may be interested therein, and if he does so his vote shall be counted and he may be counted in the quorum at any meeting of our directors at which any such contract or proposed contract or arrangement is considered. The directors may exercise all the powers of our company to borrow money, to mortgage or charge its undertaking, property and uncalled capital, and to issue debentures or other securities whenever money is borrowed or as security for any debt, liability or obligation of our company or of any third party. None of our non-executive directors has a service contract with us that provides for benefits upon termination of service.

Committees of the Board of Directors

We will establish three committees under the board of directors immediately upon the effectiveness of our registration statement on Form F-1, of which this prospectus is a part: an audit committee, a compensation committee and a nominating and corporate governance committee. We will adopt a charter for each of the three committees. Each committee's members and functions are described below.

Audit Committee. Our audit committee will consist of Mr. Wei Wu, Mr. Keyi Chen and Mr. Yibo Shao. Mr. Wei Wu will be the chairman of our audit committee. We have determined that Mr. Wei Wu satisfies the "independence" requirements of Rule5605(c)(2) of the Listing Rules of the NASDAQ Stock Market and Rule 10A-3 under the Securities Exchange Act of 1934. The audit committee will oversee our accounting and financial reporting processes and the audits of the financial statements of our company. The audit committee will be responsible for, among other things:

- appointing the independent auditors and pre-approving all auditing and non-auditing services permitted to be performed by the independent auditors;
- reviewing with the independent auditors any audit problems or difficulties and management's response;
- discussing the annual audited financial statements with management and the independent auditors;
- reviewing the adequacy and effectiveness of our accounting and internal control policies and procedures and any steps taken to monitor and control major financial risk exposures;
- reviewing and approving all proposed related party transactions;
- meeting separately and periodically with management and the independent auditors; and
- monitoring compliance with our code of business conduct and ethics, including reviewing the adequacy and effectiveness of our procedures to ensure proper compliance.

Compensation Committee. Our compensation committee will consist of Mr. Wei Wu, Mr. Jared Yi Wu and Mr. Yibo Shao. will be the chairman of our compensation committee. We have determined Mr. Wei Wu satisfies the "independence" requirements of Rule5605(a)(2) of the Listing Rules of the NASDAQ Stock Market. The compensation committee will assist the board in reviewing and approving the compensation structure, including all forms of compensation, relating to our directors and executive officers. Our chief executive officer may not be present at any committee

meeting during which his compensation is deliberated. The compensation committee will be responsible for, among other things:

- reviewing and approving, or recommending to the board for its approval, the compensation for our chief executive officer and other executive officers;
- reviewing and recommending to the board for determination with respect to the compensation of our non-employee directors;
- reviewing periodically and approving any incentive compensation or equity plans, programs or similar arrangements; and
- selecting compensation consultant, legal counsel or other adviser only after taking into consideration all factors relevant to that person's independence from management.

Nominating and Corporate Governance Committee. Our nominating and corporate governance committee will consist of Mr. Jay Wenjie Xiao, Mr. Wei Wu and Mr. Yibo Shao. Mr. Jay Wenjie Xiao will be the chairperson of our nominating and corporate governance committee. Mr. Wei Wu satisfies the "independence" requirements of Rule5605(a)(2) of the Listing Rules of the NASDAQ Stock Market. The nominating and corporate governance committee will assist the board of directors in selecting individuals qualified to become our directors and in determining the composition of the board and its committees. The nominating and corporate governance committee will be responsible for, among other things:

- selecting and recommending nominees for election by the shareholders or appointment by the board;
- reviewing annually with the board the current composition of the board with regards to characteristics such as independence, knowledge, skills, experience and diversity;
- making recommendations on the frequency and structure of board meetings and monitoring the functioning of the committees of the board; and
- advising the board periodically with regards to significant developments in the law and practice of corporate governance as well as our compliance with applicable laws and regulations, and making recommendations to the board on all matters of corporate governance and on any remedial action to be taken.

Duties of Directors

Under Cayman Islands law, our directors owe fiduciary duties to our company, including a duty of loyalty, a duty to act honestly and a duty to act in what they consider in good faith to be in our best interests. Our directors must also exercise their powers only for a proper purpose. Our directors also have a duty to exercise the skill they actually possess and such care and diligence that a reasonably prudent person would exercise in comparable circumstances. In fulfilling their duty of care to us, our directors must ensure compliance with our memorandum and articles of association, as amended and restated from time to time, and the class rights vested thereunder in the holders of the shares. Our company has the right to seek damages if a duty owed by our directors is breached. A shareholder may in certain limited exceptional circumstances have the right to seek damages in our name if a duty owed by the directors is breached.

Our board of directors has all the powers necessary for managing, and for directing and supervising, our business affairs. The functions and powers of our board of directors include, among others:

- convening shareholders' annual and extraordinary general meetings;

- declaring dividends and distributions;
- appointing officers and determining the term of office of the officers;
- exercising the borrowing powers of our company and mortgaging the property of our company; and
- approving the transfer of shares in our company, including the registration of such shares in our register of members.

Terms of Directors and Officers

Our directors may be elected by a resolution of our board of directors, or by an ordinary resolution of our shareholders. A director may be appointed on terms that the director shall automatically retire from office (unless he has sooner vacated office) at the next or a subsequent annual general meeting or upon any specified event or after any specified period in a written agreement between our company and the director, if any; but no such term shall be implied in the absence of express provision. Each director whose term of office expires shall be eligible for re-election at a meeting of the shareholders or re-appointment by the board of directors. A director may be removed from office by an ordinary resolution of the shareholders. A director will cease to be a director if, among other things, the director (i) becomes bankrupt or makes any arrangement or composition with his creditors; (ii) dies or is found by our company to be or becomes of unsound mind, (iii) resigns his office by notice in writing to the company, or (iv) without special leave of absence from our board, is absent from three consecutive board meetings and our directors resolve that his office be vacated. Our officers are elected by and serve at the discretion of our board of directors.

Employment Agreements and Indemnification Agreements

Prior to the completion of this offering, we plan to enter into new employment agreements with each of our senior executive officers to replace the employment agreements currently in effect. Under these agreements, each of our executive officers is employed for a specified time period. We may terminate employment for cause, at any time, without advance notice or remuneration, for certain acts of the executive officer, such as conviction or plea of guilty to a felony or any crime involving moral turpitude, negligent or dishonest acts to our detriment, or misconduct or a failure to perform agreed duties. We may also terminate an executive officer's employment without cause upon three-month advance written notice. In such case of termination by us, we will provide severance payments to the executive officer as expressly required by applicable law of the jurisdiction where the executive officer is based. The executive officer may resign at any time with a three-month advance written notice.

Each executive officer has agreed to hold, both during and after the termination or expiry of his or her employment agreement, in strict confidence and not to use, except as required in the performance of his or her duties in connection with the employment or pursuant to applicable law, any of our confidential information or trade secrets, any confidential information or trade secrets of our clients or prospective clients, or the confidential or proprietary information of any third party received by us and for which we have confidential obligations. The executive officers have also agreed to disclose in confidence to us all inventions, designs and trade secrets which they conceive, develop or reduce to practice during the executive officer's employment with us and to assign all right, title and interest in them to us, and assist us in obtaining and enforcing patents, copyrights and other legal rights for these inventions, designs and trade secrets.

In addition, each executive officer has agreed to be bound by non-competition and non-solicitation restrictions during the term of his or her employment and typically for one year following the last date of employment. Specifically, each executive officer has agreed not to (i) approach our suppliers, clients, customers or contacts or other persons or entities introduced to the executive officer in his or her

capacity as a representative of us for the purpose of doing business with such persons or entities that will harm our business relationships with these persons or entities; (ii) assume employment with or provide services to any of our competitors, or engage, whether as principal, partner, licensor or otherwise, any of our competitors, without our express consent; or (iii) seek directly or indirectly, to solicit the services of any of our employees who is employed by us on or after the date of the executive officer's termination, or in the year preceding such termination, without our express consent.

We have entered into indemnification agreements with each of our directors and executive officers. Under these agreements, we may agree to indemnify our directors and executive officers against certain liabilities and expenses incurred by such persons in connection with claims made by reason of their being a director or officer of our company.

Compensation of Directors and Executive Officers

For the fiscal year ended December 31, 2016, we paid an aggregate of approximately RMB4.6 million (US$0.67 million) in cash to our executive officers, and we did not pay any compensation to our non-executive directors. We have not set aside or accrued any amount to provide pension, retirement or other similar benefits to our executive officers and directors. Our PRC subsidiaries and our variable interest entity are required by law to make contributions equal to certain percentages of each employee's salary for his or her pension insurance, medical insurance, unemployment insurance, maternity insurance, on-the-job injury insurance, and housing fund plans through a PRC government-mandated defined contribution plan.

Share Incentive Plan

2014 Plan

In September 2014, our board of directors approved the Share Incentive Plan, or the 2014 Plan, to promote our success and the interests of our shareholders by providing a means through which we may grant equity-based incentives to attract, motivate, retain and reward certain officers, employees, directors and other eligible persons and to further link the interests of recipients with those of our shareholders generally. Under the 2014 Plan the maximum aggregate number of Class A Ordinary Shares which may be issued pursuant to all awards under the Share Incentive Plan is 35,456,559. Upon the adoption of the 2017 Plan as described below, we will no longer grant any awards under the 2014 Plan and all future awards will be granted under the 2017 Plan. However, the outstanding awards under the 2014 Plan will not be affected.

The following paragraphs describe the principal terms of the 2014 Plan.

Types of Awards. The Share Incentive Plan permits the awards of option grants and share awards, including restricted share awards.

Plan Administration. Our board of directors or a committee of one or more members of the board of directors, or the plan administrator, will administer the Share Incentive Plan. The committee or the full board of directors, as applicable, will determine the eligibility and participants to receive awards, the type and number of awards to be granted to each participant, and the terms and conditions of each award grant.

Award Agreement. Generally, options and other awards granted under the plan are evidenced by an award agreement providing for the number of ordinary shares subject to the award, and the terms and conditions of the award, which must be consistent with the Share Incentive Plan.

Eligibility. We may grant awards only to those persons that the plan administrator determines to be eligible persons, which may include our officers, employees, directors of our company, or directors, individual consultants or advisors of the affiliates of our company.

Vesting Schedule. In general, the plan administrator determines the vesting schedule, which is specified in the relevant award agreement.

Transfer Restrictions. Awards may not be transferred in any manner by the recipient other than to us, to immediate family, by will or the laws of descent and distribution, or to a designated legal representative upon disability of the recipient.

Termination and Amendment of the Share Incentive Plan. Unless terminated earlier, the Share Incentive Plan has a term of ten years. Our board of directors has the authority to amend or terminate the plan. However, no such action may adversely affect in any material way any awards previously granted unless agreed by the recipient.

2017 Plan

In October 2017, we adopted our 2017 Share Incentive Plan, or the 2017 Plan, which allows us to offer a variety of share-based incentive awards to employees, officers, directors and individual consultants who render services to us. The plan permits the grant of three types of awards: options, restricted shares and restricted share units. The maximum number of our shares that may be issued pursuant to all awards under the 2017 Plan is 22,859,634, plus an annual increase on the first day of each fiscal year of the Company during the ten-year term of the 2017 Plan commencing with the fiscal year beginning January 1, 2019, by an amount equal to 1.0% of the total number of shares issued and outstanding on the last day of the immediately preceding fiscal year. The following paragraphs summarize the terms of the 2017 Plan:

Plan Administration. Our board of directors, or a committee designated by our board of directors, will administer the plan. The committee or the full board of directors, as appropriate, will determine the provisions and terms and conditions of each option grant.

Award Agreements. Options and other awards granted under the plan are evidenced by an award agreement that sets forth the terms, conditions and limitations for each grant, which may include the term of the award and the provisions applicable in the event of the grantee's employment or service terminates. The exercise price of granted options may be amended or adjusted in the absolute discretion of our board of directors, or a committee designated by our board of directors, without the approval of our shareholders or the recipients of the options.

Eligibility. We may grant awards to employees, directors and consultants of our company or any of our affiliates, which include our parent company, subsidiaries and any entities in which our parent company or a subsidiary of our company holds a substantial ownership interest.

Vesting Schedule. In general, the plan administrator determines the vesting schedule, which is specified in the relevant award agreement.

Acceleration of Awards upon Change in Control. If a change-of-control corporate transaction occurs, the plan administrator may, in its sole discretion, provide for (i) all awards outstanding to terminate at a specific time in the future and give each participant the right to exercise the vested portion of such awards during a specific period of time, or (ii) the purchase of any award for an amount of cash equal to the amount that could have been attained upon the exercise of such award, or (iii) the replacement of such award with other rights or property selected by the plan administrator in its sole discretion, or (iv) payment of award in cash based on the value of ordinary shares on the date of the change-of-control corporate transaction plus reasonable interest.

Term of the Options. The term of each option grant shall be stated in the award agreement, provided that the term shall not exceed ten years from the date of the grant.

Transfer Restrictions. Subject to certain exceptions, awards may not be transferred by the recipient, except as otherwise provided by applicable laws or the award agreement.

Termination of the Plan. Unless terminated earlier, the plan will terminate automatically in 2027. Our board of directors has the authority to amend or terminate the plan subject to shareholder approval to the extent necessary to comply with applicable law. However, no such action may impair the rights of any award recipient unless agreed by the recipient

As of the date of this prospectus, we have not granted any awards under the 2017 Plan. The following table summarizes, as of the date of this prospectus, the outstanding options granted under the 2014 Plan to our directors, executive officers and other grantees.

Name	Ordinary Shares Underlying Options Awarded	Exercise Price (US$/Share)	Date of Grant	Date of Expiration
Jay Wenjie Xiao	*	0.0001	September 16, 2014	September 16, 2024
Jared Yi Wu	*	0.0001	June 30, 2016	June 30, 2026
Craig Yan Zeng	*	0.0001	December 31, 2016	December 31, 2026
Luping Le	*	0.0001	August 21, 2015	August 21, 2025
Kris Qian Qiao	*	0.0001	November 16, 2014	November 16, 2024
Ryan Huanian Liu	*	0.0001	August 21, 2015	August 21, 2025
Keyi Chen	—	—	—	—
Yibo Shao	—	—	—	—
Wei Wu	—	—	—	—
All Directors and Executive Officers as a Group	7,100,000			

* Less than 1% of our total outstanding shares.

PRINCIPAL SHAREHOLDERS

Except as specifically noted, the following table sets forth information with respect to the beneficial ownership of our ordinary shares as of the date of this prospectus by:

- each of our directors and executive officers; and
- each of our principal shareholders who beneficially own more than 5% of our total outstanding ordinary shares.

The calculations in the table below are based on 303,718,139 ordinary shares on an as-converted basis outstanding as of the date of this prospectus and ordinary shares outstanding immediately after the completion of this offering, including (i) ordinary shares to be sold by us in this offering in the form of ADSs, and (ii) ordinary shares converted from our outstanding preferred shares, assuming the underwriters do not exercise their over-allotment option.

Beneficial ownership is determined in accordance with the rules and regulations of the SEC. In computing the number of shares beneficially owned by a person and the percentage ownership of that person, we have included shares that the person has the right to acquire within 60 days. These shares, however, are not included in the computation of the percentage ownership of any other person.

	Ordinary Shares Beneficially Owned Prior to This Offering		[Ordinary Shares Being Sold in This Offering]		Ordinary Shares Beneficially Owned Immediately After This Offering			
	Number	%†	Number	%†	Class A ordinary shares	Class B ordinary shares	Percentage of total ordinary shares on an as-converted basis †	Percentage of aggregate voting power ††
Directors and Executive Officers*:								
Jay Wenjie Xiao[1]	111,647,199	36.6						
Jared Yi Wu	*							
Craig Yan Zeng	*	*						
Luping Le	*	*						
Kris Qian Qiao	*	*						
Ryan Huanian Liu	*	*						
Keyi Chen[2]	—	—						
Yibo Shao[3]	—	—						
Wei Wu[4]	—	—						
All Directors and Executive Officers as a Group	114,847,199	37.3						
Principal Shareholders:								
Installment Payment Investment Inc.[5]	110,647,199	36.4						
K2 Partners entities[6]	46,498,256	15.3						
Matrix Partners China III Hong Kong Limited[7]	36,490,086	12.0						
JD.com Asia Pacific Investment Limited and affiliates[8]	36,236,555	11.9						
Magic Peak Investments Limited[9]	19,916,351	6.6						
Apoletto Asia Ltd[10]	18,257,039	6.0						

* Except for Keyi Chen, Yibo Shao and Wei Wu, the business address for our directors and executive officers is 27/F CES Tower No. 3099 Keyuan South Road, Nanshan District, Shenzhen 518052, the People's Republic of China.

† For each person and group included in this column, percentage ownership is calculated by dividing the number of shares beneficially owned by such person or group by the sum of the total number of shares outstanding and the number of shares such person or group has the right to acquire upon exercise of option, warrant or other right within 60 days after the date of this prospectus. The total number of ordinary shares outstanding as of the date of this prospectus is 303,718,139. The total number of ordinary shares outstanding after the completion of this offering will be, including (i) ordinary shares to be sold by us in this offering in the form of ADSs, and (ii) ordinary shares converted from our outstanding preferred shares, assuming the underwriters do not exercise their overallotment option.

†† For each person and group included in this column, percentage of voting power is calculated by dividing the voting power beneficially owned by such person or group by the voting power of all of our Class A and Class B ordinary shares as a single class. Each holder of Class A ordinary shares is entitled to one vote per share and each holder of our Class B ordinary shares is entitled to ten votes per share on all matters submitted to them for vote. Our Class B ordinary shares are convertible at any time by the holder thereof into Class A ordinary shares on a one-for-one basis.

(1) Represents 110,647,199 class A ordinary shares held by The JX Chen Family Trust through Installment Payment Investment Inc., a company incorporated under the laws of the British Virgin Islands, and options we granted to Mr. Xiao to purchase 1,000,000 class A ordinary shares of the company. The registered office address of Installment Payment Investment Inc. is Start Chambers, Wickham's Cay II, P.O. Box 2221, Road Town, Tortola, British Virgin Islands. Installment Payment Investment Inc. is wholly owned by The JX Chen Family Trust, a trust established and settled by Mr. Jay Wenjie Xiao. Mr. Xiao is a beneficiary of the trust, and TMF (Cayman) Ltd., a company incorporated in the Cayman Islands is the trustee of the trustee of the trust. The registered address of TMF (Cayman) Ltd. is at 2/F., The Grand Pavilion Commercial Centre, 802 West Bay Road, P.O. Box 10338, KY1-1003, Grand Cayman, Cayman Islands. Of the 110,647,199 class A ordinary shares beneficially owned by Mr. Xiao, 79,291,274 are subject to certain restrictions. 25% of these 79,291,274 Class A ordinary shares vested on July 18, 2015 and the remaining 75% have been vesting monthly in equal installments on the last day of each month over the three-year period since July 2015 pursuant to that certain share restriction agreement. These shares are also subject to certain other restrictions on transfer and repurchase right.

(2) The business address of Mr. Keyi Chen is Suite 2706, Taikang Financial Tower, No. 38 East Third Ring North Road, Chaoyang District, Beijing, the People's Republic of China.

(3) The business address of Mr. Yibo Shao is Suite 2601, Taikang Financial Tower, No. 38 East Third Ring North Road, Chaoyang District, Beijing, the People's Republic of China.

(4) The business address of Mr. Wei Wu is 30/F, Two International Finance Centre, 8 Finance Street, Central, Hong Kong.

(5) Represents 110,647,199 class A ordinary shares beneficially owned by Mr. Jay Wenjie Xiao through The JX Chen Family Trust, which wholly owns Installment Payment Investment Inc.

(6) Represents 11,029,412 series A-1 preferred shares held by K2 Evergreen Partners Limited, 27,573,529 series A-1 preferred shares, 5,835,668 series A-2 preferred shares and 2,059,647 series B-1 preferred shares held by K2 Partners II Limited. Both of K2 Evergreen Partners Limited and K2 Partners II Limited, which we refer to as K2 Partners entities, are incorporated in Hong Kong and their registered office address is Room C, 20/F., Lucky Plaza, 315-321, Lockhart Road, Wan Chai, Hong Kong. K2 Evergreen Partners LLC acts as the general partner of K2 Evergreen Partners L.P., which is the sole shareholder of K2 Evergreen Partners Limited. K2 Partners II GP, L.P. acts as the general partner of K2 Partners II L.P., which is the sole shareholder of K2 Partners II Limited. The registered office address of K2 Evergreen Partners and K2 Partners II GP, L.P. is Osiris International Cayman Limited of Suite #4-210, Governors Square, 23 Lime Tree Bay Avenue, Po Box 32311, Grand Cayman KY1-1209, Cayman Islands. Both K2 Evergreen Partners LLC and K2 Partners II GP, L.P. are controlled by K2 Partners Limited.

(7) Represents 29,178,338 series A-2 preferred shares, 2,059,647 series B-1 preferred shares and 5,252,101 series B-2 preferred shares held by Matrix Partners China III Hong Kong Limited, a company incorporated in Hong Kong. The registered office address of Matrix Partners China III Hong Kong Limited is Suites 3701-3710, 37/F, Jardine House, 1 Connaught Place, Central, Hong Kong. Matrix Partners China III Hong Kong Limited is controlled by Matrix Partners China III, L.P., which holds 90% of its equity interest. The remaining 10% of the equity interest is held by Matrix Partners China III-A, L.P. Both Matrix Partners China III, L.P. and Matrix Partners China III-A, L.P. are managed by Matrix China III GP GP, Ltd. Timothy A. Barrows, David Ying Zhang, David Su and Yibo Shao are directors of Matrix China III GP GP, Ltd. and are deemed to have shared voting and investment power over the shares held by Matrix Partners China III, L.P. and Matrix Partners China III-A, L.P. The registered office address of Matrix Partners China III, L.P. and Matrix Partners China III-A, L.P is Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands.

(8) Represents 28,886,555 series B-2 preferred shares held by JD.com Asia Pacific Investment Limited, a company incorporated in Hong Kong and 7,350,000 class B ordinary shares held by Various Ample Limited, a company incorporated under the laws of the British Virgin Islands and beneficially owned and controlled by Mr. Richard Qiangdong Liu, chairman and executive officer of JD.com, Inc. JD.com Asia Pacific Investment Limited is wholly owned by JD.com E-Commerce (Technology) Hong Kong Corporation Limited, which is wholly owned by JD.com, Inc. The registered address of JD.com Asia Pacific Investment Limited is Flat/RM 806, BLK II 8/F, Cheung Sha Wan Plaza, 833 Cheung Sha Wan Road, KL. The registered address of JD.com E-Commerce (Technology) Hong Kong Corporation Limited is 12/F Ruttonjee Hse 11 Duddell ST, Central Hong Kong. The registered address of JD.com, Inc. is PO Box 309, Ugland House, Grand Cayman, KYI-1104, Cayman Islands. The registered address of Various Ample Limited is Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG 1110, the British Virgin Islands.

(9) Represents 19,916,351 series C-1 preferred shares held by Magic Peak Investments Limited, a company incorporated in the British Virgin Islands and whose registered address is P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola,

British Virgin Islands. Magic Peak Investments Limited is wholly owned by Taikang Insurance Group Inc. (formerly known as Taikang Life Insurance Co., Ltd.), which is controlled by Guardian Investment Holdings Co. Ltd. The registered address of Taikang Insurance Group Inc. is 8th and 9th Floor, Taikang Life Insurance Building, No. 156 Fuxingmennei Street, Xicheng District, Beijing, the People's Republic of China. The registered address of Guardian Investment Holdings Co. Ltd. is Building #2, Room 915, No. 18 Jianguomennei Street, Dongcheng District, Beijing, the People's Republic of China.

(10) Represents 18,257,039 series class B-2 preferred shares held by Apoletto Asia Ltd. The registered office address of Apoletto Asia Ltd is IFS Court, Twenty Eight, Cyber City, Ebene, Mauritius. 98.72% equity of Apoletto Asia Ltd. is held by Apoletto Ltd, which is wholly owned by Newton (PTC) Limited. There is no controlling individual shareholder of New (PTC) Limited. None of Newton (PTC) Limited's ultimate beneficial owners holds more than its 10% equity interest. The registered office address of Apoletto Ltd and Newton (PTC) Limited is Trident Chambers, P.O. Box 146, Road Town, Tortola, British Virgin Islands.

As of the date of this prospectus, none of our ordinary shares or preferred shares are held by record holder in the United States.

We are not aware of any arrangement that may, at a subsequent date, result in a change of control of our company.

RELATED PARTY TRANSACTIONS

Contractual Arrangements with Our Variable Interest Entities and Their Shareholders

PRC laws and regulations currently restrict foreign ownership and investment in value-added telecommunications services in China. As a result, we operate our relevant business through our variable interest entities and their subsidiaries based on a series of contractual arrangements. For a description of these contractual arrangements, see "Corporate History and Structure—Contractual Arrangements with Our Variable Interest Entities."

Transactions with Mr. Jay Wenjie Xiao

On December 16, 2015, we provided a loan in the amount of US$2.5 million to Mr. Jay Wenjie Xiao for the purpose of allowing Mr. Xiao to make potential investments on behalf of us. On May 24, 2016, we, through Mr. Jay Wenjie Xiao, entered into an agreement with Finnov Private Limited, or Finnov, to subscribe and purchase 11,363,637 series A preferred shares of Finnov with a consideration of US$933,333, which was paid on December 30, 2016. Subsequently, on December 21, 2016, we, through Mr. Jay Wenjie Xiao, entered into another agreement with Finnov, to subscribe and purchase 1,804,449 series A-2 preferred shares of Finnov with the total consideration of US$411,111, which was paid in March 2017.

We are the beneficial owner with respect to those shares purchased by Mr. Jay Wenjie Xiao on our behalf and obtain control of those shares through a share charge and an option agreement. We made such arrangement solely for the purpose of facilitating our investment in Finnov and to comply with certain regulatory requirements.

Transactions with Individual Directors and Officers on *Juzi Licai*

Certain individual directors and officers and/or his immediate family members participate in our investment programs offered to individual investors on *Juzi Licai*. As of December 31, 2015 and 2016 and June 30, 2017 we have RMB26.8 million, RMB45.2 million (US$6.5 million) and RMB44.7 million (US$6.6 million) due to these related parties in connection with their investment. We believe that the terms of the transaction agreements with the related parties are comparable to those at arm's-length transactions with third-party individual investors.

Transactions with JD.com

In 2015, we entered into a strategic cooperation agreement with JD.com and a series of related agreements pursuant to which we source our products sold on our e-commerce channel and receive fulfillment and storage service from JD.com. In 2015 and 2016 and six months ended June 30, 2016 and 2017, we purchased goods and received services from JD.com in a total amount of RMB747 million, RMB668 million (US$96.2 million), RMB350 million and RMB291 million (US$42.9 million), respectively. As of December 31, 2016 and June 30, 2017, we had a total amount of RMB92.6 million (US$13.3 million) and RMB106 million (US$15.7 million) due to JD.com.

Shareholders Agreement

See "Description of Share Capital—History of Securities Issuances—Shareholders Agreement."

Employment Agreements and Indemnification Agreements

See "Management—Employment Agreements and Indemnification Agreements."

Share Incentive Plan

See "Management—Share Incentive Plan."

DESCRIPTION OF SHARE CAPITAL

We are a Cayman Islands exempted company with limited liability and our corporate affairs are governed by our memorandum and articles of association, as amended from time to time and the Companies Law (2016 Revision) of the Cayman Islands, which we refer to as the Companies Law below, and the common law of the Cayman Islands.

As of the date of this prospectus, the authorized share capital of our company is US$50,000 divided into 287,610,198 Class A ordinary shares of a nominal or par value of US$0.0001 each, 7,350,000 Class B ordinary shares of a nominal or par value of US$0.0001 each, 205,039,802 preferred shares of a nominal or par value of US$0.0001 each, 38,602,941 of which are designated as convertible and redeemable series A-1 preferred shares, 39,390,757 of which are designated as convertible and redeemable series A-2 preferred shares, 4,119,294 of which are designated as convertible and redeemable series B-1 preferred shares, 69,152,661 of which are designated as convertible and redeemable series B-2 preferred shares, 53,774,149 of which are designated as convertible and redeemable series C preferred shares.

Immediately upon the completion of this offering, all classes of issued and outstanding preferred shares and ordinary shares of the Company will be redesignated on a one-for-one basis and our authorized share capital immediately prior to the completion of this offering will be US$500,000 divided into 5,000,000,000 shares, comprising of (i) 1,889,352,801 Class A ordinary shares of a par value of US$0.0001 each, (ii) 110,647,199 Class B ordinary shares of a par value of US$0.0001 each, and (iii) 3,000,000,000 shares of a par value of US$0.0001 each of such class or classes (however designated) as the board of directors may determine in accordance with our amended and restated memorandum and articles of association, which will become effective immediately prior to the completion of this offering.

Our Post-Offering Amended and Restated Memorandum and Articles of Association

We have adopted an amended and restated memorandum and articles of association, which will become effective and replace our current memorandum and articles of association in its entirety immediately prior to the completion of this offering. The following are summaries of material provisions of the post-offering amended and restated memorandum and articles of association that we expect will become effective immediately prior to the closing of this offering and of the Companies Law, insofar as they relate to the material terms of our ordinary shares.

Objects of Our Company. Under our post-offering amended and restated memorandum and articles of association, the objects of our company are unrestricted and we have the full power and authority to carry out any object not prohibited by the law of the Cayman Islands.

Ordinary Shares. Our ordinary shares are issued in registered form and are issued when registered in our register of members. Our shareholders who are non-residents of the Cayman Islands may freely hold and vote their shares. We may not issue bearer shares.

Dividends. The holders of our ordinary shares are entitled to such dividends as may be declared by our board of directors. In addition, our shareholders may by an ordinary resolution declare a dividend, but no dividend may exceed the amount recommended by our directors. Under Cayman Islands law, our company may declare and pay a dividend only out of funds legally available therefor, namely out of either profit or our share premium account, provided that in no circumstances may we pay a dividend if this would result in our company being unable to pay its debts as they fall due in the ordinary course of business.

Voting Rights. In respect of all matters subject to a shareholders' vote on a poll, each Class A ordinary share is entitled to one vote and each Class B ordinary share is entitled to ten (10) votes. Voting at any shareholders' meeting is by show of hands unless a poll is demanded. A poll may be

demanded by the chairman of such meeting or any one or more shareholders who together hold not less than 10% of the votes attaching to the total ordinary shares present in person or by proxy.

A quorum required for a meeting of shareholders consists of one or more shareholders present or by proxy, holding shares which represent, in aggregate, not less than one-third of the votes attaching to the issued and outstanding voting shares in our company entitled to vote at general meetings. Shareholders may be present in person or by proxy or, if the shareholder is a legal entity, by its duly authorized representative. Shareholders' meetings may be convened by the Chairman or a majority of our board of directors on its own initiative or upon a request to the directors by shareholders holding shares which represent, in aggregate, no less than one-third of the votes attaching to the issued and outstanding shares in our company entitled to vote at general meetings. Advance notice of at least seven calendar days is required for the convening of our annual general shareholders' meeting and any other general shareholders' meeting.

An ordinary resolution to be passed at a meeting by the shareholders requires the affirmative vote of a simple majority of the votes attached to the ordinary shares cast by those shareholders entitled to vote who are present in person or by proxy at a general meeting, while a special resolution requires the affirmative vote of no less than two-thirds of the votes attached to the ordinary shares cast by those shareholders entitled to vote who are present in person or by proxy at a general meeting. Both ordinary resolutions and special resolutions may also be passed by a unanimous written resolution signed by all the shareholders of our company, as permitted by the Companies Law and our post-offering amended and restated memorandum and articles of association. A special resolution will be required for important matters such as a change of name or making changes to our post-offering amended and restated memorandum and articles of association. Holders of the ordinary shares may, among other things, divide or combine their shares by ordinary resolution.

Conversion of Class B Ordinary Shares. Upon any sale, transfer, assignment or disposition of any Class B ordinary shares by the holder to any non-affiliates to such holder, each of such Class B ordinary shares will be automatically converted into one Class A ordinary shares. If Mr. Xiao and his affiliates collectively hold less than five percent (5%) of our issued and outstanding shares, each Class B ordinary share will automatically be re-designated into one Class A ordinary share, and no Class B ordinary shares shall be issued by us thereafter.

Transfer of Ordinary Shares. Subject to the restrictions set out below, any of our shareholders may transfer all or any of his or her ordinary shares by an instrument of transfer in the usual or common form or any other form approved by our board of directors.

Our board of directors may, in its absolute discretion, decline to register any transfer of any ordinary share which is not fully paid up or on which we have a lien. Our board of directors may also decline to register any transfer of any ordinary share unless:

- the instrument of transfer is lodged with us, accompanied by the certificate for the ordinary shares to which it relates and such other evidence as our board of directors may reasonably require to show the right of the transferor to make the transfer;
- the instrument of transfer is in respect of only one class of shares;
- the instrument of transfer is properly stamped, if required;
- in the case of a transfer to joint holders, the number of joint holders to whom the ordinary share is to be transferred does not exceed four; and
- a fee of such maximum sum as the NASDAQ Global Market may determine to be payable or such lesser sum as our directors may from time to time require is paid to us in respect thereof.

If our directors refuse to register a transfer they shall, within three months after the date on which the instrument of transfer was lodged, send to each of the transferor and the transferee notice of such refusal.

The registration of transfers may, after compliance with any notice required of the NASDAQ Global Market, be suspended and the register closed at such times and for such periods as our board of directors may from time to time determine, provided, however, that the registration of transfers shall not be suspended nor the register closed for more than 30 days in any year as our board may determine.

Liquidation. On a winding up of our company, if the assets available for distribution among our shareholders shall be more than sufficient to repay the whole of the share capital at the commencement of the winding up, the surplus will be distributed among our shareholders in proportion to the par value of the shares held by them at the commencement of the winding up, subject to a deduction from those shares in respect of which there are monies due, of all monies payable to our company for unpaid calls or otherwise. If our assets available for distribution are insufficient to repay all of the paid-up capital, the assets will be distributed so that the losses are borne by our shareholders in proportion to the par value of the shares held by them. We are a "limited liability" company registered under the Companies Law, and under the Companies Law, the liability of our members is limited to the amount, if any, unpaid on the shares respectively held by them. Our post-offering amended and restated memorandum of association contains a declaration that the liability of our members is so limited.

Calls on Shares and Forfeiture of Shares. Our board of directors may from time to time make calls upon shareholders for any amounts unpaid on their shares in a notice served to such shareholders at least 14 days prior to the specified time and place of payment. The shares that have been called upon and remain unpaid are subject to forfeiture.

Redemption, Repurchase and Surrender of Ordinary Shares. We may issue shares on terms that such shares are subject to redemption, at our option or at the option of the holders thereof, on such terms and in such manner as may be determined, before the issue of such shares, by our board of directors or by a special resolution of our shareholders. Our company may also repurchase any of our shares provided that the manner and terms of such purchase have been approved by our board of directors or by ordinary resolution of our shareholders, or are otherwise authorized by our post-offering amended and restated memorandum and articles of association. Under the Companies Law, the redemption or repurchase of any share may be paid out of our company's profits or out of the proceeds of a fresh issue of shares made for the purpose of such redemption or repurchase, or out of capital (including share premium account and capital redemption reserve) if the company can, immediately following such payment, pay its debts as they fall due in the ordinary course of business. In addition, under the Companies Law no such share may be redeemed or repurchased (a) unless it is fully paid up, (b) if such redemption or repurchase would result in there being no shares outstanding, or (c) if the company has commenced liquidation. In addition, our company may accept the surrender of any fully paid share for no consideration.

Variations of Rights of Shares. If at any time, our share capital is divided into different classes of shares, all or any of the special rights attached to any class of shares may be varied with the consent in writing of the holders of all of the holders of the issued shares of that class or with the sanction of a resolution passed by a majority of the votes cast at a separate meeting of the holders of the shares of that class. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking pari passu with such existing class of shares.

Issuance of Additional Shares. Our post-offering amended and restated memorandum and articles of association authorizes our board of directors to issue additional Class A ordinary shares from time to time as our board of directors shall determine, to the extent of available authorized but unissued shares.

Our post-offering amended and restated memorandum and articles of association also authorizes our board of directors to establish from time to time one or more series of preferred shares and to determine, with respect to any series of preferred shares, the terms and rights of that series, including:

- the designation of the series;
- the number of shares of the series;
- the dividend rights, dividend rates, conversion rights, voting rights; and
- the rights and terms of redemption and liquidation preferences.

Our board of directors may issue preferred shares without action by our shareholders to the extent authorized but unissued. Issuance of these shares may dilute the voting power of holders of Class A ordinary shares.

Inspection of Books and Records. Holders of our Class A ordinary shares will have no general right under Cayman Islands law to inspect or obtain copies of our list of shareholders or our corporate records. However, we will provide our shareholders with annual audited financial statements. See "Where You Can Find Additional Information."

Anti-Takeover Provisions. Some provisions of our post-offering amended and restated memorandum and articles of association may discourage, delay or prevent a change of control of our company or management that shareholders may consider favorable, including provisions that:

- authorize our board of directors to issue preferred shares in one or more series and to designate the price, rights, preferences, privileges and restrictions of such preferred shares without any further vote or action by our shareholders; and
- limit the ability of shareholders to requisition and convene general meetings of shareholders.

However, under Cayman Islands law, our directors may only exercise the rights and powers granted to them under our post-offering amended and restated memorandum and articles of association for a proper purpose and for what they believe in good faith to be in the best interests of our company.

General Meetings of Shareholders and Shareholder Proposals. Our shareholders' general meetings may be held in such place within or outside the Cayman Islands as our board of directors considers appropriate.

As a Cayman Islands exempted company, we are not obliged by the Companies Law to call shareholders' annual general meetings. Our post-offering amended and restated memorandum and articles of association provide that we may (but are not obliged to) in each year hold a general meeting as our annual general meeting.

Shareholders' annual general meetings and any other general meetings of our shareholders may be convened by a majority of our board of directors or our chairman. Advance notice of at least seven days is required for the convening of our annual general shareholders' meeting and any other general meeting of our shareholders. A quorum required for a general meeting of shareholders consists of at least one shareholder present or by proxy, representing not less than one-third of the votes attaching to the issued and outstanding shares in our company entitled to vote at general meetings.

Cayman Islands law provides shareholders with only limited rights to requisition a general meeting, and does not provide shareholders with any right to put any proposal before a general meeting.

However, these rights may be provided in a company's articles of association. Our post-offering amended and restated memorandum and articles of association allow our shareholders holding shares representing in aggregate not less than one-third of the votes attaching to the issued and outstanding shares of our company entitled to vote at general meetings, to requisition an extraordinary general meeting of our shareholders, in which case our directors are obliged to call such meeting and to put the resolutions so requisitioned to a vote at such meeting; however, our post-offering amended and restated memorandum and articles of association do not provide our shareholders with any right to put any proposals before annual general meetings or extraordinary general meetings not called by such shareholders.

Election and Removal of Directors

Unless otherwise determined by our company in general meeting, our Post-offering amended and restated articles of association provide that our board will consist of not less than three directors. There are no provisions relating to retirement of directors upon reaching any age limit.

The directors have the power to appoint any person as a director either to fill a casual vacancy on the board or as an addition to the existing board. Our shareholders may also appoint any person to be a director by way of ordinary resolution.

A director may be removed with or without cause by ordinary resolution.

In addition, the office of any director shall be vacated if the director (i) becomes bankrupt or makes any arrangement or composition with his creditors, (ii) dies or is found to be or becomes of unsound mind, (iii) resigns his office by notice in writing to our company, or (iv) without special leave of absence from our board, is absent from three consecutive board meetings and our board resolves that his office be vacated.

Proceedings of Board of Directors

Our post-offering amended and restated memorandum and articles of association provide that our business is to be managed and conducted by our board of directors. The quorum necessary for board meetings may be fixed by the board and, unless so fixed at another number, will be a majority of the directors.

Our post-offering amended and restated memorandum and articles of association provide that the board may exercise all the powers of our company to borrow money, to mortgage or charge all or any part of the undertaking, property and uncalled capital of our company and to issue debentures and other securities whenever money is borrowed, or as security for any debt, liability or obligation of our company or of any third party.

Changes in Capital

Our shareholders may from time to time by ordinary resolution:

- increase our share capital by such sum, to be divided into shares of such classes and amount, as the resolution shall prescribe;
- consolidate and divide all or any of our share capital into shares of a larger amount than our existing shares;
- sub-divide our existing shares, or any of them into shares of a smaller amount, provided that in the subdivision the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in case of the share from which the reduced share is derived; or

- cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of our share capital by the amount of the shares so canceled.

Our shareholders may by special resolution, subject to confirmation by the Grand Court of the Cayman Islands on an application by our company for an order confirming such reduction, reduce our share capital or any capital redemption reserve in any manner permitted by law.

Exempted Company. We are an exempted company with limited liability under the Companies Law. The Companies Law distinguishes between ordinary resident companies and exempted companies. Any company that is registered in the Cayman Islands but conducts business mainly outside of the Cayman Islands may apply to be registered as an exempted company. The requirements for an exempted company are essentially the same as for an ordinary company except that an exempted company:

- does not have to file an annual return of its shareholders with the Registrar of Companies;
- is not required to open its register of members for inspection;
- does not have to hold an annual general meeting;
- may issue negotiable or bearer shares or shares with no par value;
- may obtain an undertaking against the imposition of any future taxation (such undertakings are usually given for 20 years in the first instance);
- may register by way of continuation in another jurisdiction and be deregistered in the Cayman Islands;
- may register as a limited duration company; and
- may register as a segregated portfolio company.

"Limited liability" means that the liability of each shareholder is limited to the amount unpaid by the shareholder on that shareholder's shares of the company (except in exceptional circumstances, such as involving fraud, the establishment of an agency relationship or an illegal or improper purpose or other circumstances in which a court may be prepared to pierce or lift the corporate veil).

Register of Members. Under Cayman Islands law, we must keep a register of members and there should be entered therein:

- the names and addresses of the members, a statement of the shares held by each member, and of the amount paid or agreed to be considered as paid, on the shares of each member;
- the date on which the name of any person was entered on the register as a member; and
- the date on which any person ceased to be a member.

Under Cayman Islands law, the register of members of our company is prima facie evidence of the matters set out therein (i.e. the register of members will raise a presumption of fact on the matters referred to above unless rebutted) and a member registered in the register of members should be deemed as a matter of Cayman Islands law to have legal title to the shares as set against its name in the register of members. Upon the closing of this offering, our company's register of members will be immediately updated to record and give effect to the issue of Class A ordinary shares by us to the Depositary (or its nominee) as the depositary. Once our register of members has been updated, the shareholders recorded in the register of members will be deemed to have legal title to the shares set against their name in the register of members.

If the name of any person is incorrectly entered in or omitted from our register of members, or if there is any default or unnecessary delay in entering on the register the fact of any person having ceased to be a member of our company, the person or member aggrieved (or any member of our

company or our company itself) may apply to the Grand Court of the Cayman Islands for an order that the register be rectified, and the Court may either refuse such application or it may, if satisfied of the justice of the case, make an order for the rectification of the register.

Differences in Corporate Law

The Companies Law is derived, to a large extent, from the older Companies Acts of England but does not follow recent United Kingdom statutory enactments, and accordingly there are significant differences between the Companies Law and the current Companies Act of England. In addition, the Companies Law differs from laws applicable to United States corporations and their shareholders. Set forth below is a summary of certain significant differences between the provisions of the Companies Law applicable to us and the comparable provisions of the laws applicable to companies incorporated in the United States and their shareholders.

Mergers and Similar Arrangements. The Companies Law permits mergers and consolidations between Cayman Islands companies and between Cayman Islands companies and non-Cayman Islands companies. For these purposes, (a) "merger" means the merging of two or more constituent companies and the vesting of their undertaking, property and liabilities in one of such companies as the surviving company and (b) a "consolidation" means the combination of two or more constituent companies into a combined company and the vesting of the undertaking, property and liabilities of such companies to the consolidated company. In order to effect such a merger or consolidation, the directors of each constituent company must approve a written plan of merger or consolidation, which must then be authorized by (a) a special resolution of the shareholders of each constituent company, and (b) such other authorization, if any, as may be specified in such constituent company's articles of association. The written plan of merger or consolidation must be filed with the Registrar of Companies together with a declaration as to the solvency of the consolidated or surviving company, a declaration as to the assets and liabilities of each constituent company and an undertaking that a copy of the certificate of merger or consolidation will be given to the members and creditors of each constituent company and that notification of the merger or consolidation will be published in the Cayman Islands Gazette. Dissenting shareholders have the right to be paid the fair value of their shares (which, if not agreed between the parties, will be determined by the Cayman Islands court) if they follow the required procedures, subject to certain exceptions. Court approval is not required for a merger or consolidation which is effected in compliance with these statutory procedures.

Separate from the statutory provisions relating to mergers and consolidations, the Companies Law also contains, there are statutory provisions that facilitate the reconstruction and amalgamation of companies by way of schemes of arrangement, provided that the arrangement is approved by a majority in number of each class of shareholders or creditors with whom the arrangement is to be made, and who must in addition represent three-fourths in value of each such class of shareholders or creditors, as the case may be, that are present and voting either in person or by proxy at a meeting, or meetings, convened for that purpose. The convening of the meetings and subsequently the arrangement must be sanctioned by the Grand Court of the Cayman Islands. While a dissenting shareholder has the right to express to the court the view that the transaction ought not to be approved, the Grand Court of the Cayman Islands can be expected to approve the arrangement if it determines that:

- the statutory provisions as to the required majority vote have been met;
- the shareholders have been fairly represented at the meeting in question and the statutory majority are acting bona fide without coercion of the minority to promote interests adverse to those of the class;
- the arrangement is such that may be reasonably approved by an intelligent and honest man of that class acting in respect of his interest; and

- the arrangement is not one that would more properly be sanctioned under some other provision of the Companies Law.

The Companies Law also contains a statutory power of compulsory acquisition which may facilitate the "squeeze out" of dissentient minority shareholder upon a tender offer. When a tender offer is made and accepted by holders of 90% of the shares affected within four months, the offeror may, within a two-month period commencing on the expiration of such four month period, require the holders of the remaining shares to transfer such shares to the offeror on the terms of the offer. An objection can be made to the Grand Court of the Cayman Islands but this is unlikely to succeed in the case of an offer which has been so approved unless there is evidence of fraud, bad faith or collusion.

If an arrangement and reconstruction is thus approved, or if a tender offer is made and accepted, a dissenting shareholder would have no rights comparable to appraisal rights, which would otherwise ordinarily be available to dissenting shareholders of Delaware corporations, providing rights to receive payment in cash for the judicially determined value of the shares.

Shareholders' Suits. In principle, we will normally be the proper plaintiff to sue for a wrong done to us as a company, and as a general rule, a derivative action may ordinarily not be brought by a minority shareholder. However, based on English authority, which would in all likelihood be of persuasive authority in the Cayman Islands, the Cayman Islands courts can be expected (and have had occasion) to follow and apply the common law principles (namely the rule in Foss v. Harbottle and the exceptions thereto) so that a minority shareholder may be permitted to commence a class action against, or derivative actions in the name of, our company to challenge:

(a) an act which is ultra vires or illegal and is therefore incapable of ratification by the shareholders,

(b) act which constitutes a fraud against the minority where the wrongdoers are themselves in control of the company, and

(c) an act which requires a resolution with a qualified (or special) majority (i.e. more than a simple majority) which has not been obtained.

Indemnification of Directors and Executive Officers and Limitation of Liability. Cayman Islands law does not limit the extent to which a company's memorandum and articles of association may provide for indemnification of officers and directors, except to the extent any such provision may be held by the Cayman Islands courts to be contrary to public policy, such as to provide indemnification against civil fraud or the consequences of committing a crime. Our post-offering amended and restated memorandum and articles of association require us to indemnify our officers and directors for losses, damages, costs and expenses incurred in their capacities as such unless such losses or damages arise from dishonesty, willful default or fraud of such directors or officers. This standard of conduct is generally the same as permitted under the Delaware General Corporation Law for a Delaware corporation.

In addition, we have entered into indemnification agreements with our directors and executive officers that provide such persons with additional indemnification beyond that provided in our post-offering amended and restated memorandum and articles of association.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to our directors, officers or persons controlling us under the foregoing provisions, we have been informed that in the opinion of the SEC, such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

Directors' Fiduciary Duties. Under Delaware corporate law, a director of a Delaware corporation has a fiduciary duty to the corporation and its shareholders. This duty has two components: the duty of care and the duty of loyalty. The duty of care requires that a director act in good faith, with the care

that an ordinarily prudent person would exercise under similar circumstances. Under this duty, a director must inform himself of, and disclose to shareholders, all material information reasonably available regarding a significant transaction. The duty of loyalty requires that a director acts in a manner he reasonably believes to be in the best interests of the corporation. He must not use his corporate position for personal gain or advantage. This duty prohibits self-dealing by a director and mandates that the best interest of the corporation and its shareholders take precedence over any interest possessed by a director, officer or controlling shareholder and not shared by the shareholders generally. In general, actions of a director are presumed to have been made on an informed basis, in good faith and in the honest belief that the action taken was in the best interests of the corporation. However, this presumption may be rebutted by evidence of a breach of one of the fiduciary duties. Should such evidence be presented concerning a transaction by a director, the director must prove the procedural fairness of the transaction, and that the transaction was of fair value to the corporation.

As a matter of Cayman Islands law, a director of a Cayman Islands company is in the position of a fiduciary with respect to the company and therefore he owes the following duties to the company—a duty to act in good faith in the best interests of the company, a duty not to make a personal profit based on his position as director (unless the company permits him to do so), a duty not to put himself in a position where the interests of the company conflict with his personal interest or his duty to a third party and a duty to exercise powers for the purpose for which such powers were intended. A director of a Cayman Islands company owes to the company a duty to act with skill and care. It was previously considered that a director need not exhibit in the performance of his duties a greater degree of skill than may reasonably be expected from a person of his knowledge and experience. However, English and Commonwealth courts have moved towards an objective standard with regard to the required skill and care and these authorities are likely to be followed in the Cayman Islands.

Shareholder Action by Written Consent. Under the Delaware General Corporation Law, a corporation may eliminate the right of shareholders to act by written consent by amendment to its certificate of incorporation. Cayman Islands law and our post-offering amended and restated memorandum and articles of association provide that shareholders may approve corporate matters by way of a unanimous written resolution signed by or on behalf of each shareholder who would have been entitled to vote on such matter at a general meeting without a meeting being held.

Shareholder Proposals. Under the Delaware General Corporation Law, a shareholder has the right to put any proposal before the annual meeting of shareholders, provided it complies with the notice provisions in the governing documents. A special meeting may be called by the board of directors or any other person authorized to do so in the governing documents, but shareholders may be precluded from calling special meetings.

Cayman Islands law provides shareholders with only limited rights to requisition a general meeting, and does not provide shareholders with any right to put any proposal before a general meeting. However, these rights may be provided in a company's articles of association. Our post-offering amended and restated memorandum and articles of association allow our shareholders holding not less than one-third of the votes attaching to the issued and outstanding shares of our company entitled to vote at general meetings to requisition a shareholder's meeting, in which case our directors shall convene an extraordinary general meeting. Other than this right to requisition a shareholders' meeting, our post-offering amended and restated articles of association do not provide our shareholders other right to put proposal before annual general meetings or extraordinary general meetings not called by such shareholders. As an exempted Cayman Islands company, we are not obliged by law to call shareholders' annual general meetings.

Cumulative Voting. Under the Delaware General Corporation Law, cumulative voting for elections of directors is not permitted unless the corporation's certificate of incorporation specifically provides for it. Cumulative voting potentially facilitates the representation of minority shareholders on

a board of directors since it permits the minority shareholder to cast all the votes to which the shareholder is entitled on a single director, which increases the shareholder's voting power with respect to electing such director. There are no prohibitions in relation to cumulative voting under the laws of the Cayman Islands but our post-offering amended and restated memorandum and articles of association do not provide for cumulative voting. As a result, our shareholders are not afforded any less protections or rights on this issue than shareholders of a Delaware corporation.

Removal of Directors. Under the Delaware General Corporation Law, a director of a corporation with a classified board may be removed only for cause with the approval of a majority of the outstanding shares entitled to vote, unless the certificate of incorporation provides otherwise. Under our post-offering amended and restated memorandum and articles of association, directors may be removed with or without cause, by an ordinary resolution of our shareholders.

Transactions with Interested Shareholders. The Delaware General Corporation Law contains a business combination statute applicable to Delaware corporations whereby, unless the corporation has specifically elected not to be governed by such statute by amendment to its certificate of incorporation, it is prohibited from engaging in certain business combinations with an "interested shareholder" for three years following the date that such person becomes an interested shareholder. An interested shareholder generally is a person or a group who or which owns or owned 15% or more of the target's outstanding voting share within the past three years. This has the effect of limiting the ability of a potential acquirer to make a two-tiered bid for the target in which all shareholders would not be treated equally. The statute does not apply if, among other things, prior to the date on which such shareholder becomes an interested shareholder, the board of directors approves either the business combination or the transaction which resulted in the person becoming an interested shareholder. This encourages any potential acquirer of a Delaware corporation to negotiate the terms of any acquisition transaction with the target's board of directors.

Cayman Islands law has no comparable statute. As a result, we cannot avail ourselves of the types of protections afforded by the Delaware business combination statute. However, although Cayman Islands law does not regulate transactions between a company and its significant shareholders, the directors of the Company are required to comply with the fiduciary duties which they owe to the Company under Cayman Islands law, including the duty to ensure that, in their opinion, any such transactions are bona fide in the best interests of the Company and are entered into for a proper purpose and not with the effect of constituting a fraud on the minority shareholders.

Dissolution; Winding up. Under the Delaware General Corporation Law, unless the board of directors approves the proposal to dissolve, dissolution must be approved by shareholders holding 100% of the total voting power of the corporation. Only if the dissolution is initiated by the board of directors may it be approved by a simple majority of the corporation's outstanding shares. Delaware law allows a Delaware corporation to include in its certificate of incorporation a supermajority voting requirement in connection with dissolutions initiated by the board.

Under Cayman Islands law, a company may be wound up by either an order of the courts of the Cayman Islands or by a special resolution of its members or, if the company is unable to pay its debts as they fall due, by an ordinary resolution of its members. The court has authority to order winding up in a number of specified circumstances including where it is, in the opinion of the court, just and equitable to do so. Under the Companies Law and our post-offering amended and restated articles of association, our company may be dissolved, liquidated or wound up by a special resolution of our shareholders, or by an ordinary resolution on the basis that our company is unable to pay its debts as they fall due.

Variation of Rights of Shares. Under the Delaware General Corporation Law, a corporation may vary the rights of a class of shares with the approval of a majority of the outstanding shares of such class, unless the certificate of incorporation provides otherwise. Under Cayman Islands law and our

post-offering amended and restated articles of association, if our share capital is divided into more than one class of shares, we may vary the rights attached to any class with the written consent of all the holders of the issued shares of that class or with the sanction of a resolution passed by a majority of the votes cast at a separate meeting of the holders of the shares of that class.

Amendment of Governing Documents. Under the Delaware General Corporation Law, a corporation's governing documents may be amended with the approval of a majority of the outstanding shares entitled to vote, unless the certificate of incorporation provides otherwise. Under the Companies Law, our post-offering amended and restated memorandum and articles of association may only be amended by a special resolution of our shareholders.

Rights of Non-resident or Foreign Shareholders. There are no limitations imposed by our post-offering amended and restated memorandum and articles of association on the rights of non-resident or foreign shareholders to hold or exercise voting rights on our shares. In addition, there are no provisions in our post-offering amended and restated memorandum and articles of association governing the ownership threshold above which shareholder ownership must be disclosed.

History of Securities Issuances

The following is a summary of our securities issuances since our incorporation.

Ordinary Shares

Upon our incorporation on November 22, 2013, we issued one ordinary share to the initial subscriber and this one ordinary share was transferred to Installment Payment Investment Inc. on the same day. On 28 April 2014, we further issued 113,273,248 7,350,000 and 4,376,751 ordinary shares to Installment Payment Investment Inc., Various Ample Limited and Tenzing Holdings 2011 Ltd., respectively.

Preferred Shares

On July 18, 2014, we issued an aggregate number of 38,602,941 series A-1 preferred shares to K2 Evergreen Partners Limited and K2 Partners II Limited for an aggregate consideration of US$0.86 million. On the same day, we issued an aggregate number of 35,014,006 series A-2 preferred shares to Matrix Partners China III Hong Kong Limited and K2 Partners II Limited for an aggregate consideration of US$4.8 million.

On November 10, 2014, we issued an aggregate number of 4,119,294 series B-1 preferred shares to Matrix Partners China III Hong Kong Limited and K2 Partners II Limited for an aggregate consideration of US$4 million. On the same day, we issued an aggregate number of 40,266,106 series B-2 preferred shares to Apoletto Asia Ltd, BAI GmbH, Matrix Partners China III Hong Kong Limited and Huaxing Capital Partners, L.P. for an aggregate consideration of US$46 million.

On March 13, 2015, we issued 28,886,555 series B-2 preferred shares to JD.com Asia Pacific Investment Limited for a total consideration of US$33 million.

On November 10, 2014, we repurchased 2,626,050 class A ordinary shares from Installment Payment Investment Inc.

On May 5, 2016, we repurchased 5,377,415 series B-2 preferred shares held by Apoletto Asia Ltd.

On May 26, 2016, in connection with the series C financing of the Company and the issuance of convertible loans in the principal amount of US$85 million by Shenzhen Fenqile, we entered into a series C preferred shares purchase agreement with Magic Peak Investments Limited and CR High Growth I, L.P. and issued one series C preferred share to each of them for no consideration. As part of

the series C financing of the Company, we also issued convertible loans in the principal amount of US$15 million to certain investors without issuance of any series C preferred shares.

On October 23, 2017, in connection with the conversion of the outstanding principle of the convertible loans into the equity interest of our company, we (i) repurchased one series C preferred share from CR High Growth I, L.P. and cancelled this one series C preferred share; (ii) re-designated and re-classified one series C preferred share held by Magic Peak Investments Limited as series C-1 preferred share; and (iii) issued 19,916,350 series C-1 preferred shares to Magic Peak Investments Limited, 13,941,446 series C-1 preferred shares to Shanghai Huasheng Lingfei Equity Investment (Limited Partnership), 1,991,635 series C-2 preferred shares to CoBuilder Partners Venture Fund L.P., and 3,983,270 series C-2 preferred shares to HeYi Holdings L.P.

Option Grants

We have granted options to purchase our ordinary shares to certain of our executive officers and employees. See "Management—Share Incentive Plan."

Shareholders Agreement

We entered into our amended and restated shareholders agreement on October 21, 2017 with our shareholders.

Pursuant to this shareholders agreement, our board of directors shall consist of four directors. Each of (i) K2 Evergreen Partners Limited, K2 Partners II Limited and its affiliates, (ii) Matrix Partners China III Hong Kong Limited and its affiliates, (iii) Magic Peak Investments Limited is entitled to appoint one director, and (iv) holders representing more than 50% of the Company's class A ordinary shares are entitled to appoint one director.

The shareholders agreement also provides for certain preferential rights, including right of participation, co-sale rights and preemptive rights. Except for the registration rights, all the preferential rights, as well as the provisions governing the board of directors, will automatically terminate upon the completion of this offering.

Registration Rights

Pursuant to our current shareholders agreement, we have granted certain registration rights to our shareholders. Set forth below is a description of the registration rights granted under the agreement.

Demand Registration Rights. Holders of at least 10% of our registrable securities have the right to demand in writing that we file a registration statement to register their registrable securities and registrable securities held by others who choose to participate in the offering. This right may be exercised at any time after this initial public offering. We are not obligated to effect a demand registration if, within the six-month period preceding the date of such request, we have already effected a registration pursuant to demand registration rights or Form F-3 registration rights, or holders had an opportunity to participate pursuant to piggyback registration rights. If the underwriters determine in good faith that marketing factors require a limitation of the number of share to be underwritten, the underwriters may reduce as required and allocate the shares to be included in the registration statement among holders, subject to certain limitations.

Piggyback Registration Rights. If we propose to file a registration statement for a public offering of our securities, we must offer holders of our registrable securities an opportunity to include in the registration the number of registrable securities of the same class or series as those proposed to be registered. If the underwriters determine in good faith that marketing factors require a limitation of the number of shares to be underwritten, the registrable securities shall allocate first to us, second to each of holders requesting for the inclusion of their registrable securities pursuant to the piggyback registration.

Form F-3 Registration Rights. After our initial public offering, we shall use our best efforts to qualify for registration on Form F-3. After we are qualified to use Form F-3, holders of our securities may request us in writing to effect a registration on Form F-3. We are not obligated to effect such registration if, among other things, (i) the anticipated aggregate offering price is less than US$1,000,000, or (ii) we have already effected three registrations in the 6 month period preceding the date of the request. We may defer filing of a registration statement on Form F-3 no more than once during any 12 month period for up to 90 days if our board of directors determines in good faith that filing such registration statement will be materially detrimental to us and our shareholders.

Expenses of Registration. We will bear all registration expenses, other than underwriting discounts and selling commissions, incurred in connection with any demand, piggyback or F-3 registration.

Termination of Obligations. The registration rights set forth above shall terminate on the earlier of (i) the fifth anniversary of this initial public offering and (ii) with respect to any holder of registrable securities, the time when all registrable securities held by such holder may be sold pursuant to Rule 144 under the Securities Act without transfer restrictions.

DESCRIPTION OF AMERICAN DEPOSITARY SHARES

American Depositary Shares

The Bank of New York Mellon, as depositary, will register and deliver American Depositary shares, also referred to as ADSs. Each ADS will represent Class A ordinary shares (or a right to receive Class A ordinary shares) deposited with The Hongkong and Shanghai Banking Corporation Limited, as custodian for the depositary in Hong Kong. Each ADS will also represent any other securities, cash or other property which may be held by the depositary. The deposited Class A ordinary shares together with any other securities, cash or other property held by the depositary are referred to as the deposited securities. The depositary's office at which the ADSs will be administered is located at 101 Barclay Street, New York, New York 10286. The Bank of New York Mellon's principal executive office is located at 225 Liberty Street, New York, New York 10286.

You may hold ADSs either (A) directly (i) by having an American Depositary Receipt, also referred to as an ADR, which is a certificate evidencing a specific number of ADSs, registered in your name, or (ii) by having uncertificated ADSs registered in your name, or (B) indirectly by holding a security entitlement in ADSs through your broker or other financial institution that is a direct or indirect participant in The Depository Trust Company, also called DTC. If you hold ADSs directly, you are a registered ADS holder, also referred to as an ADS holder. This description assumes you are an ADS holder. If you hold the ADSs indirectly, you must rely on the procedures of your broker or other financial institution to assert the rights of ADS holders described in this section. You should consult with your broker or financial institution to find out what those procedures are.

Registered holders of uncertificated ADSs will receive statements from the depositary confirming their holdings.

As an ADS holder, we will not treat you as one of our shareholders and you will not have shareholder rights. Cayman Islands law governs shareholder rights. The depositary will be the holder of the Class A ordinary shares underlying your ADSs. As a registered holder of ADSs, you will have ADS holder rights. A deposit agreement among us, the depositary, ADS holders and all other persons indirectly or beneficially holding ADSs sets out ADS holder rights as well as the rights and obligations of the depositary. New York law governs the deposit agreement and the ADSs.

The following is a summary of the material provisions of the deposit agreement. For more complete information, you should read the entire deposit agreement and the form of ADR. See "Where You Can Find Additional Information" for directions on how to obtain copies of those documents.

Dividends and Other Distributions

How will you receive dividends and other distributions on the Class A ordinary shares?

The depositary has agreed to pay or distribute to ADS holders the cash dividends or other distributions it or the custodian receives on Class A ordinary shares or other deposited securities, upon payment or deduction of its fees and expenses. You will receive these distributions in proportion to the number of Class A ordinary shares your ADSs represent.

- *Cash.* The depositary will convert any cash dividend or other cash distribution we pay on the Class A ordinary shares into U.S. dollars, if it can do so on a reasonable basis and can transfer the U.S. dollars to the United States. If that is not possible or if any government approval is needed and cannot be obtained, the deposit agreement allows the depositary to distribute the foreign currency only to those ADS holders to whom it is possible to do so. It will hold the foreign currency it cannot convert for the account of the ADS holders who have not been paid. It will not invest the foreign currency and it will not be liable for any interest.

Before making a distribution, any withholding taxes, or other governmental charges that must be paid will be deducted. See "Taxation." It will distribute only whole U.S. dollars and cents and will round fractional cents to the nearest whole cent. *If the exchange rates fluctuate during a time when the depositary cannot convert the foreign currency, you may lose some or all of the value of the distribution.*

- *Class A Ordinary Shares.* The depositary may distribute additional ADSs representing any Class A ordinary shares we distribute as a dividend or free distribution. The depositary will only distribute whole ADSs. It will sell Class A ordinary shares which would require it to deliver a fraction of an ADS (or ADSs representing those Class A ordinary shares) and distribute the net proceeds in the same way as it does with cash. If the depositary does not distribute additional ADSs, the outstanding ADSs will also represent the new Class A ordinary shares. The depositary may sell a portion of the distributed Class A ordinary shares (or ADSs representing those Class A ordinary shares) sufficient to pay its fees and expenses in connection with that distribution.

- *Rights to purchase additional shares.* If we offer holders of our securities any rights to subscribe for additional shares or any other rights, the depositary may (i) exercise those rights on behalf of ADS holders, (ii) distribute those rights to ADS holders or (iii) sell those rights and distribute the net proceeds to ADS holders, in each case after deduction or upon payment of its fees and expenses. To the extent the depositary does not do any of those things, it will allow the rights to lapse. *In that case, you will receive no value for them.* The depositary will exercise or distribute rights only if we ask it to and provide satisfactory assurances to the depositary that it is legal to do so. If the depositary will exercise rights, it will purchase the securities to which the rights relate and distribute those securities or, in the case of Class A ordinary shares, new ADSs representing the new Class A ordinary shares, to subscribing ADS holders, but only if ADS holders have paid the exercise price to the depositary. U.S. securities laws may restrict the ability of the depositary to distribute rights or ADSs or other securities issued on exercise of rights to all or certain ADS holders, and the securities distributed may be subject to restrictions on transfer.

- *Other Distributions.* The depositary will send to ADS holders anything else we distribute on deposited securities by any means it thinks is legal, fair and practical. If it cannot make the distribution in that way, the depositary has a choice. It may decide to sell what we distributed and distribute the net proceeds, in the same way as it does with cash. Or, it may decide to hold what we distributed, in which case ADSs will also represent the newly distributed property. However, the depositary is not required to distribute any securities (other than ADSs) to ADS holders unless it receives satisfactory evidence from us that it is legal to make that distribution. The depositary may sell a portion of the distributed securities or property sufficient to pay its fees and expenses in connection with that distribution. U.S. securities laws may restrict the ability of the depositary to distribute securities to all or certain ADS holders, and the securities distributed may be subject to restrictions on transfer.

The depositary is not responsible if it decides that it is unlawful or impractical to make a distribution available to any ADS holders. We have no obligation to register ADSs, shares, rights or other securities under the Securities Act. We also have no obligation to take any other action to permit the distribution of ADSs, shares, rights or anything else to ADS holders. *This means that you may not receive the distributions we make on our Class A ordinary shares or any value for them if it is illegal or impractical for us to make them available to you*.

Deposit, Withdrawal and Cancellation

How are ADSs issued?

The depositary will deliver ADSs if you or your broker deposits Class A ordinary shares or evidence of rights to receive Class A ordinary shares with the custodian. Upon payment of its fees and expenses and of any taxes or charges, such as stamp taxes or stock transfer taxes or fees, the depositary will register the appropriate number of ADSs in the names you request and will deliver the ADSs to or upon the order of the person or persons that made the deposit.

How can ADS holders withdraw the deposited securities?

You may surrender your ADSs for the purpose of withdrawing the underlying ordinary shares at the depositary's office. Upon payment of its fees and expenses and of any taxes or charges, such as stamp taxes or stock transfer taxes or fees, the depositary will deliver the Class A ordinary shares and any other deposited securities underlying the ADSs to the ADS holder or a person the ADS holder designates at the office of the custodian. Or, at your request, risk and expense, the depositary will deliver the deposited securities at its office, if feasible. The depositary may charge you a fee and its expenses for instructing the custodian regarding delivery of deposited securities.

How do ADS holders interchange between certificated ADSs and uncertificated ADSs?

You may surrender your ADR to the depositary for the purpose of exchanging your ADR for uncertificated ADSs. The depositary will cancel that ADR and will send to the ADS holder a statement confirming that the ADS holder is the registered holder of uncertificated ADSs. Upon receipt by the depositary of a proper instruction from a registered holder of uncertificated ADSs requesting the exchange of uncertificated ADSs for certificated ADSs, the depositary will execute and deliver to the ADS holder an ADR evidencing those ADSs.

Voting Rights

How do you vote?

ADS holders may instruct the depositary how to vote the number of deposited Class A ordinary shares their ADSs represent. If we request the depositary to solicit your voting instructions (and we are not required to do so), the depositary will notify you of a shareholders' meeting and send or make voting materials available to you. Those materials will describe the matters to be voted on and explain how ADS holders may instruct the depositary how to vote. For instructions to be valid, they must reach the depositary by a date set by the depositary. The depositary will try, as far as practical, subject to the laws of the Cayman Islands and the provisions of our articles of association or similar documents, to vote or to have its agents vote the Class A ordinary shares or other deposited securities as instructed by ADS holders. If we do not request the depositary to solicit your voting instructions, you can still send voting instructions, and, in that case, the depositary may try to vote as you instruct, but it is not required to do so.

Except by instructing the depositary as described above, you won't be able to exercise voting rights unless you surrender your ADSs and withdraw the Class A ordinary shares. However, you may not know about the meeting enough in advance to withdraw the Class A ordinary shares. In any event, the depositary will not exercise any discretion in voting deposited securities and it will only vote or attempt to vote as instructed.

We cannot assure you that you will receive the voting materials in time to ensure that you can instruct the depositary to vote your shares. In addition, the depositary and its agents are not responsible for failing to carry out voting instructions or for the manner of carrying out voting

instructions. *This means that you may not be able to exercise voting rights and there may be nothing you can do if your shares are not voted as you requested.*

If we asked the depositary to solicit your instructions at least 45 days before the meeting date but the depositary does not receive voting instructions from you by the specified date, it will consider you to have authorized and directed it to give a discretionary proxy to a person designated by us to vote the number of deposited securities represented by your ADSs. The depositary will give a discretionary proxy in those circumstances to vote on all questions at to be voted upon unless we notify the depositary that:

- we do not wish to receive a discretionary proxy;
- there is substantial shareholder opposition to the particular question; or
- the particular question would have an adverse impact on our shareholders.

We are required to notify the depositary if one of the conditions specified above exists.

In order to give you a reasonable opportunity to instruct the depositary as to the exercise of voting rights relating to Deposited Securities, if we request the Depositary to act, we agree to give the depositary notice of any such meeting and details concerning the matters to be voted upon at least 45 days in advance of the meeting date.

Fees and Expenses

Persons depositing or withdrawing Class A ordinary shares or ADS holders must pay:	**For:**
$5.00 (or less) per 100 ADSs (or portion of 100 ADSs)	Issuance of ADSs, including issuances resulting from a distribution of Class A ordinary shares or rights or other property
	Cancellation of ADSs for the purpose of withdrawal, including if the deposit agreement terminates
$.05 (or less) per ADS	Any cash distribution to ADS holders
A fee equivalent to the fee that would be payable if securities distributed to you had been Class A ordinary shares and the Class A ordinary shares had been deposited for issuance of ADSs	Distribution of securities distributed to holders of deposited securities (including rights) that are distributed by the depositary to ADS holders
$.05 (or less) per ADS per calendar year	Depositary services
Registration or transfer fees	Transfer and registration of Class A ordinary shares on our share register to or from the name of the depositary or its agent when you deposit or withdraw Class A ordinary shares
Expenses of the depositary	Cable and facsimile transmissions (when expressly provided in the deposit agreement)
	Converting foreign currency to U.S. dollars
Taxes and other governmental charges the depositary or the custodian has to pay on any ADSs or Class A ordinary shares underlying ADSs, such as stock transfer taxes, stamp duty or withholding taxes	As necessary
Any charges incurred by the depositary or its agents for servicing the deposited securities	As necessary

The depositary collects its fees for delivery and surrender of ADSs directly from investors depositing Class A ordinary shares or surrendering ADSs for the purpose of withdrawal or from intermediaries acting for them. The depositary collects fees for making distributions to investors by deducting those fees from the amounts distributed or by selling a portion of distributable property to pay the fees. The depositary may collect its annual fee for depositary services by deduction from cash distributions or by directly billing investors or by charging the book-entry system accounts of participants acting for them. The depositary may collect any of its fees by deduction from any cash distribution payable (or by selling a portion of securities or other property distributable) to ADS holders that are obligated to pay those fees. The depositary may generally refuse to provide fee-attracting services until its fees for those services are paid.

From time to time, the depositary may make payments to us to reimburse us for costs and expenses generally arising out of establishment and maintenance of the ADS program, waive fees and expenses for services provided to us by the depositary or share revenue from the fees collected from ADS holders. In performing its duties under the deposit agreement, the depositary may use brokers, dealers, foreign currency dealers or other service providers that are owned by or affiliated with the depositary and that may earn or share fees, spreads or commissions.

The depositary may convert currency itself or through any of its affiliates and, in those cases, acts as principal for its own account and not as agent, advisor, broker or fiduciary on behalf of any other person and earns revenue, including, without limitation, transaction spreads, that it will retain for its own account. The revenue is based on, among other things, the difference between the exchange rate assigned to the currency conversion made under the deposit agreement and the rate that the depositary or its affiliate receives when buying or selling foreign currency for its own account. The depositary makes no representation that the exchange rate used or obtained in any currency conversion under the deposit agreement will be the most favorable rate that could be obtained at the time or that the method by which that rate will be determined will be the most favorable to ADS holders, subject to the depositary's obligations under the deposit agreement. The methodology used to determine exchange rates used in currency conversions is available upon request.

Payment of Taxes

You will be responsible for any taxes or other governmental charges payable on your ADSs or on the deposited securities represented by any of your ADSs. The depositary may refuse to register any transfer of your ADSs or allow you to withdraw the deposited securities represented by your ADSs until those taxes or other charges are paid. It may apply payments owed to you or sell deposited securities represented by your American Depositary Shares to pay any taxes owed and you will remain liable for any deficiency. If the depositary sells deposited securities, it will, if appropriate, reduce the number of ADSs to reflect the sale and pay to ADS holders any proceeds, or send to ADS holders any property, remaining after it has paid the taxes.

Tender and Exchange Offers; Redemption, Replacement or Cancellation of Deposited Securities

The depositary will not tender deposited securities in any voluntary tender or exchange offer unless instructed to do by an ADS holder surrendering ADSs and subject to any conditions or procedures the depositary may establish.

If deposited securities are redeemed for cash in a transaction that is mandatory for the depositary as a holder of deposited securities, the depositary will call for surrender of a corresponding number of ADSs and distribute the net redemption money to the holders of called ADSs upon surrender of those ADSs.

If there is any change in the deposited securities such as a sub-division, combination or other reclassification, or any merger, consolidation, recapitalization or reorganization affecting the issuer of

deposited securities in which the depositary receives new securities in exchange for or in lieu of the old deposited securities, the depositary will hold those replacement securities as deposited securities under the deposit agreement. However, if the depositary decides it would not be lawful and to hold the replacement securities because those securities could not be distributed to ADS holders or for any other reason, the depositary may instead sell the replacement securities and distribute the net proceeds upon surrender of the ADSs.

If there is a replacement of the deposited securities and the depositary will continue to hold the replacement securities, the depositary may distribute new ADSs representing the new deposited securities or ask you to surrender your outstanding ADRs in exchange for new ADRs identifying the new deposited securities.

If there are no deposited securities underlying ADSs, including if the deposited securities are cancelled, or if the deposited securities underlying ADSs have become apparently worthless, the depositary may call for surrender or of those ADSs or cancel those ADSs upon notice to the ADS holders.

Amendment and Termination

How may the deposit agreement be amended?

We may agree with the depositary to amend the deposit agreement and the ADRs without your consent for any reason. If an amendment adds or increases fees or charges, except for taxes and other governmental charges or expenses of the depositary for registration fees, facsimile costs, delivery charges or similar items, or prejudices a substantial right of ADS holders, it will not become effective for outstanding ADSs until 30 days after the depositary notifies ADS holders of the amendment. *At the time an amendment becomes effective, you are considered, by continuing to hold your ADSs, to agree to the amendment and to be bound by the ADRs and the deposit agreement as amended.*

How may the deposit agreement be terminated?

The depositary will initiate termination of the deposit agreement if we instruct it to do so. The depositary may initiate termination of the deposit agreement if

- 60 days have passed since the depositary told us it wants to resign but a successor depositary has not been appointed and accepted its appointment;
- we delist our ADSs from an exchange on which they were listed and do not list the ADSs on another exchange;
- we appear to be insolvent or enter insolvency proceedings
- all or substantially all the value of the deposited securities has been distributed either in cash or in the form of securities;
- there are no deposited securities underlying the ADSs or the underlying deposited securities have become apparently worthless; or
- there has been a replacement of deposited securities.

If the deposit agreement will terminate, the depositary will notify ADS holders at least 90 days before the termination date. At any time after the termination date, the depositary may sell the deposited securities. After that, the depositary will hold the money it received on the sale, as well as any other cash it is holding under the deposit agreement, unsegregated and without liability for interest, for the *pro rata* benefit of the ADS holders that have not surrendered their ADSs. Normally, the depositary will sell as soon as practicable after the termination date.

After the termination date and before the depositary sells, ADS holders can still surrender their ADSs and receive delivery of deposited securities, except that the depositary may refuse to accept a surrender for the purpose of withdrawing deposited securities if it would interfere with the selling process. The depositary may refuse to accept a surrender for the purpose of withdrawing sale proceeds until all the deposited securities have been sold. The depositary will continue to collect distributions on deposited securities, *but*, after the termination date, the depositary is not required to register any transfer of ADSs or distribute any dividends or other distributions on deposited securities to the ADSs holder (until they surrender their ADSs) or give any notices or perform any other duties under the deposit agreement except as described in this paragraph.

Limitations on Obligations and Liability

Limits on our Obligations and the Obligations of the Depositary; Limits on Liability to Holders of ADSs

The deposit agreement expressly limits our obligations and the obligations of the depositary. It also limits our liability and the liability of the depositary. We and the depositary:

- are only obligated to take the actions specifically set forth in the deposit agreement without negligence or bad faith;
- are not liable if we are or it is prevented or delayed by law or by events or circumstances beyond our or its ability to prevent or counteract with reasonable care or effort from performing our or its obligations under the deposit agreement;
- are not liable if we or it exercises discretion permitted under the deposit agreement;
- are not liable for the inability of any holder of ADSs to benefit from any distribution on deposited securities that is not made available to holders of ADSs under the terms of the deposit agreement, or for any special, consequential or punitive damages for any breach of the terms of the deposit agreement;
- have no obligation to become involved in a lawsuit or other proceeding related to the ADSs or the deposit agreement on your behalf or on behalf of any other person;
- are not liable for the acts or omissions of any securities depository, clearing agency or settlement system; and
- may rely upon any documents we believe or it believes in good faith to be genuine and to have been signed or presented by the proper person.

In the deposit agreement, we and the depositary agree to indemnify each other under certain circumstances.

Requirements for Depositary Actions

Before the depositary will deliver or register a transfer of ADSs, make a distribution on ADSs, or permit withdrawal of shares, the depositary may require:

- payment of stock transfer or other taxes or other governmental charges and transfer or registration fees charged by third parties for the transfer of any Class A ordinary shares or other deposited securities;
- satisfactory proof of the identity and genuineness of any signature or other information it deems necessary; and
- compliance with regulations it may establish, from time to time, consistent with the deposit agreement, including presentation of transfer documents.

The depositary may refuse to deliver ADSs or register transfers of ADSs when the transfer books of the depositary or our transfer books are closed or at any time if the depositary or we think it advisable to do so.

Your Right to Receive the Class A Ordinary Shares Underlying your ADSs

ADS holders have the right to cancel their ADSs and withdraw the underlying Class A ordinary shares at any time except:

- when temporary delays arise because: (i) the depositary has closed its transfer books or we have closed our transfer books; (ii) the transfer of Class A ordinary shares is blocked to permit voting at a shareholders' meeting; or (iii) we are paying a dividend on our Class A ordinary shares;
- when you owe money to pay fees, taxes and similar charges; or
- when it is necessary to prohibit withdrawals in order to comply with any laws or governmental regulations that apply to ADSs or to the withdrawal of Class A ordinary shares or other deposited securities.

This right of withdrawal may not be limited by any other provision of the deposit agreement.

[Pre-release of ADSs

The deposit agreement permits the depositary to deliver ADSs before deposit of the underlying Class A ordinary shares. This is called a pre-release of the ADSs. The depositary may also deliver Class A ordinary shares upon cancellation of pre-released ADSs (even if the ADSs are canceled before the pre-release transaction has been closed out). A pre-release is closed out as soon as the underlying Class A ordinary shares are delivered to the depositary. The depositary may receive ADSs instead of Class A ordinary shares to close out a pre-release. The depositary may pre-release ADSs only under the following conditions: (1) before or at the time of the pre-release, the person to whom the pre-release is being made represents to the depositary in writing that it or its customer owns the Class A ordinary shares or ADSs to be deposited; (2) the pre-release is fully collateralized with cash or other collateral that the depositary considers appropriate; and (3) the depositary must be able to close out the pre-release on not more than five business days' notice. In addition, the depositary will limit the number of ADSs that may be outstanding at any time as a result of pre-release, although the depositary may disregard the limit from time to time if it thinks it is appropriate to do so.]

Direct Registration System

In the deposit agreement, all parties to the deposit agreement acknowledge that the Direct Registration System, also referred to as DRS, and Profile Modification System, also referred to as Profile, will apply to the ADSs. DRS is a system administered by DTC that facilitates interchange between registered holding of uncertificated ADSs and holding of security entitlements in ADSs through DTC and a DTC participant. Profile is feature of DRS that allows a DTC participant, claiming to act on behalf of a registered holder of uncertificated ADSs, to direct the depositary to register a transfer of those ADSs to DTC or its nominee and to deliver those ADSs to the DTC account of that DTC participant without receipt by the depositary of prior authorization from the ADS holder to register that transfer.

In connection with and in accordance with the arrangements and procedures relating to DRS/Profile, the parties to the deposit agreement understand that the depositary will not determine whether the DTC participant that is claiming to be acting on behalf of an ADS holder in requesting registration of transfer and delivery as described in the paragraph above has the actual authority to act on behalf of the ADS holder (notwithstanding any requirements under the Uniform Commercial Code). In the deposit agreement, the parties agree that the depositary's reliance on and compliance with instructions

received by the depositary through the DRS/Profile system and in accordance with the deposit agreement will not constitute negligence or bad faith on the part of the depositary.

Shareholder Communications; Inspection of Register Of Holders Of ADSs

The depositary will make available for your inspection at its office all communications that it receives from us as a holder of deposited securities that we make generally available to holders of deposited securities. The depositary will send you copies of those communications or otherwise make those communications available to you if we ask it to. You have a right to inspect the register of holders of ADSs, but not for the purpose of contacting those holders about a matter unrelated to our business or the ADSs.

SHARES ELIGIBLE FOR FUTURE SALES

Upon completion of this offering, we will have ADSs outstanding, representing approximately % of our outstanding ordinary shares, assuming the underwriters do not exercise their over-allotment option to purchase additional ADSs. All of the ADSs sold in this offering will be freely transferable by persons other than by our "affiliates" without restriction or further registration under the Securities Act. Sales of substantial amounts of our ADSs in the public market could adversely affect prevailing market prices of our ADSs. Prior to this offering, there has been no public market for our ordinary shares or the ADSs. We intend to apply to list the ADSs on the NASDAQ, but we cannot assure you that a regular trading market will develop in the ADSs. We do not expect that a trading market will develop for our ordinary shares not represented by the ADSs.

Lock-up Agreements

We have agreed for a period of 180 days after the date of this prospectus, not to offer, sell, contract to sell, pledge, grant any option to purchase, make any short sale, lend or otherwise dispose of, except in this offering, any of our ordinary shares or ADSs or securities that are substantially similar to our ordinary shares or ADSs, including but not limited to any options or warrants to purchase our ordinary shares, ADSs or any securities that are convertible into or exchangeable for, or that represent the right to receive, our ordinary shares, ADSs or any such substantially similar securities (other than pursuant to employee stock option plans existing on, or upon the conversion or exchange of convertible or exchangeable securities outstanding as of, the date such lock-up agreement was executed), without the prior written consent of the representatives of the underwriters.

Furthermore, [each of our directors, executive officers and existing shareholders as well as certain of our option holders] has also entered into a similar lock-up agreement for a period of 180 days from the date of this prospectus, subject to certain exceptions, with respect to our ordinary shares, ADSs and securities that are substantially similar to our ordinary shares or ADSs. [These restrictions also apply to any ADSs acquired by our directors and executive officers in the offering pursuant to the directed share program, if any.] These parties collectively own all of our outstanding ordinary shares, without giving effect to this offering.

The restrictions described in the preceding paragraphs will be automatically extended under certain circumstances. See "Underwriting."

Other than this offering, we are not aware of any plans by any significant shareholders to dispose of significant numbers of our ADSs or ordinary shares. However, one or more existing shareholders or owners of securities convertible or exchangeable into or exercisable for our ADSs or ordinary shares may dispose of significant numbers of our ADSs or ordinary shares in the future. We cannot predict what effect, if any, future sales of our ADSs or ordinary shares, or the availability of ADSs or ordinary shares for future sale, will have on the trading price of our ADSs from time to time. Sales of substantial amounts of our ADSs or ordinary shares in the public market, or the perception that these sales could occur, could adversely affect the trading price of our ADSs.

Rule 144

All of our ordinary shares that will be outstanding upon the completion of this offering, other than those ordinary shares sold in this offering, are "restricted securities" as that term is defined in Rule 144 under the Securities Act and may be sold publicly in the United States only if they are subject to an effective registration statement under the Securities Act or pursuant to an exemption from the registration requirement such as those provided by Rule 144 and Rule 701 promulgated under the Securities Act. In general, beginning 90 days after the date of this prospectus, a person (or persons whose shares are aggregated) who at the time of a sale is not, and has not been during the three months preceding the sale, an affiliate of ours and has beneficially owned our restricted securities for at

least six months will be entitled to sell the restricted securities without registration under the Securities Act, subject only to the availability of current public information about us, and will be entitled to sell restricted securities beneficially owned for at least one year without restriction. Persons who are our affiliates and have beneficially owned our restricted securities for at least six months may sell a number of restricted securities within any three-month period that does not exceed the greater of the following:

- 1% of the then outstanding ordinary shares of the same class, in the form of ADSs or otherwise, which immediately after this offering will equal ordinary shares, assuming the underwriters do not exercise their over-allotment option; or

- the average weekly trading volume of our ordinary shares of the same class, in the form of ADSs or otherwise, during the four calendar weeks preceding the date on which notice of the sale is filed with the SEC.

Sales by our affiliates under Rule 144 are also subject to certain requirements relating to manner of sale, notice and the availability of current public information about us.

Rule 701

In general, under Rule 701 of the Securities Act as currently in effect, each of our employees, consultants or advisors who purchase ordinary shares from us in connection with a compensatory stock plan or other written agreement executed prior to the completion of this offering is eligible to resell those ordinary shares in reliance on Rule 144, but without compliance with some of the restrictions, including the holding period, contained in Rule 144. However, the Rule 701 shares would remain subject to lock-up arrangements and would only become eligible for sale when the lock-up period expires.

TAXATION

The following summary of the material Cayman Islands, PRC and United States federal income tax consequences of an investment in our ADSs or ordinary shares is based upon laws and relevant interpretations thereof in effect as of the date of this registration statement, all of which are subject to change. This summary does not deal with all possible tax consequences relating to an investment in our ADSs or ordinary shares, such as the tax consequences under U.S. state and local tax laws or under the tax laws of jurisdictions other than the Cayman Islands, the People's Republic of China and the United States.

Cayman Islands Taxation

The Cayman Islands currently levies no taxes on individuals or corporations based upon profits, income, gains or appreciation and there is no taxation in the nature of inheritance tax or estate duty. There are no other taxes likely to be material to us levied by the government of the Cayman Islands except for stamp duties which may be applicable on instruments executed in, or, after execution, brought within the jurisdiction of the Cayman Islands. The Cayman Islands is not party to any double tax treaties that are applicable to any payments made to or by our company. There are no exchange control regulations or currency restrictions in the Cayman Islands.

Payments of dividends and capital in respect of the ADSs and ordinary shares will not be subject to taxation in the Cayman Islands and no withholding will be required on the payment of a dividend or capital to any holder of the Shares, nor will gains derived from the disposal of the shares be subject to Cayman Islands income or corporation tax.

No stamp duty is payable in respect of the issue of the shares or on an instrument of transfer in respect of a share.

People's Republic of China Taxation

Under the PRC Enterprise Income Tax Law and its implementation rules, an enterprise established outside of the PRC with a "de facto management body" within the PRC is considered a resident enterprise and will be subject to the enterprise income tax at the rate of 25% on its global income. The implementation rules define the term "de facto management body" as the body that exercises full and substantial control over and overall management of the business, productions, personnel, accounts and properties of an enterprise. In April 2009, the State Administration of Taxation issued a circular, known as Circular 82, which provides certain specific criteria for determining whether the "de facto management body" of a PRC-controlled enterprise that is incorporated offshore is located in China. Although this circular only applies to offshore enterprises controlled by PRC enterprises or PRC enterprise groups, not those controlled by PRC individuals or foreigners, the criteria set forth in the circular may reflect the State Administration of Taxation's general position on how the "de facto management body" test should be applied in determining the tax resident status of all offshore enterprises. According to Circular 82, an offshore incorporated enterprise controlled by a PRC enterprise or a PRC enterprise group will be regarded as a PRC tax resident by virtue of having its "de facto management body" in China only if all of the following conditions are met: (i) the primary location of the day-to-day operational management is in the PRC; (ii) decisions relating to the enterprise's financial and human resource matters are made or are subject to approval by organizations or personnel in the PRC; (iii) the enterprise's primary assets, accounting books and records, company seals, and board and shareholder resolutions, are located or maintained in the PRC; and (iv) at least 50% of voting board members or senior executives habitually reside in the PRC.

We do not believe that LexinFintech Holdings Ltd. meets all of the conditions above. LexinFintech Holdings Ltd. is a company incorporated outside the PRC. As a holding company, its key assets are its ownership interests in its subsidiaries, and its key assets are located, and its records (including the resolutions of its board of directors and the resolutions of its shareholders) are maintained, outside the

PRC. For the same reasons, we believe our other entities outside of China are not PRC resident enterprises either. However, the tax resident status of an enterprise is subject to determination by the PRC tax authorities and uncertainties remain with respect to the interpretation of the term "de facto management body." There can be no assurance that the PRC government will ultimately take a view that is consistent with ours.

However, if the PRC tax authorities determine that LexinFintech Holdings Ltd. is a PRC resident enterprise for enterprise income tax purposes, we may be required to withhold a 10% withholding tax from dividends we pay to our shareholders that are non-resident enterprises, including the holders of our ADSs. Such 10% tax rate could be reduced by applicable tax treaties or similar arrangements between China and the jurisdiction of our shareholders. For example, for shareholders eligible for the benefits of the tax treaty between China and Hong Kong, the tax rate is reduced to 5% for dividends if relevant conditions are met. In addition, non-resident enterprise shareholders (including our ADS holders) may be subject to a 10% PRC tax on gains realized on the sale or other disposition of ADSs or ordinary shares, if such income is treated as sourced from within the PRC. It is unclear whether our non-PRC individual shareholders (including our ADS holders) would be subject to any PRC tax on dividends or gains obtained by such non-PRC individual shareholders in the event we are determined to be a PRC resident enterprise. If any PRC tax were to apply to such dividends or gains, it would generally apply at a rate of 20% unless a reduced rate is available under an applicable tax treaty. However, it is also unclear whether non-PRC shareholders of LexinFintech Holdings Ltd. would be able to claim the benefits of any tax treaties between their country of tax residence and the PRC in the event that LexinFintech Holdings Ltd. is treated as a PRC resident enterprise.

Provided that our Cayman Islands holding company, LexinFintech Holdings Ltd., is not deemed to be a PRC resident enterprise, holders of our ADSs and ordinary shares who are not PRC residents will not be subject to PRC income tax on dividends distributed by us or gains realized from the sale or other disposition of our shares or ADSs. However, under SAT Circular 698 and SAT Public Notice 7, where a non-resident enterprise conducts an "indirect transfer" by transferring taxable assets, including, in particular, equity interests in a PRC resident enterprise, indirectly by disposing of the equity interests of an overseas holding company, the non-resident enterprise, being the transferor, or the transferee or the PRC entity which directly owned such taxable assets may report to the relevant tax authority such indirect transfer. Using a "substance over form" principle, the PRC tax authority may disregard the existence of the overseas holding company if it lacks a reasonable commercial purpose and was established for the purpose of reducing, avoiding or deferring PRC tax. As a result, gains derived from such indirect transfer may be subject to PRC enterprise income tax, and the transferor obligated to withhold the applicable taxes, currently at a rate of 10% for the transfer of equity interests in a PRC resident enterprise. We and our non-PRC resident investors may be at risk of being required to file a return and being taxed under SAT Circular 698 and SAT Public Notice 7, and we may be required to expend valuable resources to comply with SAT Circular 698 and SAT Public Notice 7, or to establish that we should not be taxed under these circulars. See "Risk Factors—Risks Related to Doing Business in China—We face uncertainty with respect to indirect transfers of equity interests in PRC resident enterprises by their non-PRC holding companies."

United States Federal Income Tax Considerations

The following discussion is a summary of United States federal income tax considerations generally applicable to the ownership and disposition of our ADSs or ordinary shares by a U.S. holder (as defined below) that acquires our ADSs in this offering and holds our ADSs or ordinary shares as "capital assets" (generally, property held for investment) under the United States Internal Revenue Code of 1986, as amended (the "Code"). This discussion is based upon existing United States federal income tax law, which is subject to differing interpretations and may be changed, possibly with retroactive effect. No ruling has been sought from the Internal Revenue Service (the "IRS") with

respect to any United States federal income tax consequences described below, and there can be no assurance that the IRS or a court will not take a contrary position. This discussion does not address all aspects of United States federal income taxation that may be important to particular investors in light of their individual circumstances, including investors subject to special tax rules (for example, certain financial institutions, insurance companies, broker-dealers, traders in securities that have elected the mark-to-market method of accounting for their securities, partnerships and their partners, regulated investment companies, real estate investment trusts, and tax-exempt organizations (including private foundations)), investors who are not U.S. holders, investors who own (directly, indirectly, or constructively) 10% or more of our voting stock, investors that will hold their ADSs or ordinary shares as part of a straddle, hedge, conversion, constructive sale, or other integrated transaction for United States federal income tax purposes, or investors that have a functional currency other than the United States dollar, all of whom may be subject to tax rules that differ significantly from those summarized below. In addition, this discussion does not discuss any non-United States, alternative minimum tax, state, or local tax or any non-income tax (such as the U.S. federal gift or estate tax) considerations, or the Medicare tax on net investment income. Each U.S. holder is urged to consult its tax advisor regarding the United States federal, state, local, and non-United States income and other tax considerations of an investment in our ADSs or ordinary shares.

General

For purposes of this discussion, a "U.S. holder" is a beneficial owner of our ADSs or ordinary shares that is, for United States federal income tax purposes, (i) an individual who is a citizen or resident of the United States, (ii) a corporation (or other entity treated as a corporation for United States federal income tax purposes) created in, or organized under the laws of, the United States or any state thereof or the District of Columbia, (iii) an estate the income of which is subject to United States federal income taxation regardless of its source, or (iv) a trust (A) the administration of which is subject to the primary supervision of a United States court and which has one or more United States persons who have the authority to control all substantial decisions of the trust or (B) that has otherwise elected to be treated as a United States person under applicable United States Treasury regulations.

If a partnership (or other entity or arrangement treated as a partnership for United States federal income tax purposes) is a beneficial owner of our ADSs or ordinary shares, the tax treatment of a partner in the partnership will generally depend upon the status of the partner and the activities of the partnership. Partnerships holding our ADSs or ordinary shares and partners in such partnerships are urged to consult their tax advisors as to the particular United States federal income tax consequences of an investment in our ADSs or ordinary shares.

For United States federal income tax purposes, a U.S. holder of ADSs will generally be treated as the beneficial owner of the underlying shares represented by the ADSs. The remainder of this discussion assumes that a U.S. holder of our ADSs will be treated as the beneficial owner of the underlying shares represented by the ADSs. Accordingly, deposits or withdrawals of ordinary shares for ADSs will generally not be subject to United States federal income tax.

Passive Foreign Investment Company Considerations

A non-United States corporation, such as our company, will be a "passive foreign investment company," or "PFIC," for United States federal income tax purposes, if, in any particular taxable year, either (i) 75% or more of its gross income for such year consists of certain types of "passive" income or (ii) 50% or more of the average quarterly value of its assets (as determined on the basis of fair market value) during such year produce or are held for the production of passive income. Cash is categorized as a passive asset and the company's unbooked intangibles associated with active business

activities may generally be classified as active assets. Passive income generally includes, among other things, dividends, interest, rents, royalties, and gains from the disposition of passive assets.

We will be treated as owning a proportionate share of the assets and earning a proportionate share of the income of any other corporation in which we own, directly or indirectly, at least 25% (by value) of the stock. Although the law in this regard is unclear, we intend to treat our variable interest entities (including their subsidiaries) as being owned by us for United States federal income tax purposes, and we treat them that way, not only because we exercise effective control over the operation of such entities but also because we are entitled to substantially all of their economic benefits, and, as a result, we consolidate their results of operations in our consolidated financial statements. Assuming that we are the owner of our variable interest entities (including their subsidiaries) for United States federal income tax purposes, and based upon our current and expected income and assets (taking into account the expected proceeds from this offering) and projections as to the market price of our ADSs immediately following the offering, we do not presently expect to be a PFIC for the current taxable year or the foreseeable future.

While we do not expect to be or become a PFIC in the current or future taxable years, the determination of whether we are or will become a PFIC will depend in part upon the value of our goodwill and other unbooked intangibles (which will depend upon the market price of our ADSs from time-to-time, which may be volatile). In estimating the value of our goodwill and other unbooked intangibles, we have taken into account our anticipated market capitalization immediately following the close of this offering. Among other matters, if our market capitalization is less than anticipated or subsequently declines, we may be or become a PFIC for the current or future taxable years. It is also possible that the IRS may challenge our classification or valuation of our goodwill and other unbooked intangibles, which may result in our company being or becoming a PFIC for the current or one or more future taxable years.

The determination of whether we will be or become a PFIC will also depend, in part, on the composition of our income and assets, which may be affected by how, and how quickly, we use our liquid assets and the cash raised in this offering. If we determine not to deploy significant amounts of cash for active purposes or if we were treated as not owning our variable interest entities for United States federal income tax purposes, our risk of being classified as a PFIC may substantially increase. Because our PFIC status for any taxable year is a factual determination that can be made only after the close of a taxable year, there can be no assurance that we will not be a PFIC for the current taxable year or any future taxable year. If we are a PFIC for any year during which a U.S. holder holds our ADSs or ordinary shares, we generally will continue to be treated as a PFIC for all succeeding years during which such U.S. holder holds our ADSs or ordinary shares.

The discussion below under "Dividends" and "Sale or Other Disposition of ADSs or Ordinary Shares" is written on the basis that we will not be or become a PFIC for United States federal income tax purposes. The United States federal income tax rules that apply if we are a PFIC for the current taxable year or any subsequent taxable year are generally discussed below under "Passive Foreign Investment Company Rules."

Dividends

Subject to the PFIC rules discussed below, any cash distributions paid on our ADSs or ordinary shares (including the amount of any tax withheld) out of our current or accumulated earnings and profits, as determined under United States federal income tax principles, will generally be includible in the gross income of a U.S. holder as dividend income on the day actually or constructively received by the U.S. holder, in the case of ordinary shares, or by the depositary, in the case of ADSs. Because we do not intend to determine our earnings and profits on the basis of United States federal income tax principles, we will generally report any distribution paid as a dividend for United States federal income

tax purposes. Dividends received on the ADSs or ordinary shares will not be eligible for the dividends received deduction allowed to corporations.

Individuals and other non-corporate recipients of dividend income from a "qualified foreign corporation" will generally be subject to tax at a reduced United States federal tax rate rather than the marginal tax rates generally applicable to ordinary income provided that certain holding period and other requirements are met. A non-United States corporation will generally be considered to be a qualified foreign corporation (a) with respect to any dividend it pays on stock (or ADSs in respect of such stock) which is readily tradable on an established securities market in the United States, or (b) if it is eligible for the benefits of a comprehensive tax treaty with the United States which the Secretary of Treasury of the United States determines is satisfactory for purposes of this provision and which includes an exchange of information program. We intend to list the ADSs on the NASDAQ Global Market. Provided the listing is approved, we believe that the ADSs will be readily tradable on an established securities market in the United States and that we will be a qualified foreign corporation with respect to dividends paid on the ADSs. There can be no assurance that our ADSs will continue to be considered readily tradable on an established securities market in later years. Since we do not expect that our ordinary shares will be listed on established securities markets, we do not believe that dividends that we pay on our ordinary shares that are not backed by ADSs currently meet the conditions required for the reduced tax rate. However, in the event we are deemed to be a resident enterprise under the PRC Enterprise Income Tax Law, we may be eligible for the benefits of the United States-PRC income tax treaty (which the U.S. Treasury Department has determined is satisfactory for this purpose) and in that case, we would be treated as a qualified foreign corporation with respect to dividends paid on our ordinary shares as well as our ADSs. Each non-corporate U.S. holder is advised to consult its tax advisors regarding the availability of the reduced tax rate applicable to qualified dividend income for any dividends we pay with respect to our ADSs or ordinary shares.

Dividends generally will be treated as income from foreign sources for United States foreign tax credit purposes and generally will constitute passive category income. In the event that we are deemed to be a PRC "resident enterprise" under the Enterprise Income Tax Law, a U.S. holder may be subject to PRC withholding taxes on dividends paid on our ADSs or ordinary shares. See "Taxation—People's Republic of China Taxation." In that case, a U.S. holder may be eligible, subject to a number of complex limitations, to claim a foreign tax credit in respect of any foreign withholding taxes imposed on dividends received on ADSs or ordinary shares. A U.S. holder who does not elect to claim a foreign tax credit for foreign tax withheld may instead claim a deduction, for United States federal income tax purposes, in respect of such withholdings, but only for a year in which such U.S. holder elects to do so for all creditable foreign income taxes. The rules governing the foreign tax credit are complex. U.S. holders are advised to consult their tax advisors regarding the availability of the foreign tax credit under their particular circumstances.

Sale or Other Disposition of ADSs or Ordinary Shares

Subject to the PFIC rules discussed below, a U.S. holder generally will recognize capital gain or loss upon the sale or other disposition of ADSs or ordinary shares in an amount equal to the difference between the amount realized upon the disposition and the U.S. holder's adjusted tax basis in such ADSs or ordinary shares. Any capital gain or loss will be long-term if the ADSs or ordinary shares have been held for more than one year and generally will be United States source gain or loss for United States foreign tax credit purposes. Long-term capital gains of individuals and other non-corporate U.S. holders generally are eligible for a reduced rate of taxation. The deductibility of a capital loss may be subject to limitations.

In the event that we are treated as a PRC "resident enterprise" under the Enterprise Income Tax Law and gain from the disposition of the ADSs or ordinary shares is subject to tax in the PRC, a

U.S. holder that is eligible for the benefits of the income tax treaty between the United States and the PRC may elect to treat the gain as PRC source income. U.S. holders are advised to consult their tax advisors regarding the tax consequences if a foreign tax is imposed on a disposition of our ADSs or ordinary shares, including the availability of the foreign tax credit under their particular circumstances and the election to treat any gain as PRC source.

Passive Foreign Investment Company Rules

If we are a PFIC for any taxable year during which a U.S. holder holds our ADSs or ordinary shares, and unless the U.S. holder makes a mark-to-market election (as described below), the U.S. holder will generally be subject to special tax rules that have a penalizing effect, regardless of whether we remain a PFIC, for subsequent taxable years, on (i) any excess distribution that we make to the U.S. holder (which generally means any distribution paid during a taxable year to a U.S. holder that is greater than 125% of the average annual distributions paid in the three preceding taxable years or, if shorter, the U.S. holder's holding period for the ADSs or ordinary shares), and (ii) any gain realized on the sale or other disposition, including, under certain circumstances, a pledge, of ADSs or ordinary shares. Under the PFIC rules:

- such excess distribution and/or gain will be allocated ratably over the U.S. holder's holding period for the ADSs or ordinary shares;
- such amount allocated to the current taxable year and any taxable years in the U.S. holder's holding period prior to the first taxable year in which we are a PFIC, or pre-PFIC year, will be taxable as ordinary income;
- such amount allocated to each prior taxable year, other than a pre-PFIC year, will be subject to tax at the highest tax rate in effect for that year; and
- an interest charge generally applicable to underpayments of tax will be imposed on the tax attributable to each prior taxable year, other than a pre-PFIC year.

If we are a PFIC for any taxable year during which a U.S. holder holds our ADSs or ordinary shares and any of our non-United States subsidiaries is also a PFIC, such U.S. holder would be treated as owning a proportionate amount (by value) of the shares of the lower-tier PFIC for purposes of the application of these rules. U.S. holders are advised to consult their tax advisors regarding the application of the PFIC rules to any of our subsidiaries.

As an alternative to the foregoing rules, a U.S. holder of "marketable stock" in a PFIC may make a mark-to-market election with respect to our ADSs, provided that the ADSs are regularly traded on the NASDAQ Global Market. Because a mark-to-market election cannot be made for any lower-tier PFICs that a PFIC may own, a U.S. holder who makes a mark-to-market election with respect to our ADSs will generally continue to be subject to the foregoing rules with respect to such U.S. holder's indirect interest in any investments held by us that are treated as an equity interest in a PFIC for United States federal income tax purposes.

If a U.S. holder makes a mark-to-market election with respect to our ADSs, the U.S. holder generally will (i) include as ordinary income for each taxable year that we are a PFIC the excess, if any, of the fair market value of ADSs held at the end of the taxable year over the adjusted tax basis of such ADSs and (ii) deduct as an ordinary loss the excess, if any, of the adjusted tax basis of the ADSs over the fair market value of such ADSs held at the end of the taxable year, but only to the extent of the net amount previously included in income as a result of the mark-to-market election. The U.S. holder's adjusted tax basis in the ADSs would be adjusted to reflect any income or loss resulting from the mark-to-market election. Further, in each year that we are a PFIC any gain recognized upon the sale or other disposition of the ADSs will be treated as ordinary income and loss will be treated as ordinary loss, but only to the extent of the net amount previously included in income as a result of the

mark-to-market election. If a U.S. holder makes a mark-to-market election it will be effective for the taxable year for which the election is made and all subsequent taxable years unless the ADSs are no longer regularly traded on a qualified exchange or the IRS consents to the revocation of the election. It should also be noted that it is intended that only the ADSs and not the ordinary shares will be listed on the Nasdaq Global Market. Consequently, if a U.S. holder holds ordinary shares that are not represented by ADSs, such holder generally will not be eligible to make a mark-to-market election if we are or were to become a PFIC.

If a U.S. holder makes a mark-to-market election in respect of a PFIC and such corporation ceases to be a PFIC, the U.S. holder will not be required to take into account the mark-to-market gain or loss described above during any period that such corporation is not a PFIC.

We do not intend to provide information necessary for U.S. holders to make qualified electing fund elections, which, if available, would result in tax treatment different from (and generally less adverse than) the general tax treatment for PFICs described above.

As discussed above under "Dividends," dividends that we pay on our ADSs or ordinary shares will not be eligible for the reduced tax rate that applies to qualified dividend income if we are a PFIC for the taxable year in which the dividend is paid or the preceding taxable year. In addition, if a U.S. holder owns our ADSs or ordinary shares during any taxable year that we are a PFIC, such holder would generally be required to file an annual IRS Form 8621. Each U.S. holder is advised to consult its tax advisors regarding the potential tax consequences to such holder if we are or become a PFIC, including the possibility of making a mark-to-market election.

Information Reporting

Certain U.S. holders may be required to report information to the IRS relating to an interest in "specified foreign financial assets," including shares issued by a non-United States corporation, for any year in which the aggregate value of all specified foreign financial assets exceeds US$50,000 (or a higher dollar amount prescribed by the IRS), subject to certain exceptions (including an exception for shares held in custodial accounts maintained with a United States financial institution). These rules also impose penalties if a U.S. holder is required to submit such information to the IRS and fails to do so.

In addition, U.S. holders may be subject to information reporting to the IRS with respect to dividends on and proceeds from the sale or other disposition of our ADSs or ordinary shares. Each U.S. holder is advised to consult with its tax advisor regarding the application of the United States information reporting rules to their particular circumstances.

UNDERWRITING

We and the underwriters named below have entered into an underwriting agreement with respect to the ADSs being offered. Subject to certain conditions, each underwriter has severally agreed to purchase the number of ADSs indicated in the following table. Goldman Sachs (Asia) L.L.C., Merrill Lynch, Pierce, Fenner & Smith Incorporated, Deutsche Bank Securities Inc. and China Renaissance Securities (Hong Kong) Limited are the representatives of the underwriters.

Underwriters	Number of ADSs
Goldman Sachs (Asia) L.L.C.	
Merrill Lynch, Pierce, Fenner & Smith Incorporated	
Deutsche Bank Securities Inc.	
China Renaissance Securities (Hong Kong) Limited	
Total	

The underwriters and the representatives are collectively referred to as the "underwriters" and the "representatives," respectively. The underwriters are offering the ADSs subject to their acceptance of the ADSs from us and subject to prior sale. The underwriting agreement provides that the obligations of the underwriters to purchase the ADSs included in this offering are subject to the approval of certain legal matters by their counsel and to certain other conditions. The underwriters reserve the right to withdraw, cancel or modify offers to the public and to reject orders in whole or in part. The underwriters are obligated, severally and not jointly, to purchase all the ADSs if any such ADSs are taken. However, the underwriters are not required to take or pay for the ADSs covered by the underwriters' over-allotment option described below.

The underwriters initially propose to offer part of the ADSs directly to the public at the offering price listed on the cover page of this prospectus and part to certain dealers at a price that represents a concession not in excess of $ per ADS under the initial public offering price. After the initial offering of the ADSs, the offering price and other selling terms may from time to time be varied by the representatives.

The underwriters have an option to buy up to additional ADSs from us at the initial public offering price less the underwriting discounts and commissions. The underwriters may exercise this option solely to cover sales by the underwriters of a greater number of ADSs than the total number set forth in the table above. They may exercise that option for 30 days. If any ADSs are purchased pursuant to this option, the underwriters will severally purchase ADSs in approximately the same proportion as set forth in the table above.

The following table shows the public offering price, the underwriting discounts and commissions that we are to pay the underwriters and the proceeds, before expenses, to us in connection with this offering. Such amounts are shown assuming both no exercise and full exercise of the underwriters' option to purchase additional ADSs.

	Per ADS		Total	
	Without Option to Purchase Additional ADSs	With Option to Purchase Additional ADSs	Without Option to Purchase Additional ADSs	With Option to Purchase Additional ADSs
Public offering price	$	$	$	$
Underwriting discounts and commissions paid by us	$	$	$	$
Proceeds to us, before expenses	$	$	$	$

We estimate expenses payable by us in connection with this offering, other than the underwriting discounts and commissions referred to above, will be approximately $. We have also agreed to reimburse the underwriters for certain fees and expenses up to $ in connection with this offering. Such reimbursements are deemed underwriter compensation by the Financial Industry Regulatory Authority, or FINRA.

The underwriters have advised us that they do not intend sales to discretionary accounts to exceed 5% of the total number of ADSs offered by them.

Some of the underwriters are expected to make offers and sales both inside and outside the United States through their respective selling agents. Any offers or sales in the United States will be conducted by broker-dealers registered with the SEC. Goldman Sachs (Asia) L.L.C. will offer ADSs in the United States through its SEC-registered broker-dealer affiliate in the United States, Goldman, Sachs & Co. LLC. China Renaissance Securities (Hong Kong) Limited will offer ADSs in the United States through its SEC-registered broker-dealer affiliate in the United States, China Renaissance Securities (US) Inc. We intend to apply for the listing of our ADSs on the NASDAQ Global Market under the trading symbol "LX".

[We, our officers, directors and existing shareholders have agreed not to, without the prior written consent of [Goldman Sachs (Asia) L.L.C., Merrill Lynch, Pierce, Fenner & Smith Incorporated, Deutsche Bank Securities Inc. and China Renaissance Securities (Hong Kong) Limited], on behalf of the underwriters, during the period ending 180 days after the date of this prospectus (the "restricted period"):

- offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, any ordinary shares, ADSs or any securities convertible into or exercisable or exchangeable for ordinary shares or ADSs;

- file any registration statement with the SEC relating to the offering of any ordinary shares, ADSs or any securities convertible into or exercisable or exchangeable for ordinary shares or ADSs; or

- enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of ordinary shares or ADSs,

whether any such transaction described above is to be settled by delivery of ordinary shares, ADSs or such other securities, in cash or otherwise. In addition, we and each such person agrees that, without the prior written consent of the representatives on behalf of the underwriters, we or such other person will not, during the restricted period, make any demand for, or exercise any right with respect to, the registration of any ordinary shares, ADSs or any security convertible into or exercisable or exchangeable for ordinary shares or ADSs.

The restrictions described in the preceding paragraph are subject to certain exceptions.

[Goldman Sachs (Asia) L.L.C., Merrill Lynch, Pierce, Fenner & Smith Incorporated, Deutsche Bank Securities Inc. and China Renaissance Securities (Hong Kong) Limited] may, in their sole discretion, may release the ordinary shares, ADSs and other securities subject to the lock-up agreements described above in whole or in part at any time.]

In connection with the offering, the underwriters may purchase and sell ADSs in the open market. These transactions may include short sales, stabilizing transactions and purchases to cover positions created by short sales. Short sales involve the sale by the underwriters of a greater number of ADSs than they are required to purchase in the offering, and a short position represents the amount of such sales that have not been covered by subsequent purchases. A "covered short position" is a short position that is not greater than the amount of additional ADSs for which the underwriters' option

described above may be exercised. The underwriters may cover any covered short position by either exercising their option to purchase additional ADSs or purchasing ADSs in the open market. In determining the source of ADSs to cover the covered short position, the underwriters will consider, among other things, the price of ADSs available for purchase in the open market as compared to the price at which they may purchase additional ADSs pursuant to the option described above. "Naked" short sales are any short sales that create a short position greater than the amount of additional ADSs for which the option described above may be exercised. The underwriters must cover any such naked short position by purchasing ADSs in the open market. A naked short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of the ADSs in the open market after pricing that could adversely affect investors who purchase in the offering. Stabilizing transactions consist of various bids for or purchases of the ADSs made by the underwriters in the open market prior to the completion of the offering.

The underwriters may also impose a penalty bid. This occurs when a particular underwriter repays to the underwriters a portion of the underwriting discount received by it because the representatives have repurchased ADSs sold by or for the account of such underwriter in stabilizing or short covering transactions.

Purchases to cover a short position and stabilizing transactions, as well as other purchases by the underwriters for their own accounts, may have the effect of preventing or retarding a decline in the market price of our ADSs, and together with the imposition of the penalty bid, may stabilize, maintain or otherwise affect the market price of the common stock. As a result, the price of the ADSs may be higher than the price that otherwise might exist in the open market. The underwriters are not required to engage in these activities and may end any of these activities at any time. These transactions may be effected on the NASDAQ, in the over-the-counter market or otherwise.

We have agreed to indemnify the several underwriters against certain liabilities, including liabilities under the Securities Act of 1933.

A prospectus in electronic format may be made available by e-mail or on the websites or through online services maintained by one or more of the underwriters or their affiliates. In those cases, prospective investors may view offering terms online and may be allowed to place orders online. The underwriters may agree with us to allocate a specific number of ADSs for sale to online brokerage account holders. Any such allocation for online distributions will be made by the underwriters on the same basis as other allocations. Other than the prospectus in electronic format, the information on the underwriters' websites and any information contained in any other website maintained by any of the underwriters is not part of this prospectus, has not been approved and/or endorsed by us or the underwriters and should not be relied upon by investors.

The address of Goldman Sachs (Asia) L.L.C. is 68th Floor, Cheung Kong Center, 2 Queen's Road, Central, Hong Kong. The address of Merrill Lynch, Pierce, Fenner & Smith Incorporated is One Bryant Park, New York, New York 10036, United States of America. The address of Deutsche Bank Securities Inc. is 60 Wall Street, New York, New York 10005, United States of America. The address of China Renaissance Securities (Hong Kong) Limited is Units 8107-08, Level 81, International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong.

Pricing of the Offering

ADSs sold by the underwriters to the public will initially be offered at the initial public offering price set forth on the cover page of this prospectus. Any ADSs sold by the underwriters to securities dealers may be sold at a discount of up to $ per ADS from the initial public offering price. After the initial offering of the ADSs, the representatives may change the offering price and the other selling terms. The offering of the ADSs by the underwriters is subject to receipt and acceptance and subject to the underwriters' right to reject any order in whole or in part.

Prior to the offering, there has been no public market for the ADSs. The initial public offering price has been negotiated among us and the representatives. Among the factors to be considered in determining the initial public offering price of the ADSs, in addition to prevailing market conditions, will be our historical performance, estimates of the business potential and earnings prospects of us, an assessment of our management and the consideration of the above factors in relation to market valuation of companies in related businesses.

Relationships

The underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. Certain of the underwriters and their respective affiliates have provided, and may in the future provide, a variety of these services to us and to persons and entities with relationships with us, for which they received or will receive customary fees and expenses.

In the ordinary course of their various business activities, the underwriters and their respective affiliates, officers, directors and employees may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to our assets, securities and/or instruments (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with us. The underwriters and their respective affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

Selling Restrictions

No action may be taken in any jurisdiction other than the United States that would permit a public offering of the ADSs or the possession, circulation or distribution of this prospectus in any jurisdiction where action for that purpose is required. Accordingly, the ADSs may not be offered or sold, directly or indirectly, and neither the prospectus nor any other offering material or advertisements in connection with the ADSs may be distributed or published in or from any country or jurisdiction except under circumstances that will result in compliance with any applicable laws, rules and regulations of any such country or jurisdiction.

Australia

This document has not been lodged with the Australian Securities & Investments Commission and is only directed to certain categories of exempt persons. Accordingly, if you receive this document in Australia:

(a) You confirm and warrant that you are either:

(i) "sophisticated investor" under section 708(8)(a) or (b) of the Corporations Act 2001 (Cth) of Australia, or the Corporations Act;

(ii) "sophisticated investor" under section 708(8)(c) or (d) of the Corporations Act and that you have provided an accountant's certificate to the company which complies with the requirements of section 708(8)(c)(i) or (ii) of the Corporations Act and related regulations before the offer has been made;

(iii) person associated with the company under section 708(12) of the Corporations Act; or

(iv) "professional investor" within the meaning of section 708(11)(a) or (b) of the Corporations Act.

and to the extent that you are unable to confirm or warrant that you are an exempt sophisticated investor, associated person or professional investor under the Corporations Act, any offer made to you under this document is void and incapable of acceptance;

(b) you warrant and agree that you will not offer any of the ADSs issued to you pursuant to this document for resale in Australia within 12 months of those ADSs being issued unless any such resale offer is exempt from the requirement to issue a disclosure document under section 708 of the Corporations Act.

Canada

The ADSs may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the ADSs must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this prospectus (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 (or, in the case of securities issued or guaranteed by the government of a non-Canadian jurisdiction, section 3A.4) of National Instrument 33-105 Underwriting Conflicts (NI 33-105), the underwriters are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

Cayman Islands

This prospectus does not constitute a public offer of the ADSs or ordinary shares, whether by way of sale or subscription, in the Cayman Islands. The underwriters have not offered or sell, directly or indirectly, any ADSs in the Cayman Islands.

European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a Relevant Member State), an offer of ADSs to the public may not be made in that Relevant Member State, except that an offer of ADSs to the public may be made at any time under the following exemptions under the Prospectus Directive, if they have been implemented in that Relevant Member State:

(a) to any legal entity which is a qualified investor as defined in the Prospectus Directive;

(b) to fewer than 100 or, if the Relevant Member State has implemented the relevant provisions of the 2010 Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the representatives for any such offer; or

(c) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of ADSs shall result in a requirement for the publication of a prospectus pursuant to Article 3 of the Prospectus Directive or any measure implementing the Prospectus Directive in a Relevant Member State and each person who initially acquires any ADSs or to whom an offer is made will be deemed to have represented, warranted and agreed to and with the underwriters that it is a qualified investor within the meaning of the law in that Relevant Member State implementing Article 2(1)(e) of the Prospectus Directive.

For the purposes of this provision, the expression an "offer of ADSs to the public" in relation to any ADSs in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the ADSs to be offered so as to enable an investor to decide to purchase or subscribe the ADSs, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State, the expression Prospectus Directive means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State) and includes any relevant implementing measure in each Relevant Member State.

In the case of any ADSs being offered to a financial intermediary as that term is used in Article 3(2) of the Prospectus Directive, such financial intermediary will also be deemed to have represented, acknowledged and agreed that the ADSs acquired by it in the offer have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to, persons in circumstances which may give rise to an offer of ADSs to the public other than their offer or resale in a Relevant Member State to qualified investors as so defined or in circumstances in which the prior consent of the underwriters has been obtained to each such proposed offer or resale.

Hong Kong

The ADSs may not be offered or sold in Hong Kong by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32 of the Laws of Hong Kong) ("Companies (Winding Up and Miscellaneous Provisions) Ordinance") or which do not constitute an invitation to the public within the meaning of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) ("Securities and Futures Ordinance"), or (ii) to "professional investors" as defined in the Securities and Futures Ordinance and any rules made thereunder, or (iii) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance, and no advertisement, invitation or document relating to the ADSs may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to ADSs which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" in Hong Kong as defined in the Securities and Futures Ordinance and any rules made thereunder.

Japan

The ADSs have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended), or the FIEA. The ADSs may not be offered or sold, directly or indirectly, in Japan or to or for the benefit of any resident of Japan (including any person resident in Japan or any corporation or other entity organized under the laws of Japan) or to others for reoffering or resale, directly or indirectly, in Japan or to or for the benefit of any resident of Japan,

except pursuant to an exemption from the registration requirements of the FIEA and otherwise in compliance with any relevant laws and regulations of Japan.

Korea

The ADSs may not be offered, sold and delivered directly or indirectly, or offered or sold to any person for reoffering or resale, directly or indirectly, in Korea or to any resident of Korea except pursuant to the applicable laws and regulations of Korea, including the Korea Securities and Exchange Act and the Foreign Exchange Transaction Law and the decrees and regulations thereunder. The ADSs have not been registered with the Financial Services Commission of Korea for public offering in Korea. Furthermore, the ADSs may not be resold to Korean residents unless the purchaser of the ADSs complies with all applicable regulatory requirements (including but not limited to government approval requirements under the Foreign Exchange Transaction Law and its subordinate decrees and regulations) in connection with the purchase of the ADSs.

Malaysia

No prospectus or other offering material or document in connection with the offer and sale of the ADSs has been or will be registered with the Securities Commission of Malaysia, or Commission, for the Commission's approval pursuant to the Capital Markets and Services Act 2007. Accordingly, this prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the securities may not be circulated or distributed, nor may the securities be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Malaysia other than (i) a closed end fund approved by the Commission; (ii) a holder of a Capital Markets Services License; (iii) a person who acquires the securities as principal, if the offer is on terms that the securities may only be acquired at a consideration of not less than RM250,000 (or its equivalent in foreign currencies) for each transaction; (iv) an individual whose total net personal assets or total net joint assets with his or her spouse exceeds RM3 million (or its equivalent in foreign currencies), excluding the value of the primary residence of the individual; (v) an individual who has a gross annual income exceeding RM300,000 (or its equivalent in foreign currencies) per annum in the preceding 12 months; (vi) an individual who, jointly with his or her spouse, has a gross annual income of RM400,000 (or its equivalent in foreign currencies), per annum in the preceding 12 months; (vii) a corporation with total net assets exceeding RM10 million (or its equivalent in a foreign currencies) based on the last audited accounts; (viii) a partnership with total net assets exceeding RM10 million (or its equivalent in foreign currencies); (ix) a bank licensee or insurance licensee as defined in the Labuan Financial Services and Securities Act 2010; (x) an Islamic bank licensee or takaful licensee as defined in the Labuan Financial Services and Securities Act 2010; and (xi) any other person as may be specified by the Commission; provided that, in the each of the preceding categories (i) to (xi), the distribution of the securities is made by a holder of a Capital Markets Services License who carries on the business of dealing in securities. The distribution in Malaysia of this prospectus is subject to Malaysian laws. This prospectus does not constitute and may not be used for the purpose of public offering or an issue, offer for subscription or purchase, invitation to subscribe for or purchase any securities requiring the registration of a prospectus with the Commission under the Capital Markets and Services Act 2007.

PRC

This prospectus has not been and will not be circulated or distributed in the PRC, and our ADSs may not be offered or sold, and will not be offered or sold to any person for re-offering or resale, directly or indirectly, to any residents of the PRC except pursuant to applicable laws and regulations of the PRC. For the purposes of this paragraph, the PRC does not include Taiwan, Hong Kong or Macau.

Qatar

In the State of Qatar, the offer contained herein is made on an exclusive basis to the specifically intended recipient thereof, upon that person's request and initiative, for personal use only and shall in no way be construed as a general offer for the sale of securities to the public or an attempt to do business as a bank, an investment company or otherwise in the State of Qatar. This prospectus and the ADSs have not been approved or licensed by the Qatar Central Bank or the Qatar Financial Centre Regulatory Authority or any other regulator in the State of Qatar. The information contained in this prospectus shall only be shared with any third parties in Qatar on a need to know basis for the purpose of evaluating the contained offer. Any distribution of this prospectus by the recipient to third parties in Qatar beyond the terms hereof is not permitted and shall be at the liability of such recipient.

Singapore

This prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the ADSs may not be circulated or distributed, nor may the ADSs be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor (as defined under Section 4A of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA")) under Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA, in each case subject to conditions set forth in the SFA.

Where the ADSs are subscribed or purchased under Section 275 of the SFA by a relevant person which is a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor, the securities (as defined in Section 239(1) of the SFA) of that corporation shall not be transferable for 6 months after that corporation has acquired the ADSs under Section 275 of the SFA except: (1) to an institutional investor under Section 274 of the SFA or to a relevant person (as defined in Section 275(2) of the SFA), (2) where such transfer arises from an offer in that corporation's securities pursuant to Section 275(1A) of the SFA, (3) where no consideration is or will be given for the transfer, (4) where the transfer is by operation of law, (5) as specified in Section 276(7) of the SFA, or (6) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (ADSs and Debentures) Regulations 2005 of Singapore ("Regulation 32").

Where the ADSs are subscribed or purchased under Section 275 of the SFA by a relevant person which is a trust (where the trustee is not an accredited investor (as defined in Section 4A of the SFA)) whose sole purpose is to hold investments and each beneficiary of the trust is an accredited investor, the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferable for 6 months after that trust has acquired the ADSs under Section 275 of the SFA except: (1) to an institutional investor under Section 274 of the SFA or to a relevant person (as defined in Section 275(2) of the SFA), (2) where such transfer arises from an offer that is made on terms that such rights or interest are acquired at a consideration of not less than US$200,000 (or its equivalent in a foreign currency) for each transaction (whether such amount is to be paid for in cash or by exchange of securities or other assets), (3) where no consideration is or will be given for the transfer, (4) where the transfer is by operation of law, (5) as specified in Section 276(7) of the SFA, or (6) as specified in Regulation 32.

Switzerland

This document, as well as any other offering or marketing material relating to the ADSs which are the subject of the offering contemplated by this prospectus, neither constitutes a prospectus pursuant to Article 652a or Article 1156 of the Swiss Code of Obligations nor a simplified prospectus as such term is understood pursuant to article 5 of the Swiss Federal Act on Collective Investment Schemes. Neither the ADSs nor the shares underlying the ADSs will be listed on the SIX Swiss Exchange and, therefore, the documents relating to the ADSs, including, but not limited to, this document, do not claim to comply with the disclosure standards of the listing rules of SIX Swiss Exchange and corresponding prospectus schemes annexed to the listing rules of the SIX Swiss Exchange.

The ADSs are being offered in Switzerland by way of a private placement, i.e., to a small number of selected investors only, without any public offer and only to investors who do not purchase the ADSs with the intention to distribute them to the public. The investors will be individually approached from time to time. This document, as well as any other offering or marketing material relating to the ADSs, is confidential and it is exclusively for the use of the individually addressed investors in connection with the offer of the ADSs in Switzerland and it does not constitute an offer to any other person. This document may only be used by those investors to whom it has been handed out in connection with the offering described herein and may neither directly nor indirectly be distributed or made available to other persons without our express consent. It may not be used in connection with any other offer and shall in particular not be copied and/or distributed to the public in or from Switzerland.

Taiwan

The ADSs have not been and will not be registered or filed with, or approved by, the Financial Supervisory Commission of Taiwan pursuant to relevant securities laws and regulations and may not be offered or sold in Taiwan through a public offering or in circumstances which constitute an offer within the meaning of the Securities and Exchange Act of Taiwan or relevant laws and regulations that require a registration, filing or approval of the Financial Supervisory Commission of Taiwan. No person or entity in Taiwan has been authorized to offer or sell the ADSs in Taiwan.

United Arab Emirates and Dubai International Financial Centre

This offering of the ADSs has not been approved or licensed by the Central Bank of the United Arab Emirates, or the UAE, the Emirates Securities and Commodities Authority or any other relevant licensing authority in the UAE, including any licensing authority incorporated under the laws and regulations of any of the free zones established and operating in the territory of the UAE, in particular the Dubai Financial Services Authority, or the DFSA, a regulatory authority of the Dubai International Financial Centre, or the DIFC. This offering does not constitute a public offer of securities in the UAE, DIFC and/or any other free zone in accordance with the Commercial Companies Law, Federal Law No. 8 of 1984 (as amended), DFSA Offered Securities Rules and the Dubai International Financial Exchange Listing Rules, respectively, or otherwise.

The ADSs may not be offered to the public in the UAE and/or any of the free zones. The ADSs may be offered and this prospectus may be issued, only to a limited number of investors in the UAE or any of its free zones who qualify as sophisticated investors under the relevant laws and regulations of the UAE or the free zone concerned. The ADSs will not be offered, sold, transferred or delivered to the public in the UAE or any of its free zones.

United Kingdom

This prospectus is only addressed to and directed as qualified investors who are (i) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the Order); or (ii) high net worth entities and other persons to whom it may

lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as "relevant persons"). Any investment or investment activity to which this prospectus relates is available only to relevant persons and will only be engaged with relevant persons. This prospectus and its contents are confidential and should not be distributed, published or reproduced (in whole or in part) or disclosed by recipients to any other persons in the United Kingdom. Any person who is not a relevant person should not act or relay on this prospectus or any of its contents.

EXPENSES RELATED TO THIS OFFERING

Set forth below is an itemization of the total expenses, excluding underwriting discounts and commissions, that we expect to incur in connection with this offering. With the exception of the SEC registration fee, the Financial Industry Regulatory Authority, or FINRA, filing fee, and the NASDAQ Global Market market entry and listing fee, all amounts are estimates.

SEC Registration Fee	$
FINRA Filing Fee	
NASDAQ Global Market Market Entry and Listing Fee	
Printing and Engraving Expenses	
Legal Fees and Expenses	
Accounting Fees and Expenses	
Miscellaneous	
Total	**$**

LEGAL MATTERS

We are being represented by Skadden, Arps, Slate, Meagher & Flom LLP with respect to certain legal matters as to United States federal securities and New York State law. The underwriters are being represented by Shearman & Sterling LLP with respect to certain legal matters as to United States federal securities and New York State law. The validity of the Class A ordinary shares represented by the ADSs offered in this offering will be passed upon for us by Maples and Calder (Hong Kong) LLP. Certain legal matters as to PRC law will be passed upon for us by Beijing Shihui Law Firm and for the underwriters by Junhe LLP. Skadden, Arps, Slate, Meagher & Flom LLP may rely upon Maples and Calder (Hong Kong) LLP with respect to matters governed by Cayman Islands law and Beijing Shihui Law Firm with respect to matters governed by PRC law. Shearman & Sterling LLP may rely upon Junhe LLP with respect to matters governed by PRC law.

EXPERTS

The consolidated financial statements as of December 31, 2015 and December 31, 2016, and for each of the two years in the period ended December 31, 2016 included in this prospectus have been so included in reliance on the report of PricewaterhouseCoopers Zhong Tian LLP, an independent registered public accounting firm, given on the authority of such firm as experts in auditing and accounting.

The registered office address of PricewaterhouseCoopers Zhong Tian LLP is 6/F DBS Bank Tower, 1318 Lu Jia Zui Ring Road, Pudong New Area, Shanghai, 200120, the People's Republic of China.

WHERE YOU CAN FIND ADDITIONAL INFORMATION

We have filed a registration statement, including relevant exhibits, with the SEC on Form F-1 under the Securities Act with respect to the underlying Class A ordinary shares represented by the ADSs to be sold in this offering. We have also filed a related registration statement on Form F-6 with the SEC to register the ADSs. This prospectus, which constitutes a part of the registration statement on Form F-1, does not contain all of the information contained in the registration statement. You should read our registration statements and their exhibits and schedules for further information with respect to us and our ADSs.

Immediately upon the effectiveness of the registration statement on Form F-1 of which this prospectus forms a part, we will become subject to periodic reporting and other informational requirements of the Exchange Act as applicable to foreign private issuers. Accordingly, we will be required to file reports, including annual reports on Form 20-F, and other information with the SEC. All information filed with the SEC can be obtained over the internet at the SEC's website at www.sec.gov or inspected and copied at the public reference facilities maintained by the SEC at 100 F Street, N.E., Washington, D.C. 20549. You can request copies of documents, upon payment of a duplicating fee, by writing to the SEC.

As a foreign private issuer, we are exempt under the Exchange Act from, among other things, the rules prescribing the furnishing and content of proxy statements, and our executive officers, directors and principal shareholders are exempt from the reporting and short-swing profit recovery provisions contained in Section 16 of the Exchange Act. In addition, we will not be required under the Exchange Act to file periodic reports and financial statements with the SEC as frequently or as promptly as U.S. companies whose securities are registered under the Exchange Act. However, we intend to furnish the depositary with our annual reports, which will include a review of operations and annual audited consolidated combined financial statements prepared in conformity with U.S. GAAP, and all notices of shareholders' meetings and other reports and communications that are made generally available to our shareholders. The depositary will make such notices, reports and communications available to holders of ADSs and, if we so request, will mail to all record holders of ADSs the information contained in any notice of a shareholders' meeting received by the depositary from us.

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

INDEX TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders of LexinFintech Holdings Ltd.:

In our opinion, the accompanying consolidated balance sheets and the related consolidated statements of operations, of comprehensive loss, of changes in shareholders' deficit and of cash flows present fairly, in all material respects, the financial position of LexinFintech Holdings Ltd. and its subsidiaries as of December 31, 2016 and 2015, and the results of their operations and their cash flows for each of the two years in the period ended December 31, 2016 in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these financial statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

/s/ PricewaterhouseCoopers Zhong Tian LLP

Beijing, the People's Republic of China
July 18, 2017

LEXINFINTECH HOLDINGS LTD.

CONSOLIDATED BALANCE SHEETS

(In thousands, except for share and per share data)

	As of December 31,			Pro Forma December 31, (Unaudited)	
	2015 RMB	2016 RMB	2016 US$	2016 RMB	2016 US$
			Note 2	Note 23	Note 2
ASSETS					
Current assets					
Cash and cash equivalents	135,371	479,605	69,077	479,605	69,077
Restricted cash	26,330	172,870	24,898	172,870	24,898
Restricted time deposits	—	8,000	1,152	8,000	1,152
Short-term financing receivables, net	2,897,791	6,470,898	932,003	6,470,898	932,003
Accrued interest receivable	25,520	73,148	10,535	73,148	10,535
Prepaid expenses and other current assets	234,686	219,981	31,684	219,981	31,684
Amounts due from related parties	19,145	11,742	1,691	11,742	1,691
Inventories, net	44,295	107,704	15,513	107,704	15,513
Total current assets	3,383,138	7,543,948	1,086,553	7,543,948	1,086,553
Non-current assets					
Restricted time deposits	—	1,000	144	1,000	144
Long-term financing receivables, net	320,957	1,066,148	153,557	1,066,148	153,557
Property, equipment and software, net	11,950	41,747	6,013	41,747	6,013
Long-term investments	11,578	24,887	3,585	24,887	3,585
Deferred tax assets	89,459	42,405	6,108	42,405	6,108
Total non-current assets	433,944	1,176,187	169,407	1,176,187	169,407
TOTAL ASSETS	3,817,082	8,720,135	1,255,960	8,720,135	1,255,960
LIABILITIES					
Current liabilities					
Accounts payable (including amounts of the consolidated VIEs of RMB30,761 and RMB72,703 as of December 31, 2015 and 2016, respectively)	30,761	72,703	10,469	72,703	10,469
Amounts due to related parties (including amounts of the consolidated VIEs of RMB490,085 and RMB397,023 as of December 31, 2015 and 2016, respectively)	203,816	137,782	19,845	137,782	19,845
Short-term borrowings (including amounts of the consolidated VIEs of nil and RMB70,036 as of December 31, 2015 and 2016, respectively)	—	70,036	10,087	70,036	10,087
Short-term funding debts (including amounts of the consolidated VIEs of RMB3,159,154 and RMB6,968,488 as of December 31, 2015 and 2016, respectively)	3,159,154	6,968,488	1,003,671	6,968,488	1,003,671
Accrued interest payable (including amounts of the consolidated VIEs of RMB67,162 and RMB133,993 as of December 31, 2015 and 2016, respectively)	67,162	133,993	19,299	133,993	19,299
Accrued expenses and other current liabilities (including amounts of the consolidated VIEs of RMB118,898 and RMB593,298 as of December 31, 2015 and 2016, respectively)	131,236	602,259	86,743	602,259	86,743
Total current liabilities	3,592,129	7,985,261	1,150,114	7,985,261	1,150,114
Non-current liabilities					
Long-term funding debts (including amounts of the consolidated VIEs of RMB31,080 and RMB21,014 as of December 31, 2015 and 2016, respectively)	31,080	21,014	3,027	21,014	3,027
Long-term borrowings (including amounts of the consolidated VIEs of nil and RMB1,762 as of December 31, 2015 and 2016, respectively)	—	1,762	254	1,762	254
Convertible loans (including amounts of the consolidated VIEs of nil and RMB587,092 as of December 31, 2015 and 2016, respectively)	—	698,179	100,559	—	—
Total non-current liabilities	31,080	720,955	103,840	22,776	3,281
TOTAL LIABILITIES	3,623,209	8,706,216	1,253,954	8,008,037	1,153,395
Commitments and contingencies (Note 21)					

The accompanying notes are an integral part of these consolidated financial statements.

LEXINFINTECH HOLDINGS LTD.

CONSOLIDATED BALANCE SHEETS (Continued)

(In thousands, except for share and per share data)

	As of December 31,			Pro Forma December 31, (Unaudited)	
	2015 RMB	2016 RMB	2016 US$	2016 RMB	2016 US$
			Note 2	Note 23	Note 2
MEZZANINE EQUITY (Note 15)					
Series A-1 convertible redeemable preferred shares ($0.0001 of par value per share; 38,602,941 and 38,602,941 shares authorized, issued and outstanding with redemption value of RMB6,728 and RMB7,792 as of December 31, 2015 and 2016, respectively; no shares issued and outstanding, pro forma)	13,797	14,485	2,086	—	—
Class B ordinary shares ($0.0001 of par value per share; 7,350,000 and 7,350,000 shares authorized, issued and outstanding with redemption value of RMB1,246 and RMB1,443 as of December 31, 2015 and 2016, respectively; no shares issued and outstanding, pro forma)	1,191	1,319	190	—	—
Series A-2 convertible redeemable preferred shares ($0.0001 of par value per share; 39,390,757 and 39,390,757 shares authorized, issued and outstanding with redemption value of RMB40,334 and RMB46,712 as of December 31, 2015 and 2016, respectively; no shares issued and outstanding, pro forma)	38,123	41,810	6,022	—	—
Series B-1 convertible redeemable preferred shares ($0.0001 of par value per share; 4,119,294 and 4,119,294 shares authorized, issued and outstanding with redemption value of RMB29,846 and RMB34,633 as of December 31, 2015 and 2016, respectively; no shares issued and outstanding, pro forma)	26,935	29,970	4,317	—	—
Series B-2 convertible redeemable preferred shares ($0.0001 of par value per share; 69,152,661 and 69,152,661 shares authorized, 69,152,661 and 63,775,246 shares issued and outstanding with redemption value of RMB561,843 and RMB601,272 as of December 31, 2015 and 2016, respectively; no shares issued and outstanding, pro forma)	528,468	537,986	77,486	—	—
Series C convertible redeemable preferred shares ($0.0001 of par value per share; nil and 53,774,149 shares authorized, nil and 2 shares issued and outstanding with redemption value of nil and nil as of December 31, 2015 and 2016, respectively; no shares issued and outstanding, pro forma)	—	*	*	—	—
TOTAL MEZZANINE EQUITY	608,514	625,570	90,101	—	—

* Less than 1

SHAREHOLDERS' (DEFICIT)/EQUITY:					
Class A Ordinary Shares ($0.0001 par value; 341,384,347 and 287,610,198 shares authorized; 110,647,199 and 110,647,199 shares issued and outstanding as of December 31, 2015 and 2016, respectively; 303,718,139 shares issued and outstanding, pro forma)	68	68	10	202	29
Additional paid-in capital	—	—	—	1,323,615	190,641
Statutory reserves	103	2,003	289	2,003	289
Accumulated other comprehensive income	15,034	16,942	2,440	16,942	2,440
Accumulated deficit	(429,846)	(630,664)	(90,834)	(630,664)	(90,834)
TOTAL SHAREHOLDERS' (DEFICIT)/EQUITY	(414,641)	(611,651)	(88,095)	712,098	102,565
TOTAL LIABILITIES, MEZZANINE EQUITY AND SHAREHOLDERS' (DEFICIT)/EQUITY	3,817,082	8,720,135	1,255,960	8,720,135	1,255,960

The accompanying notes are an integral part of these consolidated financial statements.

LEXINFINTECH HOLDINGS LTD.

CONSOLIDATED STATEMENTS OF OPERATIONS

(In thousands, except for share and per share data)

	For the Year Ended December 31,		
	2015	2016	
	RMB	RMB	US$ Note 2
Operating revenue:			
Online direct sales	2,164,393	2,770,634	399,054
Services and others	—	5,060	729
Online direct sales and services income	2,164,393	2,775,694	399,783
Interest and financial services income	325,601	1,373,559	197,834
Loan facilitation and servicing fees	661	54,201	7,807
Other revenue	34,287	135,232	19,477
Financial services income	360,549	1,562,992	225,118
Total operating revenue	2,524,942	4,338,686	624,901
Operating cost:			
Cost of sales (including cost of goods purchased from a related party of RMB745,412 and RMB658,898 for the years ended December 31, 2015 and 2016, respectively)	(2,309,586)	(2,894,025)	(416,826)
Funding cost	(168,470)	(491,695)	(70,819)
Processing and servicing cost	(51,057)	(114,323)	(16,466)
Provision for credit losses	(68,287)	(236,611)	(34,079)
Total operating cost	(2,597,400)	(3,736,654)	(538,190)
Gross profit	(72,458)	602,032	86,711
Operating expenses:			
Sales and marketing expenses	(243,463)	(376,313)	(54,201)
Research and development expenses	(40,441)	(127,317)	(18,338)
General and administrative expenses	(40,962)	(87,364)	(12,583)
Total operating expenses	(324,866)	(590,994)	(85,122)
Interest expense, net	(1,930)	(48,343)	(6,963)
Investment related impairment	—	(5,635)	(812)
Change in fair value of financial guarantee derivatives	—	(5,942)	(856)
Others, net	126	(10,799)	(1,555)
Loss before income tax expense	(399,128)	(59,681)	(8,597)
Income tax benefit/(expense)	88,934	(58,258)	(8,391)
Net loss	(310,194)	(117,939)	(16,988)
Preferred shares redemption value accretion	(51,524)	(62,299)	(8,973)
Deemed dividend to a preferred shareholder	—	(42,679)	(6,147)
Net loss attributable to ordinary shareholders	(361,718)	(222,917)	(32,108)
Net loss per ordinary share			
Basic	(3.27)	(2.01)	(0.29)
Diluted	(3.27)	(2.01)	(0.29)
Pro forma, basic (unaudited)		(0.24)	(0.04)
Pro forma, diluted (unaudited)		(0.24)	(0.04)
Weighted average ordinary shares outstanding			
Basic	110,647,199	110,647,199	110,647,199
Diluted	110,647,199	110,647,199	110,647,199
Pro forma, basic (unaudited)		287,719,759	287,719,759
Pro forma, diluted (unaudited)		287,719,759	287,719,759
Share-based compensation expenses included in:			
Processing and servicing cost	472	1,067	154
Sales and marketing expenses	3,194	4,009	577
Research and development expenses	3,736	9,068	1,306
General and administrative expenses	7,086	9,855	1,419

The accompanying notes are an integral part of these consolidated financial statements.

LEXINFINTECH HOLDINGS LTD.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS

(In thousands, except for share and per share data)

	For the Year Ended December 31,		
	2015	2016	
	RMB	RMB	US$ Note 2
Net Loss	(310,194)	(117,939)	(16,988)
Other comprehensive income			
Foreign currency translation adjustment, net of nil tax	15,422	1,908	275
Total comprehensive loss	(294,772)	(116,031)	(16,713)

The accompanying notes are an integral part of these consolidated financial statements.

LEXINFINTECH HOLDINGS LTD.

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' DEFICIT

(In thousands, except for share and per share data)

	Class A Ordinary Shares		Additional Paid-in Capital	Statutory Reserves	Accumulated Other Comprehensive (Loss)/Income	Accumulated Deficit	Total Shareholders' Deficit
	Shares	Amount					
		RMB	RMB	RMB	RMB	RMB	RMB
Balances at December 31, 2014	**110,647,199**	**68**	**—**	**2**	**(388)**	**(76,609)**	**(76,927)**
Net loss	—	—	—	—	—	(310,194)	(310,194)
Share-based compensation expenses	—	—	14,488	—	—	—	14,488
Repurchase of vested options	—	—	(5,906)	—	—	—	(5,906)
Preferred shares redemption value accretion	—	—	(8,582)	—	—	(42,942)	(51,524)
Appropriation to statutory reserves	—	—	—	101	—	(101)	—
Foreign currency translation adjustments, net of nil tax	—	—	—	—	15,422	—	15,422
Balances at December 31, 2015	**110,647,199**	**68**	**—**	**103**	**15,034**	**(429,846)**	**(414,641)**
Net loss	—	—	—	—	—	(117,939)	(117,939)
Share-based compensation expenses	—	—	23,999	—	—	—	23,999
Preferred shares redemption value accretion	—	—	(23,999)	—	—	(38,300)	(62,299)
Deemed dividend to a preferred shareholder	—	—	—	—	—	(42,679)	(42,679)
Appropriation to statutory reserves	—	—	—	1,900	—	(1,900)	—
Foreign currency translation adjustments, net of nil tax	—	—	—	—	1,908	—	1,908
Balances at December 31, 2016	**110,647,199**	**68**	**—**	**2,003**	**16,942**	**(630,664)**	**(611,651)**

The accompanying notes are an integral part of these consolidated financial statements.

LEXINFINTECH HOLDINGS LTD.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In thousands)

	For the Year Ended December 31,		
	2015	2016	
	RMB	RMB	US$ Note 2
Cash flows from operating activities:			
Net loss	(310,194)	(117,939)	(16,988)
Adjustments to reconcile net loss to net cash (used in)/provided by operating activities:			
Accrued convertible loans interest expense	—	45,268	6,520
Amortization of debt issuance cost	—	10,880	1,567
Change in fair value of servicing rights	(521)	3,535	509
Share-based compensation expenses	14,488	23,999	3,456
Depreciation and amortization	1,388	4,586	661
Provision for credit losses	68,287	236,611	34,079
Inventory write-downs	2,321	1,688	243
Change in fair value of financial guarantee derivatives	—	5,942	856
Deferred income tax	(89,459)	47,054	6,777
Investment related impairment	—	5,635	812
Share of results of an equity investee	—	1,640	236
Changes in operating assets and liabilities:			
Financing receivables related to online direct sales	(1,312,503)	(253,660)	(36,535)
Accrued interest receivable	(21,850)	(47,628)	(6,860)
Prepaid expenses and other current assets	(209,898)	(8,356)	(1,204)
Amounts due from related parties	33,800	1,487	214
Inventories	(33,265)	(65,097)	(9,376)
Accounts payable	30,641	41,942	6,041
Amounts due to related parties	177,018	(84,411)	(12,158)
Accrued interest payable	64,263	66,831	9,626
Accrued expenses and other current liabilities	100,378	459,832	66,229
Net cash (used in)/provided by operating activities	(1,485,106)	379,839	54,705
Cash flows from investing activities:			
Cash paid on long-term investments	(11,132)	(13,333)	(1,920)
Purchases of property, equipment and software	(10,418)	(32,147)	(4,630)
Financing receivables originated (excluding receivables related to online direct sales)	(3,252,366)	(12,004,213)	(1,728,966)
Principal collection on financing receivables and recoveries (excluding receivables related to online direct sales)	1,651,028	7,702,963	1,109,457
Changes in restricted cash	(25,947)	(146,540)	(21,106)
Placement of restricted time deposits	—	(9,000)	(1,296)
Withdrawal of restricted time deposits	61,190	—	—
Net cash used in investing activities	(1,587,645)	(4,502,270)	(648,461)
Cash flows from financing activities:			
Proceeds from financial institution borrowings	—	80,000	11,522
Principal payments on financial institution borrowings	(55,300)	(8,202)	(1,181)
Proceeds from Funding Debts	5,752,255	15,432,174	2,222,695
Principal payments on Funding Debts	(2,864,683)	(11,589,727)	(1,669,268)
Proceeds from issuances of convertible loans	—	654,680	94,294
Payment of debt issuance cost	(3,648)	(21,055)	(3,033)
Proceeds from issuance of preferred shares	203,240	—	—
Repurchase of preferred shares	—	(87,923)	(12,664)
Net cash provided by financing activities	3,031,864	4,459,947	642,365
Effect of exchange rate changes on cash and cash equivalents	14,674	6,718	971
Net (decrease)/increase in cash and cash equivalents	(26,213)	344,234	49,580
Cash and cash equivalents at beginning of the year	161,584	135,371	19,497
Cash and cash equivalents at end of the year	135,371	479,605	69,077
Supplemental disclosure of cash flows information			
Cash paid for interest expense	3,366	1,132	163
Non-cash investing and financing activities			
Accretion to preferred shares redemption value	51,524	62,299	8,973

The accompanying notes are an integral part of these consolidated financial statements.

LEXINFINTECH HOLDINGS LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. ORGANIZATION AND PRINCIPAL ACTIVITIES

LexinFintech Holdings Ltd. ("Lexin" or the "Company"), formerly known as Staging Finance Holding Ltd., was incorporated in the Cayman Islands on November 22, 2013. The Company is a holding company and conducts its business mainly through its subsidiaries, variable interest entities ("VIEs") and subsidiaries of the VIEs (collectively referred to as the "Group"). The Group offers online direct sales with installment payment terms and offers installment purchase loans and personal installment loans mainly through its retail and online consumer finance platform ("Platform"), www.fenqile.com, and its mobile application ("APP") to young adults typically between the age of 18 and 36 ("Customers") in the People's Republic of China ("PRC").

The Group addresses its Customers' credit needs by offering installment purchase loans and personal installment loans (collectively referred to as the "Loans"). Installment purchase loans are loans offered to Customers who want to finance their online direct purchase from the Platform with general terms of between two months and thirty-six months. Personal installment loans are loans provided to Customers who have consumption needs (other than purchase from the Platform) with terms generally ranging from one month to thirty-six months.

The Group primarily finances the Loans to Customers through its own online investment platform, www.juzilicai.com and its APP, by offering various investment programs that are backed by the Loans to individual investors ("Individual Investors"). The Group also finances the Loans with proceeds from partnering peer-to-peer lending platforms, commercial banks and other financial institutions (collectively "Institutional Funding Partners").

As of December 31, 2016, the Company's principal subsidiaries, consolidated VIEs and subsidiaries of VIEs are as follows:

	Date of Incorporation/ Establishment	Place of Incorporation/ Establishment	Percentage of Direct or Indirect Economic Interest	Principal Activities
Subsidiaries				
Installment (HK) Investment Limited ("Installment HK")	December 9, 2013	Hong Kong, PRC	100%	Investment holding
Beijing Shijitong Technology Co., Ltd.("Beijing Shijitong")	July 1, 2014	Beijing, PRC	100%	Technical support and consulting services
VIEs				
Beijing Lejiaxin Network Technology Co., Ltd.("Beijing Lejiaxin")	October 25, 2013	Beijing, PRC	100%	Investment holding
Shenzhen Xinjie Investment Co., Ltd.("Shenzhen Xinjie")	December 22, 2015	Shenzhen, PRC	100%	Investment holding
Shenzhen Qianhai Dingsheng Asset Management Co., Ltd. ("Qianhai Dingsheng")	January 13, 2016	Shenzhen, PRC	100%	Financial technology services
Subsidiaries of the VIEs				
Shenzhen Fenqile Network Technology Co., Ltd.("Shenzhen Fenqile")	August 15, 2013	Shenzhen, PRC	100%	Online direct sales and online consumer finance
Shenzhen Qianhai Juzi Information Technology Co., Ltd. ("Qianhai Juzi")	June 26, 2014	Shenzhen, PRC	100%	Online investment platform
Shenzhen Tiqianle Network Technology Co., Ltd.("Shenzhen Tiqianle")	January 13, 2016	Shenzhen, PRC	100%	Online direct sales and online consumer finance

LEXINFINTECH HOLDINGS LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

1. ORGANIZATION AND PRINCIPAL ACTIVITIES (Continued)

History of the Group and Basis of Presentation

The Group commenced operations through Shenzhen Fenqile, a PRC company incorporated in August 2013 that offers online direct sales with installment payment terms, installment purchase loans and personal installment loans. The equity interests of Shenzhen Fenqile were held by Mr. Jay Wenjie Xiao, the Group's founder, Chief Executive Officer and director (the "Founding Shareholder"), and two angel investors, Mr. Qiangdong Liu and Tibet Xianfeng Huaxing Changqing Investment Co. Ltd. ("Tibet Xianfeng Huaxing"), prior to July 2014. In October 2013, Beijing Lejiaxin was incorporated as an investment holding company in the PRC. The equity interests of Beijing Lejiaxin were held by the Founding Shareholder and Mr. Qiangdong Liu. Beijing Lejiaxin established its wholly owned subsidiary Qianhai Juzi in June 2014 in order to launch the Group's online investment platform *Juzi Licai*, which offers investment programs to the Individual Investors.

2014 Reorganization

In order to facilitate international financing for the Company, the Group underwent a reorganization (the "2014 Reorganization") from November 2013 to July 2014. In November 2013, the Company was incorporated under the Laws of the Cayman Islands to be an offshore holding company for the Group. In December 2013, Installment HK was incorporated in Hong Kong as a wholly owned subsidiary of the Company. In July 2014, Beijing Shijitong was incorporated as a wholly owned subsidiary of Installment HK in the PRC.

To comply with PRC laws and regulations which prohibit or restrict foreign ownership of Internet content, the Company obtained control over Shenzhen Fenqile and Beijing Lejiaxin through Beijing Shijitong by entering into a series of contractual arrangements with Shenzhen Fenqile, Beijing Lejiaxin and their shareholders in July 2014. These contractual arrangements include exclusive option agreements, power of attorney, exclusive business cooperation agreements, and equity pledge agreements. As a result of the 2014 Reorganization, Shenzhen Fenqile and Beijing Lejiaxin became the consolidated VIEs of the Group through the contractual arrangements described in Note 2. The Founding Shareholder, Tibet Xianfeng Huaxing, and Mr. Qiangdong Liu are collectively referred to as the nominee shareholders ("Nominee Shareholders"). The Nominee Shareholders are legal owners of an entity, however, the rights of the shareholders have been transferred to third parties through contractual arrangements.

Concurrently with the 2014 Reorganization, the Company completed its Class B Ordinary Shares, Series A-1 Preferred Shares and Series A-2 Preferred Shares financing. The 2014 Reorganization was accounted for as a reorganization and the historical financial statements were presented on a carryover basis.

2016 Reorganization

In December 2015, Shenzhen Xinjie was incorporated by the Founding Shareholder as an investment holding company in the PRC. In March 2016, Shenzhen Xinjie acquired 73.33% equity interests of Shenzhen Fenqile by investing additional capital in Shenzhen Fenqile to better structure the Group, and the remaining equity interests were still held by the same Nominee Shareholders (the "2016 Reorganization"). In January 2016, Shenzhen Xinjie established a subsidiary Shenzhen Tiqianle to offer online direct sales and online consumer finance services. In January 2016, Qianhai

LEXINFINTECH HOLDINGS LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

1. ORGANIZATION AND PRINCIPAL ACTIVITIES (Continued)

Dingsheng was incorporated by the Founding Shareholder (90%) and Shenzhen Xinjie (10%) to conduct financial technology services business.

The Company obtained control over Shenzhen Xinjie and Qianhai Dingsheng through Beijing Shijitong in December 2015 and January 2016 respectively by entering into a series contractual arrangements with Shenzhen Xinjie, Qianhai Dingsheng and the Founding Shareholder. These contractual arrangements include exclusive option agreements, power of attorney, exclusive business cooperation agreements, and equity pledge agreements. As a result of the 2016 Reorganization, Shenzhen Xinjie and Qianhai Dingsheng became the consolidated VIEs of the Group through the contractual arrangements described in Note 2 and the Company's ability to control Shenzhen Fenqile remains unchanged. Shenzhen Fenqile then became one of the subsidiaries of Shenzhen Xinjie.

All the entities involved in the 2016 Reorganization were under common control and therefore the historical financial statements were presented on a carryover basis.

Management concluded that Shenzhen Fenqile (before the 2016 Reorganization), Beijing Lejiaxin, Shenzhen Xinjie and Qianhai Dingsheng are the VIEs of the Company and the Company is entitled to substantially all of the economic benefits from the VIEs and is obligated to absorb all of their expected losses. As such, the Company is the ultimate primary beneficiary of the VIEs and shall consolidate the financial results of these VIEs and their subsidiaries in the Group's consolidated financial statements. Refer to Note 2 to the consolidated financial statements for the basis of consolidation.

Liquidity

The Group has been incurring losses from operations since inception. Accumulated deficit amounted to RMB429.8 million and RMB630.7 million as of December 31, 2015 and 2016, respectively. Net current liabilities of the Group were RMB209.0 million and RMB441.3 million as of December 31, 2015 and 2016, respectively. The net cash used in operating activities was approximately RMB1,485.1 million for the year ended December 31, 2015, while the net cash provided by operating activities was approximately RMB379.8 million for the year ended December 31, 2016.

The Group's liquidity is based on its ability to generate cash from operations or obtain capital financing from equity interest investors to fund its general operations and capital expansion needs. The growth of the Group's business is also dependent on its ability to obtain funds from the Individual Investors on *Juzi Licai* and Institutional Funding Partners to fund its Loans to Customers. The Group's ability to continue as a going concern is dependent on management's ability to successfully execute its business plan, which includes increasing revenues while controlling operating cost and expenses to generate positive operational cash flows, and obtaining funds from Individual Investors, Institutional Funding Partners or equity interest investors to generate positive financing cash flows. Based on cash flows projections from operating and financing activities and existing balances of cash and cash equivalents, the Group believed that it will be able to meet its payment obligations for general operations and debt related commitments for the next twelve months from the date of issuance of the consolidated financial statements. Based on the above considerations, the Group's consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and liquidation of liabilities during the normal course of operations.

LEXINFINTECH HOLDINGS LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The consolidated financial statements of the Group have been prepared in accordance with the accounting principles generally accepted in the United States of America ("U.S. GAAP"). Significant accounting policies followed by the Group in the preparation of the accompanying consolidated financial statements are summarized below.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company, its subsidiaries, the VIEs and subsidiaries of the VIEs for which the Company is the primary beneficiary.

Subsidiaries are those entities in which the Company, directly or indirectly, controls more than one half of the voting power or has the power to govern the financial and operating policies, to appoint or remove the majority of the members of the board of directors, or to cast a majority of votes at the meeting of directors.

A consolidated VIE is an entity in which the Company, or its subsidiary, through contractual arrangements, has the power to direct the activities that most significantly impact the entity's economic performance, bears the risks of and enjoys the rewards normally associated with ownership of the entity, and therefore the Company or its subsidiary is the primary beneficiary of the entity.

All transactions and balances among the Company, its subsidiaries, the VIEs and subsidiaries of the VIEs have been eliminated upon consolidation.

VIE Companies

a. Contractual Agreements with VIEs

The following is a summary of the contractual agreements (collectively, "Contractual Agreements") between the Company's PRC subsidiary, Beijing Shijitong, and the VIEs, Shenzhen Fenqile (before the 2016 Reorganization), Beijing Lejiaxin, Shenzhen Xinjie and Qianhai Dingsheng. Through the Contractual Agreements, the VIEs are effectively controlled by the Company.

Exclusive Option Agreements. Pursuant to the Exclusive Option Agreements, the Nominee Shareholders of the VIEs have irrevocably granted Beijing Shijitong or any third party designated by Beijing Shijitong an exclusive option to purchase all or part of their respective equity interests in the VIEs. The purchase price shall be the lowest price permitted by law. Without Beijing Shijitong's prior written consent, the VIEs shall not, among other things, amend their articles of association, increase or decrease the registered capital, sell, dispose of or set any encumbrance on their assets, business or revenue, enter into any material contract outside the ordinary course of business, merge with any other persons or make any investments, distribute dividends, or enter into any transactions which have material adverse effects on their business. The Nominee Shareholders of the VIEs also jointly and severally undertake that they will not transfer, gift or otherwise dispose of their respective equity interests in the VIEs to any third party or create or allow any encumbrance on their equity interests within the term of these agreements. These agreements will remain effective until Beijing Shijitong and/or any third party designated by Beijing Shijitong has acquired all equity interests of the VIEs from their respective Nominee Shareholders.

LEXINFINTECH HOLDINGS LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Power of Attorney. Pursuant to the Power of Attorney, each Nominee Shareholder of the VIEs irrevocably authorizes Beijing Shijitong or any person(s) designated by Beijing Shijitong to act as its attorney-in-fact to exercise all of such shareholder's voting and other rights associated with the shareholder's equity interests in the VIEs, including but not limited to, the right to attend shareholder meetings on behalf of such shareholder, the right to appoint legal representatives, directors, supervisors and chief executive officers and other senior management, and the right to sell, transfer, pledge and dispose of all or a portion of the shares held by such shareholder. The power of attorney is irrevocable and remains in force continuously upon execution.

Exclusive Business Cooperation Agreements. Pursuant to these Exclusive Business Cooperation Agreements, Beijing Shijitong or its designated party has the exclusive right to provide the VIEs with comprehensive business support, technical support and consulting services. Without Beijing Shijitong's prior written consent, the VIEs shall not accept any services covered by these agreements from any third party. The VIEs agree to pay service fees in an amount determined by Beijing Shijitong based on respective profits calculated as operating revenue minus operating cost of the VIEs for the relevant period on a yearly basis or other service fees for specific services as required and as otherwise agreed by both parties. Beijing Shijitong owns the intellectual property rights arising out of the services performed under these agreements. Unless Beijing Shijitong terminates these agreements or pursuant to other provisions of these agreements, these agreements will remain effective indefinitely. These agreements can be terminated by Beijing Shijitong through a 30-day advance written notice, the VIEs have no right to unilaterally terminate these agreements. Beijing Shijitong is entitled to substantially all of the economic benefits of the VIEs.

Equity Pledge Agreements. Pursuant to these Equity Pledge Agreements, each Nominee Shareholder of the VIEs has pledged all of his, her or its respective equity interests in the VIEs to Beijing Shijitong to guarantee the performance by such Nominee Shareholder and the VIEs of their respective obligations under the Exclusive Option Agreements, the Power of Attorney and the Exclusive Business Cooperation Agreements, and any amendment, supplement or restatement to such agreements. If the VIEs or any of their Nominee Shareholders breach any obligations under these agreements, Beijing Shijitong, as pledgee, will be entitled to dispose of the pledged equity and have priority to be compensated by the proceeds from the disposal of the pledged equity. Each of the Nominee Shareholders of the VIEs agrees that before his, her or its obligations under the Contractual Agreements are discharged, he, she or it will not dispose of the pledged equity interests, create or allow any encumbrance on the pledged equity interests, which may result in the change of the pledged equity that may have adverse effects on the pledgee's rights under these agreements without the prior written consent of Beijing Shijitong. These Equity Pledge Agreements will remain effective until the VIEs and their Nominee Shareholders discharge all their respective obligations under the Contractual Agreements.

In April 2015, the Contractual Agreements were restated to reflect the replacement of Tibet Xianfeng Huaxing with its affiliated entity, Tibet Xianfeng Management Consultant Co., Ltd., as a Nominee Shareholder of Shenzhen Fenqile. In March 2016, the Contractual Agreements were restated to reflect the 2016 Reorganization. These changes had no impact on the Group's effective control over Shenzhen Fenqile, and therefore had no impact on the consolidated financial statements.

LEXINFINTECH HOLDINGS LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

b. Risks in relation to the VIE structure

The following table sets forth the assets, liabilities, results of operations and changes in cash and cash equivalents of the VIEs and their subsidiaries taken as a whole, which were included in the Group's consolidated financial statements with intercompany balances and transactions eliminated:

	As of December 31,	
	2015	2016
	(RMB in thousands)	
Total assets	3,687,869	8,565,968
Total liabilities	3,897,140	8,845,409

	For the Year Ended December 31,	
	2015	2016
	(RMB in thousands)	
Total operating revenue	2,524,942	4,338,686
Net loss	(297,545)	(89,726)

	For the Year Ended December 31,	
	2015	2016
	(RMB in thousands)	
Net cash (used in)/provided by operating activities	(1,266,996)	360,790
Net cash used in investing activities	(1,639,542)	(4,498,168)
Net cash provided by financing activities	2,938,424	4,450,392
Net increase in cash and cash equivalents	31,886	313,014
Cash and cash equivalents at beginning of the year	10,930	42,816
Cash and cash equivalents at end of the year	42,816	355,830

Under the Contractual Agreements with the VIEs, the Company has the power to direct activities of the VIEs and VIEs' subsidiaries, and can have assets transferred out of the VIEs and VIEs' subsidiaries. Therefore, the Company considers itself the ultimate primary beneficiary of the VIEs and there is no asset of the VIEs that can only be used to settle obligations of the VIEs and VIEs' subsidiaries, except for registered capital and PRC statutory reserves of the VIEs and their subsidiaries amounting to RMB169.9 million and RMB671.8 million as of December 31, 2015 and 2016, respectively. Since the VIEs are incorporated as limited liability companies under the PRC Company Law, creditors of the VIEs do not have recourse to the general credit of the Company. There is currently no contractual arrangement that would require the Company to provide additional financial support to the VIEs. However, as the Company is conducting certain businesses mainly through its VIEs and VIEs' subsidiaries, the Company may provide such support on a discretionary basis in the future, which could expose the Company to a loss.

In the opinion of the Company's management, the contractual arrangements among its subsidiary, the VIEs and their respective Nominee Shareholders are in compliance with current PRC laws and are legally binding and enforceable. However, uncertainties in the interpretation and enforcement of the PRC laws, regulations and policies could limit the Company's ability to enforce these contractual

LEXINFINTECH HOLDINGS LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

arrangements. As a result, the Company may be unable to consolidate the VIEs and VIEs' subsidiaries in the consolidated financial statements.

In January 2015, the Ministry of Commerce ("MOFCOM"), released for public comment a proposed PRC law, the Draft Foreign Investment Enterprises ("FIE") Law, that appears to include VIEs within the scope of entities that could be considered to be FIEs, that would be subject to restrictions under existing PRC law on foreign investment in certain categories of industry. Specifically, the Draft FIE Law introduces the concept of "actual control" for determining whether an entity is considered to be an FIE. In addition to control through direct or indirect ownership or equity, the Draft FIE Law includes control through contractual arrangements within the definition of "actual control". If the Draft FIE Law is passed by the People's Congress of the PRC and goes into effect in its current form, these provisions regarding control through contractual arrangements could be construed to include the Group's contractual arrangements with its VIEs, and as a result, the Group's VIEs could become explicitly subject to the current restrictions on foreign investment in certain categories of industry. The Draft FIE Law includes provisions that would exempt from the definition of FIEs where the ultimate controlling shareholders are either entities organized under PRC law or individuals who are PRC citizens. The Draft FIE Law is silent as to what type of enforcement action might be taken against existing VIE, that operates in restricted or prohibited industries and is not controlled by entities organized under PRC law or individuals who are PRC citizens. If the restrictions and prohibitions on FIEs included in the Draft FIE Law are enacted and enforced in their current form, the Group's ability to use the contractual arrangements with its VIEs and the Group's ability to conduct business through the VIEs could be severely limited.

The Company's ability to control the VIEs also depends on the power of attorney Beijing Shijitong has to vote on all matters requiring shareholders' approvals in the VIEs. As noted above, the Company believes these power of attorney are legally binding and enforceable but may not be as effective as direct equity ownership. In addition, if the Group's corporate structure or the contractual arrangements with the VIEs were found to be in violation of any existing PRC laws and regulations, the PRC regulatory authorities could, within their respective jurisdictions:

- revoke the Group's business and operating licenses;
- require the Group to discontinue or restrict its operations;
- restrict the Group's right to collect revenues;
- block the Group's websites;
- require the Group to restructure its operations, re-apply for the necessary licenses or relocate the Group's businesses, staff and assets;
- impose additional conditions or requirements with which the Group may not be able to comply; or
- take other regulatory or enforcement actions against the Group that could be harmful to the Group's business.

The imposition of any of these restrictions or actions may result in a material adverse effect on the Group's ability to conduct its business. In addition, if the imposition of any of these restrictions causes the Group to lose the right to direct the activities of the VIEs or the right to receive their economic

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

benefits, the Group would no longer be able to consolidate the financial statements of the VIEs. In the opinion of management, the likelihood of losing the benefits in respect of the Group's current ownership structure or the contractual arrangements with its VIEs is remote.

Use of estimates

The preparation of the Group's consolidated financial statements is in conformity with the U.S. GAAP, which requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of financial statement and reported revenues and expenses during the reported periods. Significant accounting estimates include, but are not limited to (i) revenue recognition associated with principal versus agent considerations; (ii) fair value of financial guarantee derivatives; (iii) determination of the fair value of preferred shares and ordinary shares; (iv) valuation and recognition of share-based compensation expenses; (v) provision for income tax and valuation allowance for deferred tax assets; (vi) provision for credit losses; (vii) basis of consolidation; (viii) inventory valuation for excess and obsolete inventories. Actual results could materially differ from these estimates.

Functional currency and foreign currency translation

The Group uses Renminbi ("RMB") as its reporting currency. The functional currency of the Company and its subsidiary incorporated in Hong Kong (i.e. Installment HK) is United States dollars ("US$") and the functional currencies of the PRC entities in the Group are RMB.

In the consolidated financial statements, the financial information of the Company and its subsidiary incorporated in Hong Kong have been translated into RMB at the exchange rates quoted by the People's Bank of China (the "PBOC"). Assets and liabilities are translated at the exchange rates on the balance sheet date, equity amounts are translated at historical exchange rates, and revenues, expenses, gains and losses are translated using the average rate for the period. Translation adjustments arising from these are reported as foreign currency translation adjustments, and are shown as a component of accumulated other comprehensive income in the Consolidated Statements of Changes in Shareholders' Deficit and a component of other comprehensive income in the Consolidated Statements of Comprehensive Loss.

Foreign currency transactions denominated in currencies other than the functional currency are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are remeasured at the applicable rates of exchange in effect at that date. Foreign currency exchange gain or loss resulting from the settlement of such transactions and from remeasurement at period-end is recognized in "Others, net" in the Consolidated Statements of Operations.

Foreign currency translation adjustments included in the Group's Consolidated Statements of Comprehensive Loss for the years ended December 31, 2015 and 2016 were gain of RMB15.4 million and gain of RMB1.9 million, respectively. Foreign currency exchange gain or loss recorded was immaterial for each of the periods presented.

LEXINFINTECH HOLDINGS LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Convenience translation

Translations of balances in the Consolidated Balance Sheets, Consolidated Statements of Operations, Consolidated Statements of Comprehensive Loss and Consolidated Statements of Cash Flows from RMB into US$ as of and for the year ended December 31, 2016 are solely for the convenience of the readers and were calculated at the rate of US$1.00=RMB6.9430, representing the noon buying rate set forth in the H.10 statistical release of the U.S. Federal Reserve Board on December 30, 2016. No representation is made that the RMB amounts could have been, or could be, converted, realized or settled into US$ at that rate on December 31, 2016, or at any other rate.

Financing receivables

The Group generates financing receivables from providing installment purchase loans, from its online direct sales, and personal installment loans to Customers. Financing receivables are measured at amortized cost and reported on the Consolidated Balance Sheets at outstanding principal adjusted for any charge-offs, the allowance for credit losses, and deferred fees on originated financing receivables.

With respect to the Group's financing receivables, the Group's main funding sources include (1) proceeds from Individual Investors; (2) proceeds from Institutional Funding Partners; (3) the issuance of asset-backed securitized debts.

On-balance sheet: Loans funded by Individual Investors on Juzi Licai and certain Institutional Funding Partners

For the proceeds from loans facilitated through the Group's own online investment platform *Juzi Licai*, which offers the Individual Investors various investment programs with different terms and estimated rates of return, or from certain Institutional Funding Partners, the Group's role includes: (1) collecting the investment principal from the Individual Investors or Institutional Funding Partners and lending the funds to Customers, (2) collecting monthly repayment from the Customers and repaying the Individual Investors or Institutional Funding Partners according to the terms (i.e. interest rate and scheduled repayment dates) of the respective investment programs or agreements between the Individual Investors or Institutional Funding Partners and the Group ("Investment Programs or Agreements"). The Group noted that the terms of the underlying loan agreements between the Individual Investors or Institutional Funding Partners and the Customers ("Underlying Loan Agreements") do not necessarily match the terms of the Investment Programs or Agreements. The mismatch is mainly due to the fact that some Individual Investors or Institutional Funding Partners may invest in the programs that have shorter investment periods than the terms of the Underlying Loan Agreements. Depending on the types of Investment Programs the Individual Investors choose or the Investment Agreements the Institutional Funding Partners entered into with the Group, the investing periods could be as short as one week and as long as thirty-six months. Pursuant to the Investment Programs or Agreements, the Individual Investors or Institutional Funding Partners agree on a rate of return with the Group which is normally lower than the coupon interest rate stipulated in the Underlying Loan Agreement, given the shorter periods of those Investment Programs or Agreements. The Group considers the terms of the Investment Programs or Agreements, which drive the return of the investments, and concludes the Group has liabilities to the Individual Investors or Institutional Funding Partners when the underlying loans are funded. Accordingly, the Group is considered as the primary obligor to the Individual Investors or Institutional Funding Partners in the lending relationship

LEXINFINTECH HOLDINGS LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

and therefore records the liabilities to Individual Investors or Institutional Funding Partners on its Consolidated Balance Sheets. Consequently, the Group considered that the financing receivables were not settled or extinguished when Customers enter into the Underlying Loan Agreements with the Individual Investors or Institutional Funding Partners. Therefore, the Group continues to account for the financing receivables over the terms of the installment purchase loans and personal installment loans.

Off-balance sheet: Loans funded by certain other Institutional Funding Partners such as third-party commercial banks

For the financing receivables funded by the proceeds from certain other Institutional Funding Partners such as third-party commercial banks, each underlying loan and Customer has to be approved by the third-party commercial banks individually. Once the loan is approved by and originated by the third-party commercial bank, the fund is provided by the third-party commercial bank to the Customer and a lending relationship between the Customer and the third-party commercial bank is established through a loan agreement. The funds can only be used to settle the existing financing receivables the Group generated from installment purchase loans or personal installment loans previously provided to the Customers. Effectively, the Group offers loan facilitation and matching services to the Customers who have credit needs and the third-party commercial banks who originate loans directly to Customers referred by the Group. The Group continues to provide account maintenance, collection, and payment processing services to the Customers over the term of the loan agreement. At the same time, the Group also provides a financial guarantee on the principal and the accrued interest repayment of the defaulted loans in case of Customers' defaults, and full interest repayment in the event that Customers early repay their loans. Under this scenario, the Group determines that it is not the legal lender or borrower in the loan origination and repayment process. Accordingly, the Group does not record financing receivables arising from these loans nor loans payable to the banks and considered that the financing receivables arising from installment purchase loans or personal installment loans previously provided to the Customers were settled and extinguished when the funds are received. Separately, the Group accounts for the financial guarantee provided as discussed in Note 2.

On-balance sheet: Issuance of asset-backed securitized debts

The Group periodically securitizes its financing receivables arising from online direct sales through the transfer of those assets to a securitization vehicle. The securitization vehicle then issues debt securities to third-party investors and is considered a consolidated variable interest entity under ASC 810. Therefore, the financing receivables remain at the Group and are recorded as "Financing receivables, net" in the Consolidated Balance Sheets. The Group recognizes interest and financial services income over the terms of the financing receivables using the effective interest rate method. The proceeds from third-party investors are recorded as Funding Debts (described below).

Provision for credit losses

The Group assesses the creditworthiness and collectability of its financing receivable portfolio mainly based on delinquency levels and historical charge-offs of the financing receivables using an established systematic process on a pooled basis within respective credit risk levels. The Group considers location, education background, income level, outstanding external borrowings, and external credit references when assigning Customers into different credit risk levels. Also, the financing

LEXINFINTECH HOLDINGS LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

receivable portfolio within each credit risk level consists of individually small amount of installment purchase loans and personal installment loans. In the consideration of above factors, the Group determines that the entire financing receivable portfolio within each credit risk level is homogenous with similar credit characteristics.

The Group's provision for credit losses is calculated separately for financing receivables within each credit risk level, taking into considerations of those financing receivables with flexible repayment options. For each credit risk level, the Group estimates the expected credit losses rate based on delinquency status of the financing receivables within that level: current, 1 to 29, 30 to 59, 60 to 89, 90 to 119, 120 to 149, 150 to 179 calendar days past due. These loss rates in each delinquency status are based on average historical loss rates of financing receivables associated with each of the abovementioned delinquency categories. The expected loss rate of each risk level will be applied to the outstanding loan balances within that level to determine the allowance for credit loss for each reporting period. In addition, the Group considers other general economic conditions, if any, when determining the provision for credit losses.

Accrued interest receivable

Accrued interest income on financing receivables is calculated based on the contractual interest rate of the loan and recorded as interest and financial services income as earned. Financing receivables are placed on non-accrual status upon reaching 90 days past due. When a financing receivable is placed on non-accrual status, the Group stops accruing interest and reverses all accrued but unpaid interest as of such date.

Nonaccrual financing receivables and charged-off financing receivables

The Group considers a financing receivable to be delinquent when a monthly payment is one day past due. When the Group determines it is probable that it will be unable to collect unpaid principal amount on the receivable, the remaining unpaid principal balance is charged off against the allowance for credit losses. Generally, charge-offs occur after the 180th day of delinquency. Interest and financial services income for nonaccrual financing receivables is recognized on a cash basis. Cash receipt of non-accrual financing receivables would be first applied to any unpaid principal, late payment fees, if any, before recognizing interest and financial services income. The Group does not resume accrual of interest after a loan has been placed on nonaccrual status.

Funding Debts

For the proceeds received from the Individual Investors, Institutional Funding Partners, or the asset-backed securitized debts to fund the Group's on-balance sheet loans, the Group records them as Funding Debts on the Consolidated Balance Sheets.

Accrued interest payable

Accrued interest payable is calculated based on the contractual interest rates of Funding Debts.

LEXINFINTECH HOLDINGS LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Guarantee liabilities

For the off-balance sheet loans funded by certain other Institutional Funding Partners such as third-party commercial banks, the Group is obligated to compensate the banks for the principal and interest repayment of the defaulted loans in case of Customers' default, and full interest repayment according to the loan terms in the event that the Customers early repay their loans. Therefore, the Group effectively provides guarantees to the banks that include credit risk and prepayment risk.

In order to determine the accounting treatment of the guarantees, the Group considered the criteria of scope exception under ASC 815-10-15-58. In order to qualify for this scope exception, the financial guarantee contracts must meet all three of the following criteria: (a) provide for payments to be made solely to reimburse the guaranteed party for failure of the debtor to satisfy its required payment obligations either at prescriptive payment dates or accelerated payment dates as a result of the occurrence of an event of default or notice of acceleration being made to the debtor by the creditor; (b) payment be made only if the debtor's obligation to make payments as a result of conditions as described in (a) is past due; and (c) the guaranteed party is, as a precondition in the contract for receiving payment of any claim under the guarantee, exposed to the risk of non-payment both at inception and throughout its term either through direct legal ownership or through a back-to-back arrangement.

As the guarantee provided by the Group to these third-party banks does not solely reimburse these banks for failure of the Customers to satisfy required payment obligations, but also the future interest in the event of early repayment by the Customers, the scope exception under ASC 815-10-15-58(a) is not met. Therefore, these contracts are accounted for as a derivative under ASC Topic 815, *Derivatives and Hedging*, and are recognized on the Consolidated Balance Sheets as either assets or liabilities and recorded at fair value.

Derivative assets and liabilities within the scope of ASC 815 are required to be recorded at fair value at inception and remeasured at fair value on an ongoing basis in accordance with ASC Topic 820, *Fair Value Measurement*. Therefore, the financial guarantee derivatives will be subsequently marked to market at the end of each reporting period with gains and losses recognized as change in fair value of financial guarantee derivatives. The estimated fair value of the financial guarantee derivatives is determined by the Group based on a discounted cash flow model, with reference to estimates of cumulative default rates, cumulative prepayment rates, margins on cost of comparable companies and discount rates, using industry standard valuation techniques with the assistance of an independent valuation firm.

Revenue recognition

The Group mainly provides online direct sales and services, and financial services to its Customers.

Consistent with the criteria set out by ASC Topic 605, *Revenue Recognition*, the Group recognizes revenues when the following four criteria are met: (i) persuasive evidence of an arrangement exists, (ii) delivery has occurred or services have been rendered, (iii) the selling price is fixed or determinable, and (iv) collectability is reasonably assured.

LEXINFINTECH HOLDINGS LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Online direct sales and services

Online direct sales

The Group engages in the online direct sales of electronic products, and to a lesser extent, home appliance products and general merchandise products with installment payment terms mainly through its retail website www.fenqile.com and its APP.

The Group considers whether it should report the gross amount of product sales and related cost or the net amount earned as commissions by assessing all indicators set forth in ASC subtopic 605-45. For arrangements where the Group is the primary obligor (i.e. primarily responsible for fulfilling the promise to provide the good or service), is subject to inventory risk, and has latitude in establishing prices and selecting suppliers, revenues are recorded on a gross basis. Otherwise, revenues are recorded on a net basis as services and others.

For online direct sales for which the Group is considered the principal, the Group recognizes revenue net of discounts and return allowances when the products are delivered and titles are passed to the Customers. Return allowances, which reduce net revenues, are estimated based on historical experiences.

For these transactions, the Group originates instalment purchase loans and generates financing receivables due from the Customers who place orders. The online direct sales revenues and related financing receivables are accounted for as sales of products to the Customers with extended payment terms and are recorded at present value of the contractual cash flows when the above revenue recognition criteria are met.

The instalment purchase loans originated through online direct sales may be subsequently funded by certain other Institutional Funding Partners and such subsequent loans may be categorized as off-balance sheet loans. The financing receivables previously generated from online direct sales are settled with the proceeds the Customers receive from the loans issued by the Institutional Funding Partners.

Revenue is recorded net of value-added tax and related surcharges.

Services and others

The Group also operates an online marketplace that enable third-party sellers to sell their products to Customers with installment payment terms. The Customers place their orders online through the website www.fenqile.com or its APP, whereby the Group pays to the third-party sellers on behalf of the Customers, which generate financing receivables due from the Customers. The Group charges the third-party sellers a fixed rate commission fee based on the sales amount for the services rendered. The Group recognizes the commission fees as revenues from the third-party sellers on a net basis at the point of successful delivery of products, as it is not the primary obligor and does not have general inventory risk or does not have latitude to establish prices. Financing receivables associated with third-party sellers' sales are recorded at present value of the contractual cash flows when the above revenue recognition criteria are met.

LEXINFINTECH HOLDINGS LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial services

Interest and financial services income

The Group generates interest and financial services income earned on installment purchase loans, from its online direct sales on the website www.fenqile.com and its APP, and personal installment loans to its Customers, if these loans are determined to be on-balance sheet loans.

For the on-balance sheet loans funded by the Individual Investors on *Juzi Licai* or certain Institutional Funding Partners, and the on-balance sheet loans securitized and transferred to the securitization vehicle, the financing receivables continue to be recorded on the Group's Consolidated Balance Sheets over the terms of the loans.

Interest and financial services income is recognized over the terms of financing receivables using the effective interest method. Origination fees collected on the first repayment date, normally one month after the origination of personal installment loans, are recorded as a component of financing receivables, on the Consolidated Balance Sheets. Deferred origination fees are recognized over the terms of personal installment loans. Direct origination costs include costs directly attributable to originating financing receivables, including vendor costs and personnel costs directly related to the time spent by those individuals performing activities related to the origination of financing receivables. Considering the credit risk characteristics of the Customers as well as the relatively small amount of each individual financing receivable, the Group determined that direct origination costs incurred for originating individual financing receivables are insignificant and expensed as incurred and recorded in "Processing and servicing cost" in the Consolidated Statements of Operations. Interest and financial services income is not recorded when reasonable doubt exists as to the full, timely collection of interest or principal.

Loan facilitation and servicing fees

For the off-balance sheet loans funded by certain other Institutional Funding Partners such as third-party commercial banks, the Group does not record financing receivables arising from these loans nor loans payable to the third-party banks. For these transactions, the Group earns loan facilitation and servicing fees from the Customers.

The Group provides intermediary services to both the Customers and the banks. The intermediary services provided include (1) loan facilitation and matching services, (2) post-origination services (i.e. account maintenance, collection, and payment processing) to the Customers, and (3) a financial guarantee to the bank. The Group determined that the financial guarantee is within the scope of ASC 815 *Derivatives and Hedging* and recorded it at fair value at inception, with the remaining consideration recognized as revenues under ASC 605-25.

Under the off-balance sheet loan arrangements, fees for loan facilitation and matching services and post-origination services are charged and collected through deduction from the monthly repayments from the Customers to the banks, and no fees are collected upfront. While the loan facilitation and matching services are rendered upfront, the amount allocable to these services based on relative selling prices is limited to nil under ASC 605-25-30-5, because all fees are contingent on ongoing servicing as well as the Customer not prepaying. In considering that, the revenue is recognized each month when the fee is received over the terms of the loans as the monthly repayments occur in line with the resolution of the contingency.

LEXINFINTECH HOLDINGS LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Other revenue

Other revenue includes fees collected for prepayment and late payment for on-balance sheet loans, which is calculated as a certain percentage of interest over the prepaid principal loan amount in case of prepayment or a certain percentage of past due amounts in case of late payment.

Customer incentives

In order to incentivize the Customers to use the platform, the Group provides two major types of incentive coupons: cash coupons that have a stated discount amount that reduces the selling price of a future purchase of product and repayment coupons that have a stated discount amount that reduce a future repayment on the installment loan related to a previously executed product sale or personal installment loan. Both cash coupons and repayment coupons are given to the Customers for free as part of the Group's promotion events at the Group's discretion. In accordance with ASC subtopic 605-50, cash coupons are accounted for as a reduction of revenue upon the future purchase by the Customers. Repayment coupons are recorded as a reduction of revenue based on historical usage pattern as they are earned by the Customers. The amount of cash coupons recognized as a reduction of revenue was RMB9.0 million and RMB125.0 million for the years ended December 31, 2015 and 2016, respectively. Repayment coupons generally have an expiration of six months after issuance. Expired repayment coupons are recognized as revenue at the coupons' expiration, which was not material for the years ended December 31, 2015 and 2016.

The Group offers an incentive in cash to an existing Customer for each new Customer who successfully signs up on the Platform using the existing Customer's referral code and has been granted a credit line. Referral code incentives, amounting to RMB14.7 million and RMB37.2 million, were recorded as sales and marketing expenses in the Consolidated Statements of Operations for the years ended December 31, 2015 and 2016, respectively.

Cash and Cash equivalents

Cash and cash equivalents represent cash on hand, demand deposits, time deposits and highly liquid investments placed with banks or other financial institutions, which are unrestricted to withdrawal or use, and which have original maturities of three months or less. As of December 31, 2015 and 2016, the Group did not have any cash equivalents.

Restricted cash

Restricted cash mainly represents cash: (i) received from Customers but not yet been repaid to investors or received from investors but not yet been remitted to Customers which is not available to fund the general liquidity needs of the Group; (ii) security deposits set aside for partnering commercial banks or certain Institutional Funding Partners in case of Customers' defaults.

Restricted time deposits

Time deposits securing the Group's short-term and long-term borrowings from financial institutions are treated as restricted time deposits on the Consolidated Balance Sheets. Short-term and long-term borrowings are designated to support the Group's general operation and could not be used to fund the Group's financing receivables.

LEXINFINTECH HOLDINGS LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Inventories, net

Inventories, consisting of products available for sale, are stated at the lower of cost or net realizable value. Cost of inventory is determined using the first-in first-out method. Net realizable value is the estimated selling price in the ordinary course of business, less reasonably predictable costs of disposal and transportation. Adjustments are recorded to write down the cost of inventory to the net realizable value due to slow-moving merchandise and damaged goods, which is dependent upon factors such as historical and forecasted consumer demand, and promotional environment. The Group takes ownership, risks and rewards of the products purchased. Write downs are recorded in cost of revenues in the Consolidated Statements of Operations. As of December 31, 2015 and 2016, all inventory balances were products available for sale.

The Group also provides fulfillment-related services in connection with the Group's online marketplace. Third-party sellers maintain ownership of their inventories and therefore these products are not included in the Group's inventories.

Long-term investments

The Group accounts for long-term investments over which it has significant influence but does not own a majority of the equity interest or lack of control using the equity method. For long-term investments which the Group does not have significant influence or the underlying shares the Group invested in are not considered in-substance common stock and have no readily determinable fair value, the cost method accounting is applied.

The Group assesses its long-term investments for other-than-temporary impairment by considering factors as well as all relevant and available information including, but not limited to, current economic and market conditions, the operating performance of the companies including current earnings trends and other company-specific information such as financing rounds.

Property, equipment and software, net

Property, equipment and software, net are stated at cost less accumulated depreciation, amortization and impairment, if any. Depreciation and amortization is computed using the straight-line method over the estimated useful lives of the assets. The estimated useful lives are as follows:

Category	Estimated Useful Lives
Computers and equipment	3 - 5 years
Furniture and fixtures	3 - 5 years
Leasehold improvement	Over the shorter of the expected life of leasehold improvement or the lease term
Software	3 - 10 years

Impairment of long-lived assets

Long-lived assets are evaluated for impairment whenever events or changes in circumstances (such as a significant adverse change to market conditions that will impact the future use of the assets) indicate that the carrying value of an asset may not be fully recoverable or that the useful life is shorter than the Group had originally estimated. When these events occur, the Group evaluates the

LEXINFINTECH HOLDINGS LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

impairment for the long-lived assets by comparing the carrying value of the assets to an estimate of future undiscounted cash flows expected to be generated from the use of the assets and their eventual disposition. If the sum of the expected future undiscounted cash flows is less than the carrying value of the assets, the Group recognizes an impairment loss based on the excess of the carrying value of the assets over the fair value of the assets.

Fair value measurements

Financial instruments

Accounting guidance defines fair value as the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When determining the fair value measurements for assets and liabilities required or permitted to be recorded at fair value, the Group considers the principal or most advantageous market in which it would transact and it considers assumptions that market participants would use when pricing the asset or liability.

Accounting guidance establishes a fair value hierarchy that requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. A financial instrument's categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement. Accounting guidance establishes three levels of inputs that may be used to measure fair value:

- Level 1 applies to assets or liabilities for which there are quoted prices in active markets for identical assets or liabilities.
- Level 2 applies to assets or liabilities for which there are inputs other than quoted prices included within Level 1 that are observable for the asset or liability such as quoted prices for similar assets or liabilities in active markets; quoted prices for identical asset or liabilities in markets with insufficient volume or infrequent transactions (less active markets); or model-derived valuations in which significant inputs are observable or can be derived principally from, or corroborated by, observable market data.
- Level 3 applies to asset or liabilities for which there are unobservable inputs to the valuation methodology that are significant to the measurement of the fair value of the assets or liabilities.

The carrying amount of cash and cash equivalents, restricted cash, amounts due from related parties, accounts payable, and amounts due to related parties approximates fair value because of their short-term nature. Financing receivables are measured at amortized cost. Funding Debts and accrued interest payable are carried at amortized cost. The carrying amount of the financing receivables, Funding Debts, accrued interest receivable, and accrued interest payable approximates their respective fair value as the interest rates applied reflect the current quoted market yield for comparable financial instruments. The Group considers unobservable inputs to be significant, if, by their exclusion, the estimated fair value of a Level 3 asset or liability would be impacted by a significant percentage change, or based on qualitative factors such as the nature of the instrument and significance of the unobservable inputs relative to other inputs used within the valuation.

For the off-balance sheet loans funded by certain third-party commercial banks, the Group accounts for financial guarantee provided to the banks at fair value (Note 7).

LEXINFINTECH HOLDINGS LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Group measures certain financial assets, including the investments under the cost method and equity method at fair value on a non-recurring basis only if an impairment charge were to be recognized. The Group's non-financial assets, such as property, equipment and software, would be measured at fair value only if they were determined to be impaired.

Cost of sales

Cost of sales consists of purchase price of the products, shipping charges and handling costs, as well as write-downs of inventory. Shipping charges to receive products from suppliers are included in the inventories, and recognized as cost of sales upon sale of the products to the Customers. For the years ended December 31, 2015 and 2016, write-downs of inventory were insignificant.

Funding cost

Funding cost consists of interest expense the Group pays to Individual Investors on *Juzi Licai* and Institutional Funding Partners, including partnering peer-to-peer lending platforms, commercial banks and other financial institutions, to fund its financing receivables, certain fees and amortization of deferred debt issuance costs incurred in connection with obtaining these debts, such as origination fees and legal fees.

Processing and servicing cost

Processing and servicing cost consists primarily of vendor costs related to credit assessment, customer and system support, payment processing services and collection services associated with originating, facilitating and servicing the loans.

Sales and marketing expenses

Sales and marketing expenses consist primarily of advertising costs and payroll and related expenses for personnel engaged in marketing and business development activities. Advertising costs, which consist primarily costs of online advertising and offline outdoor promotion activities, are expensed as incurred and are included within sales and marketing expenses in the Consolidated Statements of Operations. For the years ended December 31, 2015 and 2016, advertising costs totaled RMB95.0 million and RMB104.9 million, respectively.

Research and development expenses

Research and development expenses consist primarily of payroll and related expenses for IT professionals involved in developing technology platform and website, server and other equipment depreciation, bandwidth and data center costs, and rental expenses. All research and development costs have been expensed as incurred as the costs qualifying for capitalization have been insignificant.

General and administrative expenses

General and administrative expenses consist of payroll and related expenses for employees involved in general corporate functions, including finance, legal and human resources; costs associated with use of facilities and equipment, such as depreciation expenses, rental and other general corporate related expenses.

LEXINFINTECH HOLDINGS LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Operating leases

The Group leases office space under operating lease agreements with initial lease term up to five years. Rental expense is recognized from the date of initial possession of the leased property on a straight-line basis over the term of the lease and charged to earnings. Certain lease agreements contain rent holidays, which are recognized on a straight-line basis over the lease term. Lease renewal periods are considered on a lease-by-lease basis and are generally not included in the initial lease terms.

Share-based compensation

All share-based awards to employees and directors, such as stock options, are measured at the grant date based on the fair value of the awards. Share-based compensation, net of estimated forfeitures, is recognized as expenses on a straight-line basis over the requisite service period, which is the vesting period. Options granted generally vest over four years.

Given the exercise price of each share option is US$0.0001, the Group uses the intrinsic value (approximately the fair value of each of the Company's ordinary share) on the grant date to estimate the fair value of stock options.

Forfeitures are estimated at the time of grant and revised in subsequent periods if actual forfeitures differ from those estimates. The Group uses historical data to estimate pre-vesting option and records share-based compensation expense only for those awards that are expected to vest. See Note 20 for further discussion on share-based compensation.

Fair value of preferred shares and ordinary shares

Shares of the Company, which do not have quoted market prices, were valued based on the income approach. The income approach involves applying the discounted cash flow analysis based on projected cash flow using the Group's best estimate as of the valuation dates. Estimating future cash flow requires the Group to analyze projected revenue growth, gross margins, effective tax rates, capital expenditures and working capital requirements. In determining an appropriate discount rate, the Group considered the cost of equity and the rate of return expected by venture capitalists. The Group also applied a discount for lack of marketability given that the shares underlying the award were not publicly traded at the time of grant. Determination of estimated fair value of the Group requires complex and subjective judgments due to its limited financial and operating history, unique business risks and limited public information on companies in China similar to the Group.

Option-pricing method was used to allocate enterprise value to preferred shares and ordinary shares. The method treats preferred shares and ordinary shares as call options on the enterprise's value, with exercise prices based on the liquidation preference of the preferred shares. The strike prices of the "options" based on the characteristics of the Group's capital structure, including number of shares of each class of ordinary shares, seniority levels, liquidation preferences, and conversion values for the preferred shares. The option-pricing method also involves making estimates of the anticipated timing of a potential liquidity event, such as a sale of the Group or an initial public offering, and estimates of the volatility of the Group's equity securities. The anticipated timing is based on the plans of board of directors and management of the Group. Estimating the volatility of the share price of a privately held company is complex because there is no readily available market for the shares. Volatility

LEXINFINTECH HOLDINGS LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

is estimated based on annualized standard deviation of daily stock price return of comparable companies.

Taxation

Income tax

Current income tax is provided for in accordance with the laws of the relevant tax jurisdictions.

Deferred income tax is provided using assets and liabilities method, which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the consolidated financial statements. Under this method, deferred tax assets and liabilities are determined on the basis of the differences between financial statements and tax basis of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse.

Deferred tax assets are recognized to the extent that these assets are more-likely-than-not to be realized. In making such a determination, the Group considers all positive and negative evidence, including future reversals of projected future taxable income and results of recent operation. The Group records a valuation allowance to reduce the amount of deferred tax assets if based on the weight of available evidence, it is more-likely-than-not that some portion, or all, of the deferred tax assets will not be realized.

Uncertain tax positions

To assess uncertain tax positions, the Group applies a more-likely-than-not threshold and a two-step approach for the tax position measurement and financial statement recognition. Under the two-step approach, the first step is to evaluate the tax position for recognition by determining if the weight of available evidence indicates that it is more-likely-than-not that the position will be sustained, including resolution of related appeals or litigation processes, if any. The second step is to measure the tax benefit as the largest amount that is more than 50% likelihood of being realized upon settlement. The Group classifies interest and penalties related to income tax matters, if any, in income tax expense.

Loss per share

Basic loss per share is computed by dividing net loss attributable to ordinary shareholders, considering the accretions to redemption value of the preferred shares and deemed dividend to a preferred shareholder, by the weighted average number of ordinary shares outstanding during the period using the two-class method. Under the two-class method, net loss is not allocated to other participating securities if based on their contractual terms they are not obligated to share in the loss. Diluted loss per share is calculated by dividing net loss attributable to ordinary shareholders by the weighted average number of ordinary and dilutive ordinary equivalent shares outstanding during the period. Ordinary equivalent shares consist of ordinary shares issuable upon the conversion of the preferred shares and convertible loans using the if-converted method, and ordinary shares issuable upon the exercise of outstanding share options using the treasury stock method. Ordinary equivalent shares are not included in the denominator of the diluted loss per share calculation when inclusion of such shares would be anti-dilutive.

LEXINFINTECH HOLDINGS LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Segment reporting

The Group engages primarily in online direct sales service and online consumer finance services for its Customers in the PRC. The Group does not distinguish between markets or segments for the purpose of internal reports. The Group does not distinguish revenues, costs and expenses between segments in its internal reporting, and reports costs and expenses by nature as a whole. The Group's chief operating decision maker, who has been identified as the Chief Executive Officer, reviews the consolidated results when making decisions about allocating resources and assessing performance of the Group as a whole and hence, the Group has only one reportable segment. As most of the Group's long-lived assets are all located in the PRC and all the Group's revenues are derived from the PRC, no geographical segments are presented.

Statutory reserves

The Company's subsidiaries, VIEs and VIEs' subsidiaries established in the PRC are required to make appropriations to certain non-distributable reserve funds.

In accordance with the laws applicable to the FIEs established in the PRC, the Group's subsidiary registered as wholly foreign-owned enterprise ("WFOE") have to make appropriations from its annual after-tax profits as determined under Generally Accepted Accounting Principles in the PRC ("PRC GAAP") to reserve funds including general reserve fund, enterprise expansion fund and staff bonus and welfare fund. The appropriation to the general reserve fund must be at least 10% of the annual after-tax profits calculated in accordance with the PRC GAAP. Appropriation is not required if the general reserve fund has reached 50% of the registered capital of the company. Appropriations to the enterprise expansion fund and staff bonus and welfare fund are made at the respective company's discretion.

In addition, in accordance with the PRC Company Laws, the Group's VIE and VIE's subsidiaries, registered as Chinese domestic companies, must make appropriations from their annual after-tax profits as determined under the PRC GAAP to non-distributable reserve funds including statutory surplus fund and discretionary surplus fund. The appropriation to the statutory surplus fund must be 10% of the annual after-tax profits as determined under the PRC GAAP. Appropriation is not required if the statutory surplus fund has reached 50% of the registered capital of the company. Appropriation to the discretionary surplus fund is made at the respective company's discretion.

The use of the general reserve fund, enterprise expansion fund, statutory surplus fund and discretionary surplus fund are restricted to offsetting of losses or increasing of the registered capital of the respective company. The staff bonus and welfare fund is a liability in nature and is restricted to fund payments of special bonus to employees and for the collective welfare of all employees. None of these reserves are allowed to be transferred to the company in terms of cash dividends, loans or advances, nor can they be distributed except under liquidation.

For the years ended December 31, 2015 and 2016, profit appropriation to statutory surplus fund for the Group's entities incorporated in the PRC was approximately RMB0.1 million and RMB1.9 million respectively. No appropriation to other reserve funds was made for any of the periods presented.

LEXINFINTECH HOLDINGS LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Significant risks and uncertainties

Foreign currency risk

The PRC government imposes controls on the convertibility of RMB into foreign currencies. The Group's cash and cash equivalents, restricted cash and restricted time deposits denominated in RMB that are subject to such government controls amounted to RMB69.2 million and RMB558.6 million as of December 31, 2015 and 2016, respectively. The value of RMB is subject to changes in the central government policies and to international economic and political developments affecting supply and demand in the PRC foreign exchange trading system market. In the PRC, certain foreign exchange transactions are required by law to be transacted only by authorized financial institutions at exchange rates set by the PBOC. Remittances in currencies other than RMB by the Group in the PRC must be processed through PBOC or other Chinese foreign exchange regulatory bodies which require certain supporting documentation in order to process the remittance.

Concentration of credit risk

Credit risk is one of the most significant risks for the Group's installment purchase loans and personal installment loans businesses. The Group records provision for credit losses based on its estimated probable losses against its financing receivables. Apart from the financing receivables, financial instruments that potentially expose the Group to significant concentration of credit risk primarily included in the financial statement line items of cash and cash equivalents, restricted cash, restricted time deposits, accrued interest receivable, prepaid expenses and other current assets. As of December 31, 2016, substantially all of the Group's cash and cash equivalents were deposited in financial institutions located in the PRC. Financing receivables are typically unsecured and are derived from revenues earned from Customers in the PRC. The risk with respect to financing receivables is mitigated by credit evaluations the Group performs on its Customers and the Group's ongoing monitoring process of outstanding balances.

Concentration of Customers, suppliers, Individual Investors, and Institutional Funding Partners

There was no revenue from Customers which individually represented greater than 10% of the total operating revenue for any year of the two-years period ended December 31, 2016. There was no financing receivables due from Customers of the Group that individually accounted for greater than 10% of the Group's carrying amount of financing receivables as of December 31, 2015 and 2016.

Only two suppliers accounted for more than 10% of the Group's total purchases for the year ended December 31, 2015. Only three suppliers accounted for more than 10% of the Group's total purchases for the year ended December 31, 2016. Only two suppliers accounted for more than 10% of the Group's accounts payable as of December 31, 2015 and 2016, respectively, as follows:

	As of December 31,	
	2015	2016
Inventory supplier A	85%	56%
Inventory supplier B	12%	*
Inventory supplier C	*	11%

LEXINFINTECH HOLDINGS LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Only one Institutional Funding Partner accounted for more than 10% of the Group's total funding cost for the year ended December 31, 2015. There was no individual Individual Investor or Institutional Funding Partner that accounted for more than 10% of the Group's total funding cost for the year ended December 31, 2016. Only one Institutional Funding Partner accounted for more than 10% of the Group's Funding Debts as of December 31, 2015. There was no individual Individual Investor or Institutional Funding Partner that accounted for more than 10% of the Group's Funding Debts as of December 31, 2016 as follows:

	As of December 31,	
	2015	2016
Institutional Funding Partner A	15%	*

* Less than 10%.

Recent accounting pronouncements

In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU"), 2014-09, *Revenue from Contracts with Customers* (Topic 606). The guidance substantially converges final standards on revenue recognition between the FASB and the International Accounting Standards Board providing a framework on addressing revenue recognition issues and, upon its effective date, replaces almost all existing revenue recognition guidance, including industry-specific guidance, in current U.S. GAAP. In August 2015, FASB issued its final standard formally amending the effective date of the new revenue recognition guidance. The amendments in this ASU are effective for annual reporting periods beginning after December 15, 2017, including interim periods within that reporting period. Earlier application is permitted only as of annual reporting periods beginning after December 15, 2016, including interim reporting periods within that reporting period. The Group is currently evaluating the impact of adoption on its consolidated financial statements.

In January 2016, the FASB issued ASU 2016-01, *Financial Instruments—Overall* (Subtopic 825-10): *Recognition and Measurement of Financial Assets and Financial Liabilities*. The new guidance will impact the accounting for equity investments, financial liabilities under the fair value option, and the presentation and disclosure requirements for financial instruments. In addition, the FASB clarified the need for a valuation allowance on deferred tax assets resulting from unrealized losses on available-for-sale debt securities. The accounting for other financial instruments, such as loans, investments in debt securities, and financial liabilities not under the fair value option is largely unchanged. The standard is effective for public companies for annual periods (and interim periods within those annual periods) beginning after December 15, 2017. The Group is currently evaluating the method of adoption and the impact ASU 2016-01 will have on the Group's consolidated financial statements.

In February 2016, the FASB issued ASU 2016-02, *Leases* (Topic 842), which requires that a lessee should recognize the assets and liabilities that arise from operating leases. A lessee should recognize in the balance sheet a liability to make lease payments (the lease liability) and a right-of-use asset representing its right to use the underlying asset for the lease term. For leases with a term of 12 months or less, a lessee is permitted to make an accounting policy election by class of underlying asset not to recognize lease assets and lease liabilities. If a lessee makes this election, it should

LEXINFINTECH HOLDINGS LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

recognize lease expenses for such lease generally on a straight-line basis over the lease term. ASU 2016-02 is effective for fiscal years and interim periods within those years beginning after December 15, 2018. Early adoption is permitted. The Group is currently evaluating the impact ASU 2016-02 will have on the Group's consolidated financial statements, but expects that most existing operating lease commitments will be recognized as operating lease obligations and right-of-use assets as a result of adoption.

In March 2016, the FASB issued ASU 2016-09, *Compensation—Stock Compensation* (Topic 718): *Improvements to Employee Share-Based Payment Accounting*. The amendments in this ASU simplify several aspects of the accounting for share-based payment transactions, including the income tax consequences, classification of awards as either equity or liabilities, and classification on the statement of cash flows. The amendments will be effective for annual and interim periods beginning after December 15, 2016. The Group does not expect a significant impact on the consolidated financial statements from the amendments.

In June 2016, the FASB amended guidance related to impairment of financial instruments as part of ASU 2016-13, *Financial Instruments—Credit Losses* (Topic 326): *Measurement of Credit Losses on Financial Instruments*, which will be effective on January 1, 2020. The guidance replaces the incurred loss impairment methodology with an expected credit loss model for which the Group is required to recognize an allowance based on its estimate of expected credit loss. The Group is currently evaluating the impact of this new guidance on its consolidated financial statements.

In August 2016, the FASB issued ASU 2016-15, *Statement of Cash Flows* (Topic 230): *Classification of Certain Cash Receipts and Cash Payments*. ASU 2016-15 provides guidance for targeted changes with respect to how cash receipts and cash payments are classified in the statements of cash flows, with the objective of reducing diversity in practice. ASU 2016-15 is effective for interim and annual periods beginning after December 15, 2017, with early adoption permitted. The Group is in the process of evaluating the impact of this accounting standard update on its Consolidated Statements of Cash Flows.

In November 2016, the FASB issued ASU 2016-18, *Statement of Cash Flows* (Topic 230): *Restricted Cash*. This ASU affects all entities that have restricted cash or restricted cash equivalents and are required to present a statement of cash flows under Topic 230. ASU 2016-18 requires that a statement of cash flows explain the change during the period in the total of cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents. This update will become effective for fiscal years beginning after December 15, 2017, and interim periods within fiscal years beginning after December 15, 2018, and early adoption is permitted in any interim or annual period. The Group is currently evaluating the impact of this guidance on its Consolidated Statements of Cash Flows.

LEXINFINTECH HOLDINGS LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

3. FINANCING RECEIVABLES, NET

Financing receivables, net as of December 31, 2015 and 2016 consisted of the followings:

	As of December 31,	
	2015	2016
	(RMB in thousands)	
Short-term:		
Installment purchase loans	1,362,227	1,591,486
Personal installment loans	1,578,912	5,045,347
Deferred origination fees	(434)	(15,839)
Total short-term financing receivables	**2,940,705**	**6,620,994**
Allowance for credit losses	(42,914)	(150,096)
Total short-term financing receivables, net	**2,897,791**	**6,470,898**
Long-term:		
Installment purchase loans	267,540	269,644
Personal installment loans	58,170	824,985
Deferred origination fees	—	(3,751)
Total long-term financing receivables	**325,710**	**1,090,878**
Allowance for credit losses	(4,753)	(24,730)
Total long-term financing receivables, net	**320,957**	**1,066,148**

These balances represent short-term and long-term financing receivables generated from online direct sales and personal installment loans transacted on the Platform with an original term generally up to three years and do not have collateral. The weighted average interest rates of these financing receivables were 23.0% and 26.3% as of December 31, 2015 and 2016, respectively.

As of December 31, 2015, installment purchase loans and personal installment loans that were collectively evaluated for impairment were RMB1,629.8 million and RMB1,636.6 million, respectively. As of December 31, 2015, installment purchase loans and personal installment loans that were individually evaluated for impairment were RMB16.6 million and RMB6.2 million, respectively.

As of December 31, 2016, installment purchase loans and personal installment loans that were collectively evaluated for impairment were RMB1,861.1 million and RMB5,850.7 million, respectively. As of December 31, 2016, installment purchase loans and personal installment loans that were individually evaluated for impairment were RMB30.1 million and RMB84.6 million, respectively.

As of December 31, 2015 and 2016, installment purchase loans and personal installment loans that were individually evaluated for impairment were fully charged off, respectively, given the Group determined it was probable that the Group will be unable to collect additional principal amount on those loans.

LEXINFINTECH HOLDINGS LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

3. FINANCING RECEIVABLES, NET (Continued)

The following table summarizes the balances of financing receivables by due date as of December 31, 2015 and 2016:

	As of December 31,	
	2015	2016
	(RMB in thousands)	
Due in months		
0 - 12	2,940,705	6,620,994
13 - 24	323,057	864,469
25 - 36	2,653	206,609
Thereafter	—	19,800
Total financing receivables	**3,266,415**	**7,711,872**

The activities in the provision for credit losses for the years ended December 31, 2015 and 2016 consisted of the following:

	As of December 31,	
	2015	2016
	(RMB in thousands)	
Beginning balance	(333)	(47,667)
Provisions	(68,287)	(236,611)
Charge-offs	22,762	114,698
Recoveries from prior charge-offs	(1,809)	(5,246)
Ending balance	**(47,667)**	**(174,826)**

As of December 31, 2015, allowance for credit losses that was collectively and individually evaluated for impairment was RMB47.7 million and RMB22.8 million, respectively.

As of December 31, 2016, allowance for credit losses that was collectively and individually evaluated for impairment was RMB174.8 million and RMB114.7 million, respectively.

As of December 31, 2015 and 2016, allowance for credit losses that was individually evaluated for impairment was fully charged off, respectively.

Aging analysis of past due financing receivables as of December 31, 2015 and 2016 are as follows:

RMB in thousands	1 - 29 Days Past Due	30 - 59 Days Past Due	60 - 89 Days Past Due	90 - 179 Days Past Due	180 Days or Greater Past Due	Total Past Due	Current	Total
Installment purchase loans	19,743	5,136	2,849	6,855	—	34,583	1,595,184	1,629,767
Personal installment loans	37,498	8,161	5,025	9,777	—	60,461	1,576,187	1,636,648
December 31, 2015	**57,241**	**13,297**	**7,874**	**16,632**	**—**	**95,044**	**3,171,371**	**3,266,415**
Installment purchase loans	15,539	7,324	6,675	16,927	—	46,465	1,814,665	1,861,130
Personal installment loans	92,050	39,962	31,769	61,589	—	225,370	5,625,372	5,850,742
December 31, 2016	**107,589**	**47,286**	**38,444**	**78,516**	**—**	**271,835**	**7,440,037**	**7,711,872**

LEXINFINTECH HOLDINGS LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

3. FINANCING RECEIVABLES, NET (Continued)

The Group evaluates the creditworthiness and collectability of its financing receivable portfolio on a pooled basis, due to its composition of small, homogeneous financing receivables with similar general credit risk characteristics. Financing receivables amounting to RMB16.6 million and RMB78.5 million as of December 31, 2015 and 2016, respectively, were in non-accrual status. Interest and financial services income for non-accrual financing receivables is recognized on a cash basis. Cash receipt of non-accrual financing receivables would be first applied to any unpaid principal, late payment fees, if any, before recognizing interest and financial services income. For the years ended December 31, 2015 and 2016, interest and financial services income earned from non-accrual financing receivables were RMB19.2 million and RMB37.1 million, respectively.

As of December 31, 2015 and 2016, financing receivables amounting to RMB5.8 million and RMB84.5 million have been pledged as collaterals pursuant to investment agreements with certain Institutional Funding Partners (Note 9) and credit facility arrangements with lending financial institutions (Note 10).

As of December 31, 2015 and 2016, financing receivables amounting to nil and RMB200.0 million have been securitized pursuant to the Group's ABS Plan (Note 9).

For the years ended December 31, 2015 and 2016, deferred origination fees associated with the financing receivables amounting to RMB10.9 million and RMB67.4 million have been recognized as adjustments to interest and financial services income over the terms of the personal installment loans.

Credit Quality Indicators

The Group developed its credit assessment model based on the historical delinquency performance of the customers as well as information submitted in the customers' credit applications. The credit assessment model is designed to predict the likelihood that a customer will be delinquent in the future. The Group assigns one of the seven credit risk levels to each customer, with risk level A representing the lowest risk, risk level F representing the highest risk and risk level N representing customers who are approved for trial purposes only and will be separately tracked accordingly. The key factors the Group considers in determining the credit risk level of each customer include geographic location, education background, level of income, etc. The Group updates the information for each of the risk levels on a regularly basis.

LEXINFINTECH HOLDINGS LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

3. FINANCING RECEIVABLES, NET (Continued)

The following tables present the net recorded investment of financing receivables, by credit quality indicator, as of December 31, 2015 and 2016.

As of December 31, 2015 (RMB in thousands)	Installment Purchase Loans	Personal Installment Loans
Risk level:		
A	543,620	624,704
B	323,050	313,868
C	536,275	455,109
D	102,147	125,837
E	27,021	28,977
F	5,096	9,079
N	92,558	79,074
Total	**1,629,767**	**1,636,648**

As of December 31, 2016 (RMB in thousands)	Installment Purchase Loans	Personal Installment Loans
Risk level:		
A	664,167	1,911,617
B	327,646	968,367
C	562,366	1,892,710
D	190,284	702,038
E	48,285	157,879
F	15,844	52,129
N	52,538	166,002
Total	**1,861,130**	**5,850,742**

4. PREPAID EXPENSES AND OTHER CURRENT ASSETS

	As of December 31,	
	2015	2016
	(RMB in thousands)	
Receivables from third-party online payment service providers(i)	140,124	103,244
Deposits to Institutional Funding Partners	14,383	45,447
Prepayment to inventory suppliers	35,258	31,966
Prepaid input value-added tax	29,620	17,588
Rental and other operation deposits	2,692	10,070
Others	12,609	11,666
Total prepaid expenses and other current assets	**234,686**	**219,981**

(i) The Group opened accounts with third-party online payment service providers mainly to facilitate collection and transfer of the funds, interest and service fees from/to the Customers and Individual Investors or Institutional

LEXINFINTECH HOLDINGS LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

4. PREPAID EXPENSES AND OTHER CURRENT ASSETS (Continued)

Funding Partners. The balance of receivables from third-party online payment service providers represents amounts temporarily held in these accounts.

5. PROPERTY, EQUIPMENT AND SOFTWARE, NET

	As of December 31,	
	2015	2016
	(RMB in thousands)	
Computers and equipment	9,812	23,117
Furniture and fixtures	700	5,668
Leasehold improvement	2,169	15,990
Software	866	3,155
Total property, equipment and software	**13,547**	**47,930**
Accumulated depreciation and amortization	(1,597)	(6,183)
Total property, equipment and software, net	**11,950**	**41,747**

Depreciation and amortization expenses on property, equipment and software for the years ended December 31, 2015 and 2016 were RMB1.4 million and RMB4.6 million, respectively.

6. LONG-TERM INVESTMENTS

	Cost Method	Equity Method	Total
	(RMB in thousands)		
Balance at December 31, 2014	**—**	**—**	**—**
Additions	11,132	—	11,132
Foreign currency translation adjustments	446	—	446
Balance at December 31, 2015	**11,578**	**—**	**11,578**
Additions	14,837	4,600	19,437
Share of results of an equity investee	—	(1,640)	(1,640)
Impairment charges	(5,635)	—	(5,635)
Foreign currency translation adjustments	1,147	—	1,147
Balance at December 31, 2016	**21,927**	**2,960**	**24,887**

Cost method

As of December 31, 2015 and 2016, carrying value of the Group's cost method investments was RMB11.6 million and RMB21.9 million, respectively. Investments were accounted for under the cost method if the Group had no significant influence over the investee or if the underlying shares the Group invested in were not considered in-substance common stock and had no readily determinable fair value. During the year ended December 31, 2016, the Group invested RMB14.8 million in multiple private companies accounted for under cost method, which may have operational synergy with the Group's core business.

LEXINFINTECH HOLDINGS LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

6. LONG-TERM INVESTMENTS (Continued)

Equity method

As of December 31, 2016, the Group's investments accounted for under the equity method totalled RMB3.0 million. The Group applies the equity method of accounting to account for its equity investments over which it has significant influence but does not own a majority equity interest or otherwise control.

Investment impairment

The Group performs impairment assessment over its investments under the cost method and equity method whenever events or changes in circumstances indicate that the carrying value of the investment may not be fully recoverable. For the years ended December 31, 2015 and 2016, the Group recorded nil and RMB5.6 million of impairment charges to the carrying value of its investments under the cost method, respectively. No impairment charges were recorded to the carrying value of the Group's investments under the equity method for the year ended December 31, 2016.

7. LOAN SERVICING RIGHTS

For the off-balance sheet loans funded by certain third-party commercial banks, where the Group was determined not to be the legal lender or borrower in the loan origination and repayment process, the Group effectively services the loans and provides financial guarantee to the banks that include credit risk and prepayment risk.

Loan servicing rights

Servicing is comprised of account maintenance, collection, and payment processing from Customers and distributions to the banks. Servicing fees compensate the Group for the costs it incurs in servicing the related loans. The amount of servicing revenue earned is predominantly affected by the various servicing rates paid by the Customers, the outstanding principal balance of the loans serviced, and the amount of principal and interest collected from Customers and remitted to the banks.

Servicing rights are recorded as either an asset or liability when the benefits of servicing are expected to be more or less than adequate compensation. The Group records servicing assets and liabilities at their estimated fair values, when the off-balance sheet loans are originated, in "Prepaid expenses and other current assets" and "Accrued expenses and other current liabilities," respectively, on the Consolidated Balance Sheets. Change in fair value of the servicing assets and liabilities is reported in "Loan facilitation and servicing fees" in the Consolidated Statements of Operations in the period in which the change occurs.

The Group utilizes industry standard valuation techniques, such as discounted cash flow models, to arrive at an estimate of fair value with the assistance of an independent valuation firm. Significant assumptions used in valuing the servicing rights are estimates of adequate compensation rates, discount rates, cumulative default rates and cumulative prepayment rates. Changes in certain assumptions may have a significant impact on the fair value of the servicing rights. The selection of cumulative default rates and cumulative prepayment rates are based on data derived from historical trends.

As of December 31, 2015 and 2016, the servicing assets and liabilities recorded were insignificant. The change in fair value of the servicing assets and liabilities was insignificant for the years ended December 31, 2015 and 2016, respectively.

LEXINFINTECH HOLDINGS LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

8. FAIR VALUE MEASUREMENT

Recurring

The following table presents the fair value hierarchy for the Group's assets and liabilities that are measured and recorded at fair value on a recurring basis as of December 31, 2016:

December 31, 2016	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs	Balance at Fair Value
		(RMB in thousands)		
Assets				
Restricted time deposits-current portion	—	8,000	—	8,000
Restricted time deposits-noncurrent portion	—	1,000	—	1,000
Total assets	—	**9,000**	—	**9,000**
Liabilities				
Guarantee liabilities	—	—	31,191	31,191
Total liabilities	—	—	**31,191**	**31,191**

The Group did not have any significant financial instruments measured at fair value on a recurring basis as of December 31, 2015.

The fair value of the Group's restricted time deposits is determined based on the prevailing interest rates for similar products in the market (Level 2). For the off-balance sheet loans funded by certain third-party commercial banks, as the Group's financial guarantee provided to the banks do not trade in an active market with readily observable quoted prices, the Group uses significant unobservable inputs to measure the fair value of these guarantee liabilities (Level 3).

Transfers into or out of fair value hierarchy classifications are made if the significant inputs used in the financial models measuring the fair value of the assets and liabilities became unobservable or observable in the current marketplace. These transfers are considered to be effective as of the beginning of the period in which they occur. The Group did not transfer any assets or liabilities in or out of Level 2 and Level 3 during the year ended December 31, 2016.

Significant Unobservable Inputs

The Group uses a discounted cash flow model to estimate fair value of the guarantee liabilities. The following table presents quantitative information about the significant unobservable inputs used for the Group's Level 3 fair value measurement as of December 31, 2016:

		December 31, 2016 Range of Inputs		
Financial Instrument	Unobservable Input	Minimum	Maximum	Weighted-Average
Guarantee liabilities	Discount rates	10.6%	21.9%	20.9%
	Cumulative default rates(i)	2.4%	2.4%	2.4%
	Cumulative prepayment rates(i)	14.7%	15.4%	14.8%
	Margins on cost	70.0%	70.0%	70.0%

(i) Expressed as a percentage of the original principal balance of the loans.

LEXINFINTECH HOLDINGS LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

8. FAIR VALUE MEASUREMENT (Continued)

The following table summarizes the activities related to fair value of the guarantee liabilities:

	For the Year Ended December 31,	
	2015	2016
	(RMB in thousands)	
Fair value at beginning of the year (Level 3)	—	—
Issuances	—	38,516
Cash payment	—	(13,267)
Change in fair value(i)	—	5,942
Fair value at end of the year (Level 3)	—	31,191

(i) Recognized as change in fair value of financial guarantee derivatives in the Consolidated Statements of Operations.

Significant Recurring Level 3 Fair Value Liability Input Sensitivity

Changes in certain of the unobservable inputs noted above may have a significant impact on the fair value of the guarantee liabilities. The following table summarizes the effect adverse changes in estimate would have on the fair value of the guarantee liabilities as of December 31, 2016 given a hypothetical changes in the cumulative default rates:

	As of December 31, 2016 (RMB in thousands, except percentage)
Weighted-average cumulative default rates(i)	2.4%
Change in fair value from:	
Increase by 10%	3,685
Decrease by 10%	(3,685)

(i) Expressed as a percentage of the original principal balance of the loans.

Other financial instruments

The followings are other financial instruments not measured at fair value in the Consolidated Balance Sheets, but for which the fair value is estimated for disclosure purposes.

Cash and cash equivalents, restricted cash, and amounts due from related parties are financial assets with carrying amounts that approximate fair value due to their short-term nature. Accounts payable and amounts due to related parties are financial liabilities with carrying amounts that approximate fair value because of their short-term nature.

Non-recurring

The Group measures certain financial assets, including the investments under the cost method and the equity method at fair value on a non-recurring basis only if an impairment charge were to be

LEXINFINTECH HOLDINGS LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

8. FAIR VALUE MEASUREMENT (Continued)

recognized. The Group's non-financial assets, such as property, equipment and software, would be measured at fair value only if they were determined to be impaired.

9. FUNDING DEBTS

The following table summarizes the Group's outstanding Funding Debts as of December 31, 2015 and 2016, respectively:

	As of December 31,	
	2015	2016
	(RMB in thousands)	
Short-term:		
Liabilities to Individual Investors—*Juzi Licai*	2,278,692	5,537,031
Liabilities to Institutional Funding Partners	880,462	1,275,643
Asset-backed securitized debts	—	155,814
Total short-term Funding Debts	**3,159,154**	**6,968,488**
Long-term:		
Liabilities to Institutional Funding Partners	31,080	21,014
Total long-term Funding Debts	**31,080**	**21,014**

For the years ended December 31, 2015 and 2016, the following significant activities took place related to the Group's funding sources:

Liabilities to Individual Investors—Juzi Licai

The Group finances its financing receivables using the proceeds from Individual Investors on *Juzi Licai* by offering various investment programs. As of December 31, 2015 and 2016, the terms of those programs are all within 12 months with weighted average interest rates of 9.8% and 8.3%, respectively. As of December 31, 2015 and 2016, Individual Investors on *Juzi Licai* funded an aggregate amount of RMB2,237.0 million and RMB5,331.1 million in outstanding financing receivables originated by the Group, respectively.

Liabilities to Institutional Funding Partners

The Group also finances the financing receivables using the proceeds from Institutional Funding Partners, including partnering peer-to-peer lending platforms and other financial institutions. As part of the arrangement with each of them, the Group and Institutional Funding Partners typically agree on an aggregated amount of funds to be provided, maximum credit limit given to an individual customer, maximum borrowing term and an annualized interest rate.

Those liabilities mature from September 2017 to November 2018 bearing weighted average interest rates of 10.7% and 8.3% as of December 31, 2015 and 2016, respectively. As of December 31, 2015 and 2016, Institutional Funding Partners funded an aggregate amount of RMB718.3 million and RMB1,302.7 million in outstanding financing receivables originated by the Group, respectively. As of December 31, 2015 and 2016, financing receivables amounting to RMB5.8 million and

LEXINFINTECH HOLDINGS LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

9. FUNDING DEBTS (Continued)

RMB16.4 million have been pledged as collaterals pursuant to certain credit facility arrangements with lending financial institutions.

Asset-backed securitized debts

In December 2015, the Group, through its VIE, Shenzhen Fenqile, created an asset-backed securitization plan ("ABS Plan") which was issued and listed on the Shanghai Stock Exchange in January 2016. Of the total commitment, an Institutional Funding Partner purchased RMB183.0 million senior tranche securities bearing interest at 5.05%, representing 91.5% of total securities issued by the ABS Plan. The Group purchased all subordinated tranche securities amounting to RMB17.0 million, representing 8.5% of the total securities issued. Interest only payments began in January 2016 and are payable quarterly through January 2017. Beginning January 2017, monthly payments will consist of both principal and interest with a final maturity of January 2018.

Shenzhen Fenqile has power to direct the activities that most significantly impact economic performance of the ABS Plan by providing the loan servicing and default loan collection services. Accordingly, Shenzhen Fenqile is considered the primary beneficiary of the ABS plan and has consolidated the ABS plan's assets, liabilities, results of operations, and cash flows in the Group's consolidated financial statements.

As of December 31, 2016, RMB199.8 million short-term financing receivables and RMB0.2 million long term financing receivables were pledged as collateral under the ABS Plan and can only be used to settle the ABS Plan's obligations. The assets of the ABS Plan are not available to creditors of the Company. In addition, the investors of the ABS Plan have no recourse against the assets of the Company.

Maturities of Funding Debts

The following table summarizes the remaining contractual maturity dates of the Group's Funding Debts and associated interest payments.

	1 - 12 months	13 - 24 months	25 - 36 months	37 - 48 months	49 - 60 months	Total
			(RMB in thousands)			
Liabilities to Individual Investors—*Juzi Licai*	5,537,031	—	—	—	—	5,537,031
Liabilities to Institutional Funding Partners	1,275,643	21,014	—	—	—	1,296,657
Asset-backed securitized debts	155,814	—	—	—	—	155,814
Total Funding Debts	**6,968,488**	**21,014**	**—**	**—**	**—**	**6,989,502**
Interest payments(i)	362,406	636	—	—	—	363,042
Total interest payments	**362,406**	**636**	**—**	**—**	**—**	**363,042**

(i) Interest payments with variable interest rates are calculated using the interest rate as of December 31, 2016.

LEXINFINTECH HOLDINGS LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

10. SHORT-TERM AND LONG-TERM BORROWINGS

In May 2016, the Group entered into a loan agreement with an aggregate amount of RMB20.0 million with one commercial bank in China. The loan will mature on May 18, 2018, and bear interest at a fixed rate of 7.3% per annum. The principal and interest is payable on a monthly basis. As of December 31, 2016, the outstanding balance of the loan was RMB11.8 million, which was secured by RMB1.0 million time deposit and RMB10.6 million financing receivables of the Group pledged as collateral. Out of the RMB11.8 million, RMB10.0 million will be due within one year.

In September 2016, the Group entered into a loan agreement with an aggregate amount of RMB30.0 million with one financial institution in China. The loan will mature on September 18, 2017, and bear interest at a fixed rate of 5.3% per annum. The interest is payable on a quarterly basis and the principal will be due upon maturity. As of December 31, 2016, the outstanding balance of the loan was RMB30.0 million, which was secured by RMB3.0 million time deposit and RMB24.5 million financing receivables of the Group pledged as collateral.

In December 2016, the Group entered into a one-year credit agreement with one commercial bank in China, which provided for a RMB100.0 million credit facility that will expire on December 22, 2017, bearing interest at a fixed rate of 6.5% per annum. The Group may use amounts borrowed under the facility for general operation. As of December 31, 2016, the Group had an outstanding borrowing balance of RMB30.0 million under the facility, which was secured by RMB5.0 million time deposit and RMB33.0 million financing receivables of the Group pledged as collateral.

The Group was in compliance with the covenants of the above credit facilities during the year ended December 31, 2016.

11. ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

	As of December 31,	
	2015	2016
	(RMB in thousands)	
Funds payable to Institutional Funding Partners(i)	1,524	253,297
Accrued payroll and welfare	49,731	116,674
Tax payable	35,845	78,734
Deferred interest and financial services income	13,683	34,600
Guarantee liabilities at fair value	—	31,191
Payable to third-party sellers	2,934	27,777
Security deposits from third-party sellers	505	15,287
Accrued professional fees	8,875	13,572
Marketing and promotion related expenses	8,393	7,469
Other accrued expenses	9,746	23,658
Total accrued expenses and other current liabilities	**131,236**	**602,259**

(i) The payable balance mainly includes funds received from Customers but not yet transferred to accounts of Institutional Funding Partners due to the settlement time lag.

LEXINFINTECH HOLDINGS LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

12. RELATED PARTY BALANCES AND TRANSACTIONS

The table below sets forth major related parties of the Group and their relationships with the Group:

Entity or individual name	Relationship with the Group
JD.com, Inc. and its subsidiaries ("JD Group")*	JD Group is a shareholder of the Group
Mr. Jay Wenjie Xiao	Chief Executive Officer and Director of the Group
Individual Director or Officer	Directors or Officers of the Group

* JD Group became a related party of the Group in March 2015, after which transactions with JD Group are accounted for as related party transactions.

(a) The Group entered into the following significant related party transactions:

	For the Year Ended December 31,	
	2015	2016
	(RMB in thousands)	
Purchase of goods and services from JD Group	747,126	668,029

(b) The Group had the following significant related party balances:

(i) Amounts due from related parties

	As of December 31,	
	2015	2016
	(RMB in thousands)	
Due from Mr. Jay Wenjie Xiao*	19,135	11,038
Others	10	704
Total	**19,145**	**11,742**

* Above balances represented amount prepaid to Mr. Jay Wenjie Xiao for potential investing activities to be conducted on behalf of the Group. For the year ended December 31, 2016, Mr. Jay Wenjie Xiao paid RMB6.5 million to acquire shares of one of the Group's investees.

(ii) Amounts due to related parties

	As of December 31,	
	2015	2016
	(RMB in thousands)	
Due to JD Group	177,018	92,597
Due to individual Director or Officer and his/her immediate family members under *Juzi Licai* investment programs as Individual Investors	26,798	45,175
Others	—	10
Total	**203,816**	**137,782**

LEXINFINTECH HOLDINGS LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

12. RELATED PARTY BALANCES AND TRANSACTIONS (Continued)

The Group believes that the terms of the transactions with the related parties are comparable to the terms of arm's-length transactions with third-party vendors and Individual Investors.

13. TAXATION

a) ***Value-added tax ("VAT")***

During the periods presented, the Group is subject to 17% VAT for online direct sales revenues from sales of electronic products, home appliance products and general merchandise products, and 6% for financial services income earned from rendering services to its Customers in the PRC.

The Group is also subject to surcharges on VAT payments according to PRC tax law.

b) ***Income tax***

Cayman Islands

The Company was incorporated in the Cayman Islands. Under the current laws of the Cayman Islands, the Company is not subject to tax on either income or capital gain. Additionally, the Cayman Islands does not impose a withholding tax on payments of dividends to shareholders.

Hong Kong

Under the current Hong Kong Inland Revenue Ordinance, Installment HK is subject to 16.5% income tax on its taxable income generated from operations in Hong Kong. Additionally, payments of dividends by the subsidiaries incorporated in Hong Kong to the Company are not subject to any Hong Kong withholding tax. For operations in Hong Kong, the Company has incurred net accumulated operating losses for income tax purposes. The Group believes that it is more-likely-than-not that these net accumulated operating losses will not be utilized in the future. Therefore, the Group has provided full valuation allowance for the deferred tax assets arising from the losses in Hong Kong as of December 31, 2015 and 2016.

China

The Company's subsidiary, consolidated VIEs and subsidiaries of the VIEs established in the PRC are subject to statutory income tax at a rate of 25%.

Under the Enterprise Income Tax ("EIT") Law enacted by the National People's Congress of PRC on March 16, 2007 and its implementation rules which became effective on January 1, 2008, dividends generated after January 1, 2008 and payable by FIEs in the PRC to its foreign investors who are non-resident enterprises are subject to a 10% withholding tax, unless any such foreign investor's jurisdiction of incorporation has a tax treaty with the PRC that provides for a different withholding arrangement. Under the taxation arrangement between the PRC and Hong Kong, a qualified Hong Kong tax resident which is the "beneficial owner" and directly holds 25% or more of the equity interest in a PRC resident enterprise is entitled to a reduced withholding tax rate of 5%. The Cayman Islands, where the Company was incorporated, does not have a tax treaty with PRC.

The EIT Law includes a provision specifying that legal entities organized outside of the PRC will be considered resident enterprises for the PRC income tax purposes if the place of effective management or control is within the PRC. The implementation rules to the EIT Law provide that

LEXINFINTECH HOLDINGS LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

13. TAXATION (Continued)

non-resident legal entities will be considered as PRC resident enterprises if substantial and overall management and control over the manufacturing and business operations, personnel, accounting, properties, etc., occurs within the PRC. Despite the present uncertainties resulting from the limited PRC tax guidance on the issue, the Group does not believe that the Group's entities organized outside of the PRC should be treated as resident enterprises for the PRC income tax purposes. If the PRC tax authorities subsequently determine that the Company and its subsidiary registered outside the PRC should be deemed resident enterprises, the Company and its subsidiary registered outside the PRC will be subject to the PRC income tax, at a rate of 25%. The components of the Group's loss before income tax expense for the years ended December 31, 2015 and 2016 are as follows:

	As of December 31,	
	2015	2016
	(RMB in thousands, except percentage)	
Loss before income tax expense	(399,128)	(59,681)
Loss from non-China operations	(664)	(12,943)
Loss from China operations	(398,464)	(46,738)
Income tax (benefit)/expense applicable to China operations	(88,934)	58,258
Effective tax rate for China operations	22.3%	–124.6%

Composition of income tax (benefit)/expense for China operations

The following table sets forth current and deferred portion of income tax (benefit)/expense of the Company's China subsidiary, VIEs, and subsidiaries of the VIEs:

	For the Year Ended December 31,	
	2015	2016
	(RMB in thousands)	
Current income tax expense	525	11,204
Deferred income tax (benefit)/expense	(89,459)	47,054
Income tax (benefit)/expense	**(88,934)**	**58,258**

The following table sets forth reconciliation between the statutory EIT rate and the effective tax rate for the Group's China operations:

	For the Year Ended December 31,	
	2015	2016
Statutory EIT rate	25.0%	25.0%
Tax effect of non-deductible expense	–0.7%	–24.2%
Changes in valuation allowance	–2.0%	–125.4%
Effective tax rate for China operations	22.3%	–124.6%

LEXINFINTECH HOLDINGS LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

13. TAXATION (Continued)

Deferred tax assets

Deferred income tax expense reflects the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. The components of the deferred tax assets are as follows:

	As of December 31,	
	2015	2016
	(RMB in thousands)	
Deferred tax assets		
—Provision for credit losses	17,066	70,237
—Net operating loss carryforwards	81,499	22,623
—Accrued expenses and others	8,758	26,071
Less: valuation allowance	(17,864)	(76,526)
Net deferred tax assets	**89,459**	**42,405**

Movement of valuation allowance

	As of December 31,	
	2015	2016
	(RMB in thousands)	
Balance at beginning of the year	**(10,048)**	**(17,864)**
Additions	(17,550)	(58,662)
Reversals	9,734	—
Balance at end of the year	**(17,864)**	**(76,526)**

Valuation allowance is provided against deferred tax assets when the Group determines that it is more-likely-than-not that the deferred tax assets will not be utilized in the future. The Group considers positive and negative evidence to determine whether some portion or all of the deferred tax assets will be more-likely-than-not realized. This assessment considers, among other matters, the nature, frequency and severity of recent losses and forecasts of future profitability. These assumptions require significant judgment and the forecasts of future taxable income are consistent with the plans and estimates the Group is using to manage the underlying businesses. The statutory rate of 25% was applied when calculating deferred tax assets.

As of December 31, 2015 and 2016, the Group provided full valuation allowance of RMB17.1 million and RMB70.2 million, respectively, for the deferred tax assets related to provision for credit losses. Given that the Group has been unsuccessful in getting approval from the relevant tax authorities for the deduction of the tax allowance on provision for credit losses, the Group believes it is more-likely-than-not that these deferred tax assets will not be utilized in the future.

As of December 31, 2015 and 2016, the Group had net operating loss carryforwards of approximately RMB326.0 million and RMB90.5 million, respectively, which arose from the subsidiary, VIEs and the VIEs' subsidiaries established in the PRC. As of December 31, 2015 and 2016, of the net operating loss carryforwards, RMB0.1 million and RMB6.1 million was provided for full valuation allowance respectively, while the remaining RMB325.9 million and RMB84.4 million is expected to be

LEXINFINTECH HOLDINGS LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

13. TAXATION (Continued)

utilized prior to expiration considering future taxable income for respective entities. As of December 31, 2016, the net operating loss carryforwards will expire during the period from 2017 to 2021, if unused.

The Company intends to indefinitely reinvest all the undistributed earnings of the Company's VIEs and subsidiaries of the VIEs in China, and does not plan to have any of its PRC subsidiaries to distribute any dividend; therefore no withholding tax is expected to be incurred in the foreseeable future. Accordingly, no income tax is accrued on the undistributed earnings of the Company's VIEs and subsidiaries of the VIEs as of December 31, 2015 and 2016. As of December 31, 2015 and 2016, the Group's PRC subsidiary was still in accumulated deficit position.

Uncertain Tax Position

The Group did not identify significant unrecognized tax benefits for the years ended December 31, 2015 and 2016. The Group did not incur any interest related to unrecognized tax benefits, did not recognize any penalties as income tax expense and also does not anticipate any significant change in unrecognized tax benefits within 12 months from December 31, 2016.

14. CONVERTIBLE LOANS

In May 2016, the Group issued convertible loans in the aggregated principal amount of RMB654,680,000 (US$100,000,000) to four investors of the Group with compounding interest at 12% per annum, maturing two years after the issuance date. Pursuant to the convertible loans agreements, the holders of the convertible loans may (i) convert the outstanding principal of the convertible loans into a fixed percentage of the equity interest in Shenzhen Fenqile, one subsidiary of the Group's VIE, or (ii) convert the outstanding principal of the convertible loans into a fixed number of shares of Series C Convertible Redeemable Preferred Shares ("Series C Preferred Shares") of the Company at a conversion price of US$2.5105 per share. Accrued interests shall be waived if the investors elect to exercise any of the conversion options. Convertible loans in the principal amount of RMB98,202,000 (US$15,000,000) were issued by the Company (the "Convertible Loans A") and convertible loans in the principal amount of RMB556,478,000 (US$85,000,000) were issued by Shenzhen Fenqile (the "Convertible Loans B"). The issuance costs for the convertible loans were RMB11.3 million.

In conjunction with the issuance of the convertible loans, the Group entered into a Series C Preferred Shares purchase agreements with two Convertible Loans B investors and issued 1 share of Series C Preferred Shares to each of them for no consideration. The issuance of Series C Preferred Shares was to allow Convertible Loans B investors to exercise voting rights in the Company on an as-converted basis. No other rights of Series C Preferred Shares could be enjoyed by Convertible Loans B investors prior to the conversion of the Convertible Loans B.

Although the legal forms of the Convertible Loans B and the 2 shares of Series C Preferred Shares of the Company are two separate instruments held by Convertible Loans B investors, the Group considered these two instruments are in substance one combined instrument issued to Convertible Loans B investors, that is, convertible loans, which were initially measured at par under ASC 470 and subsequently stated at amortized cost with any difference between the initial carrying value and the principal amount as interest expenses using the effective interest method over the period from the issuance date to the maturity date. The 2 shares of Series C Preferred Shares were recorded at par and classified as mezzanine equity.

LEXINFINTECH HOLDINGS LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

14. CONVERTIBLE LOANS (Continued)

The investors for Convertible Loans B are entitled to down round protection if the Group issues additional equity interest in the future at a lower valuation. The protection will be provided through conversion price adjustments ("Conversion Price Adjustments") before the Convertible Loans B are converted or by issuing additional shares for free after the conversion of the loans into the equity interest of the VIE ("After Conversion Adjustments").

In the event of a lower valuation prior to the conversion of Convertible Loans B, the down round protection is provided in the form of Conversion Price Adjustment, which effectively resets the strike or conversion rate to the lower valuation. The Group considers the Conversion Price Adjustments are part of the conversion features that do not require bifurcation. The After Conversion Adjustments are considered as an embedded feature that requires bifurcation pursuant to criteria set forth under ASC 815. The Group determined the fair value of the After Conversion Adjustments was immaterial with the assistance from an independent valuation firm.

No Series C Preferred Shares of the Company were issued to Convertible Loans A investors, and the investors of Convertible Loans A are not entitled to the down round protection as discussed above.

15. CONVERTIBLE REDEEMABLE PREFERRED SHARES

In conjunction with the Group's 2014 Reorganization discussed in Note 1, in July 2014, the Group issued 38,602,941 Series A-1 Convertible Redeemable Preferred Shares ("Series A-1 Preferred Shares") for an aggregate purchase price of RMB5,250,000 (US$857,157) and 35,014,006 Series A-2 Convertible Redeemable Preferred Shares ("Series A-2 Preferred Shares") for an aggregate purchase price of RMB29,552,640 (US$4,800,000) (collectively, "Series A Preferred Shares").

Out of the total Series A-1 Preferred Shares, i) 11,374,158 Series A-1 Preferred Shares were issued for cash consideration of RMB1,500,000 (US$244,902); and ii) 27,228,783 Series A-1 Preferred Shares were converted from one shareholder loan with the principal amount of RMB3,750,000 (US$612,255).

Out of the total Series A-2 Preferred Shares, i) 14,589,169 Series A-2 Preferred Shares were converted from three shareholder loans with the principal amount of RMB12,313,600 (US$2,000,000); and ii) 20,424,837 Series A-2 Preferred Shares were issued for cash consideration of RMB17,239,040 (US$2,800,000). Subsequently, 4,376,751 Class A Ordinary Shares of the Company were redesignated into the same number of Series A-2 Preferred Shares.

At the same time, the Company issued 7,350,000 Class B Ordinary Shares (the "OS-B") for cash consideration of RMB1,000,000 (US$163,428).

In November 2014, the Group issued 4,119,294 Series B-1 Convertible Redeemable Preferred Shares ("Series B-1 Preferred Shares"), which were converted from two shareholder loans with the principal amount of RMB24,550,800 (US$4,000,000), and 40,266,106 Series B-2 Convertible Redeemable Preferred Shares ("Series B-2 Preferred Shares") for cash consideration of RMB282,334,200 (US$46,000,000) (collectively, "Series B Preferred Shares").

In March 2015, the Group also issued another 28,886,555 Series B-2 Preferred Shares for an aggregate purchase price of RMB203,240,400 (US$33,000,000). In May 2016, the Group issued 2 Series C Preferred Shares together with the issuance of Convertible Loans B to two investors of the Group for an aggregate purchase price of RMB556,478,000 (US$85,000,000). The Group also

LEXINFINTECH HOLDINGS LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

15. CONVERTIBLE REDEEMABLE PREFERRED SHARES (Continued)

issued Convertible Loans A with an aggregate amount of RMB98,202,000 (US$15,000,000) to another two investors of the Group as discussed in Note 14.

The Series A-1, OS-B, A-2, B-1, B-2, C Preferred Shares are collectively referred to as the "Preferred Shares". All series of Preferred Shares have the same par value of US$0.0001 per share.

The Group determined that the Series A-1, OS-B, A-2, B-1, B-2 and C Preferred Shares should be classified as mezzanine equity upon their respective issuance since the Preferred Shares are contingently redeemable at any time on or after March 31, 2021 (May 25, 2020 for Series C Preferred Shares) from the issuance date in the event that a qualified initial public offering ("QIPO") has not occurred and the Preferred Shares have not been converted. The QIPO is defined as a public offering of ordinary shares of the Company (or securities representing such ordinary shares) registered under the Securities Act and with gross proceeds to the Company of at least US$180 million and an implied pre-money valuation of US$3,000 million or more, or in a similar public offering of ordinary shares in a jurisdiction and on an internationally recognized securities exchange or inter-dealer quotation system outside of the United States.

The major rights, preferences and privileges of the Preferred Shares are as follows:

Conversion rights

Each of the Preferred Shares is convertible, at the option of the holder, into the Company's ordinary shares at an initial conversion ratio of 1:1 at any time after the date of issuance of such Preferred Shares, subject to adjustments in the event of (i) share splits, share dividends, combinations, recapitalization and similar events, or (ii) issuance of ordinary shares (excluding certain events such as issuance of ordinary shares pursuant to a public offering) at a price per share less than the conversion price in effect on the date of or immediately prior to such issuance.

The Preferred Shares shall be automatically converted into ordinary shares immediately prior to the consummation of a QIPO.

Dividend Rights

The holders of Preferred Shares are entitled to receive non-cumulative dividends prior and in preference to any declaration or payment of any dividend on Class A Ordinary Shares carried at the rate of 8% of original issuance price per annum as and when declared by the board of directors.

After payment of such preferential dividends on Preferred Shares during any year, any further dividends or distribution distributed during such year shall be declared and paid ratably on the outstanding Preferred Shares (on an as-converted basis) and the ordinary shares.

No dividends on Preferred Shares and ordinary shares have been declared since the inception through December 31, 2016.

Liquidation preferences

In the event of any liquidation, dissolution or winding up of the Group, either voluntarily or involuntarily, the holders of Preferred Shares have preference over holders of ordinary shares with respect to payment of dividends and distribution of assets. Upon liquidation, Series C Preferred Shares shall rank senior to Series B Preferred Shares, Series B Preferred Shares shall rank senior to Series A-2

LEXINFINTECH HOLDINGS LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

15. CONVERTIBLE REDEEMABLE PREFERRED SHARES (Continued)

Preferred Shares, Series A-2 Preferred Shares shall rank senior to Series A-1 Preferred Shares and Class B Ordinary Shares, and Series A-1 Preferred Shares and Class B Ordinary Shares shall rank senior to ordinary shares.

The holders of Series C Preferred Shares shall be entitled to choose from receiving an amount equal to (i) 100% of the original issue price (as adjusted for any share splits, share dividends, combinations, recapitalizations and similar transactions) with respect to each Series C Preferred Shares on an as-converted basis, plus (ii) all dividends declared and unpaid with respect thereto (as adjusted for any share splits, share dividends, combinations, recapitalizations and similar transactions) per Series C Preferred Share, then held by such holder, plus (iii) simple annual interest calculated at 8% per annum on the original issue price with respect to each Series C Preferred Shares, annually calculated from the original issue date and up to and including the date of the liquidation event; or the repayment of the principal and accrued interest at 12% per annum of the Convertible Loans B(Note 14).

The holders of Series B Preferred Shares, Series A Preferred Shares and Class B Ordinary Shares shall be entitled to receive an amount equal to (i) 100% of the original issue price (as adjusted for any share splits, share dividends, combinations, recapitalizations and similar transactions) with respect to each Series B Preferred Share on an as-converted basis, plus (ii) all dividends declared and unpaid with respect thereto (as adjusted for any share splits, share dividends, combinations, recapitalizations and similar transactions) per share, then held by such holder.

After distribution or payment in full of the amount distributable or payable on the Series C Preferred Shares, Series B Preferred Shares, Series A Preferred Shares and Class B Ordinary Shares, the remaining assets of the Company available for distribution to members shall be distributed ratably among the holders of outstanding ordinary shares and the holders of outstanding Preferred Shares in proportion to the number of outstanding ordinary shares held by them (on an as-converted basis).

Voting rights

The holder of each ordinary share issued and outstanding has one vote for each ordinary share held and the holder of each Preferred Shares (except Series C Preferred Shares) has the number of votes as equals to the number of ordinary shares then issuable upon their conversion into ordinary shares. The holders of the Preferred Shares shall vote together with the holders of ordinary shares on all matters submitted to a vote of the shareholders of the Company and not as a separate class.

Redemption rights

At any time on or after March 13, 2021, for Series A Preferred Shares, Class B Ordinary Shares and Series B Preferred Shares, if requested by a majority holders of the respective series of Preferred Shares then outstanding, the Group shall redeem all of the respective outstanding Preferred Shares in that series. The redemption prices shall be the sum of (i) the original issue price; (ii) all dividends declared and unpaid; and (iii) annual interest calculated at 10% per annum on the original issue price, compounded annually.

At any time on or after May 25, 2020, for Series C Preferred Shares, if requested by a majority holders of the shares then outstanding, the Group shall redeem all of the respective outstanding Series C Preferred Shares. The redemption prices shall be the sum of (i) the original issue price; (ii) all

LEXINFINTECH HOLDINGS LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

15. CONVERTIBLE REDEEMABLE PREFERRED SHARES (Continued)

dividends declared and unpaid; and (iii) an interest calculated at 12% per annum on the original PS-C issue price, compounded annually. The holder of Series C Preferred Shares shall not receive any redemption price prior to the conversion of the Convertible Loans B into Series C Preferred Shares.

The Group accretes changes in the redemption value over the period from the date of issuance of the Preferred Shares to their respective earliest redemption date using effective interest method. Changes in the redemption value are considered to be changes in accounting estimates. The accretion will be recorded against retained earnings, or in the absence of retained earnings, by charges against additional paid-in capital. Once additional paid-in capital has been exhausted, additional charges should be recorded by increasing the accumulated deficit.

Accounting of Preferred Shares except Series C Preferred Shares

Except for Series C Preferred Shares which are discussed in Note 14, the Group records accretion on the Preferred Shares, where applicable, to the redemption value from the issuance dates to the earliest redemption dates. The accretion of Preferred Shares was RMB51.5 million and RMB62.3 million for the years ended December 31, 2015 and 2016, respectively. The Preferred Shares are recorded initially at fair value, net of issuance costs. The issuance costs for Series A and Series B Preferred Shares were RMB0.3 million and RMB6.4 million, respectively.

The Group determined that the embedded conversion features and the redemption features do not require bifurcation as they either are clearly and closely related to the Preferred Shares or do not meet the definition of a derivative.

The Group has determined that there was no embedded beneficial conversion feature attributable to the Preferred Shares other than Series A Preferred Shares. The amount of the embedded beneficial conversion feature of Series A Preferred Shares recognized by the Group was RMB4.6 million (US$0.8 million) at the issuance date. In making this determination, the Group compared the initial effective conversion prices of the Preferred Shares and the fair values of the Group's ordinary shares determined by the Group at the issuance dates. Except for Series A Preferred Shares, the initial effective conversion prices were greater than the fair values of the ordinary shares to which the Preferred Shares are convertible into at the issuance dates. To the extent a conversion price adjustment occurs, as described above, the Group will reevaluate whether or not a beneficial conversion feature should be recognized.

LEXINFINTECH HOLDINGS LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

15. CONVERTIBLE REDEEMABLE PREFERRED SHARES (Continued)

The Group's Preferred Shares activities for the years ended December 31, 2015 and 2016 are summarized below:

	Series A-1 Preferred Shares		Class B Ordinary Shares		Series A-2 Preferred Shares		Series B-1 Preferred Shares		Series B-2 Preferred Shares		Series C Preferred Shares	
	No. of shares	Amount in RMB	No. of shares	Amount in RMB	No. of shares	Amount in RMB	No. of shares	Amount in RMB	No. of shares	Amount in RMB	No. of shares	Amount in RMB
Balances at December 31, 2014	**38,602,941**	**13,211,883**	**7,350,000**	**1,082,866**	**39,390,757**	**34,995,953**	**4,119,294**	**24,349,815**	**40,266,106**	**280,109,483**	**—**	**—**
Issuance of Preferred Shares	—	—	—	—	—	—	—	—	28,886,555	203,240,400	—	—
Preferred Shares redemption value accretion	—	585,393	—	108,402	—	3,126,654	—	2,585,510	—	45,117,851	—	—
Balances at December 31, 2015	**38,602,941**	**13,797,276**	**7,350,000**	**1,191,268**	**39,390,757**	**38,122,607**	**4,119,294**	**26,935,325**	**69,152,661**	**528,467,734**	**—**	**—**
Issuance of Preferred Shares	—	—	—	—	—	—	—	—	—	—	2	*
Preferred Shares redemption value accretion	—	687,599	—	127,310	—	3,687,152	—	3,035,116	—	54,761,693	—	—
Repurchase of Preferred Shares	—	—	—	—	—	—	—	—	(5,377,415)	(45,243,745)	—	—
Balances at December 31, 2016	**38,602,941**	**14,484,875**	**7,350,000**	**1,318,578**	**39,390,757**	**41,809,759**	**4,119,294**	**29,970,441**	**63,775,246**	**537,985,682**	**2**	*****

* Less than 1.

In May 2016, the Group repurchased 5,377,415 Series B-2 Preferred Shares from one of preferred shareholders with a total repurchase price of RMB87,922,800 (US$13,500,000). The difference of the repurchase price and the carrying amount of Series B-2 Preferred Shares, of RMB42,679,055, is accounted for as deemed dividend to the preferred shareholder.

16. ORDINARY SHARES

In November 2013, the Company was formed as a limited liability company in the Cayman Islands with issuance of 125,000,000 ordinary shares at a par value of US$0.0001 each. In July 2014, the Company became the holding company of the Group pursuant to the 2014 Reorganization described in Note 1 and redesignated the issued ordinary shares into 113,273,249 Class A Ordinary Shares, 7,350,000 Class B Ordinary Shares and 4,376,751 Class C Ordinary Shares, respectively. The par value of each class ordinary shares was US$0.0001. Class B Ordinary Shares and Class C Ordinary Shares that were redesignated into Series A-2 Preferred Shares in September 2014 were accounted for as Preferred Shares as discussed in Note 15.

As of December 31, 2015 and 2016, the Company had 110,647,199 Class A Ordinary Shares and 110,647,199 Class A Ordinary Shares issued and outstanding, respectively.

17. NET LOSS PER SHARE

Basic net loss per share is the amount of net loss available to each share of ordinary shares outstanding during the reporting period. Diluted loss per share is the amount of net loss available to each share of ordinary shares outstanding during the reporting period adjusted to include the effect of potentially dilutive ordinary shares. For the years ended December 31, 2015 and 2016, options to

LEXINFINTECH HOLDINGS LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

17. NET LOSS PER SHARE (Continued)

purchase ordinary shares that were anti-dilutive and excluded from the calculation of diluted net loss per share were 13,674,424 shares and 22,635,281 shares on a weighted average basis, respectively. For the years ended December 31, 2015 and 2016, the Series A-1 Preferred Shares, Class B Ordinary Shares, Series A-2 Preferred Shares, Series B-1 Preferred Shares, Series B-2 Preferred Shares, Series C Preferred Shares and convertible loans convertible into ordinary shares that were also anti-dilutive and excluded from the calculation of diluted net loss per share of the Company were 176,751,805 shares and 178,923,801 shares on a weighted average basis, respectively.

The following table sets forth the computation of basic and diluted net loss per share for the periods indicated:

	For the Year Ended December 31,	
	2015	2016
	(RMB in thousands, except share and per share data)	
Basic and diluted net loss per share calculation:		
Numerator:		
Net loss	(310,194)	(117,939)
Deemed dividend to a preferred shareholder	—	(42,679)
Accretion on Series A-1 Preferred Shares redemption value	(585)	(688)
Accretion on Class B Ordinary Shares redemption value	(108)	(127)
Accretion on Series A-2 Preferred Shares redemption value	(3,127)	(3,687)
Accretion on Series B-1 Preferred Shares redemption value	(2,586)	(3,035)
Accretion on Series B-2 Preferred Shares redemption value	(45,118)	(54,762)
Net loss attributable to ordinary shareholders	(361,718)	(222,917)
Denominator:		
Weighted average ordinary shares outstanding—basic and diluted	110,647,199	110,647,199
Basic and diluted net loss per share attributable to ordinary shareholders	(3.27)	(2.01)

18. EMPLOYEE BENEFIT PLAN

Full-time employees of the Group in the PRC are entitled to welfare benefits including pension insurance, medical insurance, unemployment insurance, maternity insurance, on-the-job injury insurance, and housing fund plans through a PRC government-mandated defined contribution plan. Chinese labor regulations require that the Group makes contributions to the government for these benefits based on certain percentages of the employees' salaries, up to a maximum amount specified by the local government. The Group has no legal obligation for the benefits beyond the contributions.

Total contributions by the Group for such employee benefits were RMB19.8 million and RMB54.2 million for the years ended December 31, 2015 and 2016, respectively.

LEXINFINTECH HOLDINGS LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

19. STATUTORY RESERVES AND RESTRICTED NET ASSETS

In accordance with the PRC laws and regulations, the Company's PRC subsidiary registered as WFOE is required to make appropriation to certain reserve funds, namely general reserve fund, enterprise expansion fund, and staff bonus and welfare fund, all of which are appropriated from the subsidiary's annual after-tax profits as reported under the PRC GAAP. The appropriation must be at least 10% of the annual after-tax profits to the general reserve fund until such reserve fund has reached 50% of the subsidiary's registered capital.

Additionally, in accordance with the PRC Company Laws, a domestic company is required to provide statutory surplus fund at least 10% of its annual after-tax profits as reported under the PRC GAAP until such statutory surplus fund has reached 50% of its registered capital. A domestic company is also required to provide discretionary surplus fund, at the discretion of the board of directors, from its annual after-tax profits as reported under the PRC GAAP. The aforementioned reserve funds can only be used for specific purposes and are not distributable as cash dividends.

As a result of the PRC laws and regulations and the requirement that distributions by the PRC entity can only be paid out of distributable profits computed in accordance with the PRC GAAP, the PRC entity is restricted from transferring a portion of its net assets to the Company. Amounts restricted include paid-in capital, additional paid-in capital and statutory reserves of the Company's PRC entities. As of December 31, 2015 and 2016, the aggregated amounts of paid-in capital, additional paid-in capital and statutory reserves represented the amount of net assets of the relevant PRC entities in the Group not available for distribution amounted to RMB119.8 million and RMB339.4 million, respectively (including RMB0.1 million and RMB2.0 million statutory surplus fund as of December 31, 2015 and 2016, respectively). As a result of the above restrictions, parent company only condensed financial information is disclosed in Note 24.

20. SHARE-BASED COMPENSATION

Share-based compensation was recognized in operating cost and expenses for the years ended December 31, 2015 and 2016 as follows:

	For the Year Ended December 31,	
	2015	2016
	(RMB in thousands)	
Processing and servicing cost	472	1,067
Sales and marketing expenses	3,194	4,009
Research and development expenses	3,736	9,068
General and administrative expenses	7,086	9,855
Total share-based compensation expenses	**14,488**	**23,999**

The Group recognizes share-based compensation, net of estimated forfeitures, on a straight-line basis over the vesting term of the awards. There was no income tax benefit recognized in the Consolidated Statements of Operations for share-based compensation and the Group did not capitalize any of the share-based compensation as part of the cost of any asset in the years ended December 31, 2015 and 2016.

LEXINFINTECH HOLDINGS LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

20. SHARE-BASED COMPENSATION (Continued)

Stock options

In September 2014, the Group adopted its Share Incentive Plan (the "2014 Plan"), which permits the grant of options, restricted shares and restricted share units of the Company to employees, directors and other eligible persons of the Company and its affiliates. Under the plan, the maximum number of Class A Ordinary Shares that may be delivered will not exceed a total of 20,220,588 shares in the aggregate. In August 2015, the Company's shareholders approved to newly reserve an additional of 15,235,971 Class A Ordinary Shares for future issuance. Option awards are granted with an exercise price determined by the board of directors. Those option awards generally vest over a period of four years and expire in ten years.

The following table sets forth a summary of the number of shares available for issuance:

	Shares Available (In thousands)
December 31, 2014	**4,111**
Addition	15,236
Granted	(9,580)
Cancelled/forfeited/repurchased	1,450
December 31, 2015	**11,217**
Granted	(5,805)
Cancelled/forfeited/repurchased	945
December 31, 2016	**6,357**

The following table sets forth the summary of option activities under the 2014 Plan:

	Options Outstanding (In thousands)	Weighted Average Exercise Price US$	Weighted Average Remaining Contractual Life (In years)	Aggregate Intrinsic Value (RMB in thousands)
December 31, 2014	16,110	0.0001	9.81	30,947
Granted	9,580	0.0001		
Exercised	—	—		
Cancelled/forfeited/repurchased	(1,450)	0.0001		
December 31, 2015	24,240	0.0001	9.11	178,676
Granted	5,805	0.0001		
Exercised	—	—		
Cancelled/forfeited/repurchased	(945)	0.0001		
December 31, 2016	29,100	0.0001	8.41	737,880
Vested and expected to vest as of December 31, 2015	24,240	0.0001	9.11	178,676
Exercisable as of December 31, 2015	5,988	0.0001	8.82	44,135
Vested and expected to vest as of December 31, 2016	29,100	0.0001	8.41	737,880
Exercisable as of December 31, 2016	11,670	0.0001	7.96	295,913

LEXINFINTECH HOLDINGS LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

20. SHARE-BASED COMPENSATION (Continued)

The weighted average grant date fair value of options granted for the years ended December 31, 2015 and 2016 was RMB3.3 (US$0.5) and RMB20.7 (US$3.0) per share, respectively.

No options were exercised for the years ended December 31, 2015 and 2016.

As of December 31, 2015 and 2016, the unrecognized compensation cost, adjusted for estimated forfeitures, related to non-vested stock options granted to the Group's employees and directors as of December 31, 2016 was RMB40.1 million and RMB122.3 million, respectively. Total unrecognized compensation cost is expected to be recognized over a weighted-average period of 3.6 years and may be adjusted for future changes in estimated forfeitures.

21. COMMITMENTS AND CONTINGENCIES

Operating lease commitments

The Group leases certain office premises under non-cancelable leases. Rental expenses under operating leases for the years ended December 31, 2015 and 2016 were RMB10.0 million and RMB26.2 million, respectively.

Future minimum lease payments under non-cancelable operating leases agreements are as follows:

Years ending December 31,	RMB in thousands
2017	33,093
2018	28,905
2019	27,182
2020	23,865
2021 and thereafter	15,212

Debt Obligations

The Group's debt obligations are associated with 1) the Funding Debts and interest payable to Individual Investors on *Juzi Licai* and certain Institutional Funding Partners, and ABS securities issued in connection with securitization of certain financial assets; 2) the borrowings from financial institutions to support the Group's general operations; 3) the issuance of convertible loans bearing compounding interest rates of 12% per annum.

The expected repayment amount of the debt obligations are as follows:

	Less than 1 year	1 - 2 years	2 - 3 years	Total
		(RMB in thousands)		
Funding Debts obligations				
Liabilities to Individual Investors — *Juzi Licai*	5,537,031	—	—	5,537,031
Liabilities to Institutional Funding Partners	1,275,643	21,014	—	1,296,657
Assets-backed securitized debts	155,814	—	—	155,814
Interest payments (i)	362,406	636		363,042
Total Funding Debts obligations	**7,330,894**	**21,650**	**—**	**7,352,544**
Short-term and long-term borrowings	70,036	1,762	—	71,798
Interest payments (i)	3,193	32	—	3,225
Total short-term and long-term borrowings obligations	**73,229**	**1,794**	**—**	**75,023**
Convertible loans	—	660,533	—	660,533
Interest payments (i)	—	158,528	—	158,528
Total convertible loans obligations	**—**	**819,061**	**—**	**819,061**

(i) Interest payments with variable interest rates are calculated using the interest rate as of December 31, 2016.

LEXINFINTECH HOLDINGS LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

22. SUBSEQUENT EVENTS

In January, March, and June 2017, the Company granted up to 3,890,000 options to its employees, respectively, under the 2014 Plan with an exercise price of US$0.0001.

In July 2017, the Group established a quality assurance program with the purposes of providing make-up payments to Individual Investors on *Juzi Licai* when Customers fail to satisfy their principal or interest repayment obligations. The Group is in the process of assessing the accounting treatment of the quality assurance program.

23. UNAUDITED PRO FORMA INFORMATION

Pursuant to the Company's memorandum and articles of association, the Company's Preferred Shares and the convertible loans will be automatically converted into ordinary shares upon a QIPO. Unaudited pro forma shareholders' equity as of December 31, 2016, as adjusted for the reclassification of the related Preferred Shares from mezzanine equity to shareholders' equity and convertible loans from liabilities to shareholders' equity is shown in the unaudited pro forma consolidated balance sheets.

Unaudited pro forma basic and diluted net loss per ordinary share reflects the effect of the conversion of Preferred Shares and convertible loans as follows, as if the conversion occurred as of the beginning of the period or the original date of issuance, if later.

	Year Ended December 31, 2016 (RMB in thousands, except share and per share data)
Numerator:	
Net loss attributable to ordinary shareholders	(222,917)
Preferred shares redemption value accretion reversed	62,299
Deemed dividend to a preferred shareholder reversed	42,679
Interest expense and amortized issuance cost of convertible loans reversed	48,663
Numerator for pro forma basic and diluted net loss per share	(69,276)
Denominator:	
Weighted average number of ordinary shares used in calculating pro forma basic and diluted net loss per share	287,719,759
Pro forma basic and diluted net loss per share	(0.24)

24. PARENT COMPANY ONLY CONDENSED FINANCIAL INFORMATION

The condensed financial information of the Company has been prepared in accordance with SEC Regulation S-X Rule 5-04 and Rule 12-04, using the same accounting policies as set out in the Group's consolidated financial statements, except that the Company uses the equity method to account for investments in its subsidiaries, VIEs and VIEs' subsidiaries.

The subsidiaries did not pay any dividend to the Company for the years presented. Certain information and footnote disclosures generally included in financial statements prepared in accordance with U.S. GAAP have been condensed and omitted. The footnote disclosures contain supplemental information relating to the operations of the Company, as such, these statements are not the general-

LEXINFINTECH HOLDINGS LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

24. PARENT COMPANY ONLY CONDENSED FINANCIAL INFORMATION (Continued)

purpose financial statements of the reporting entity and should be read in conjunction with the notes to the consolidated financial statements of the Company.

The Company did not have significant capital and other commitments or guarantees as of December 31, 2016.

Condensed Balance Sheets (In thousands, except share and per share data)

	As of December 31,		
	2015	2016	
	RMB	RMB	$US Note 2
ASSETS			
Current assets			
Cash and cash equivalents	92,046	102,431	14,753
Amounts due from subsidiaries and other related parties	28,043	11,000	1,584
Prepaid expenses and other current assets	6,159	6,579	948
Total current assets	126,248	120,010	17,285
Non-current assets			
Investments in subsidiaries, VIEs and VIEs' subsidiaries	65,108	(6,517)	(938)
Long-term investments	9,740	19,451	2,802
Total non-current assets	74,848	12,934	1,864
Total assets	**201,096**	**132,944**	**19,149**
LIABILITIES			
Current liabilities			
Amounts due to subsidiaries	537	537	77
Accrued expenses and other current liabilities	6,686	7,401	1,066
Total current liabilities	7,223	7,938	1,143
Convertible loans	—	111,087	16,000
Total liabilities	**7,223**	**119,025**	**17,143**
Commitments and contingencies (Note 21)			

LEXINFINTECH HOLDINGS LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

24. PARENT COMPANY ONLY CONDENSED FINANCIAL INFORMATION (Continued)

	As of December 31,		
	2015	2016	
	RMB	RMB	$US
			Note 2
MEZZANINE EQUITY			
Series A-1 convertible redeemable preferred shares ($0.0001 of par value per share; 38,602,941 and 38,602,941 shares authorized, issued and outstanding with redemption value of RMB6,728 and RMB7,792 as of December 31, 2015 and 2016, respectively)	13,797	14,485	2,086
Class B ordinary shares (Class B ordinary shares ($0.0001 of par value per share; 7,350,000 and 7,350,000 shares authorized, issued and outstanding with redemption value of RMB1,246 and RMB1,443 as of December 31, 2015 and 2016, respectively)	1,191	1,319	190
Series A-2 convertible redeemable preferred shares ($0.0001 of par value per share; 39,390,757 and 39,390,757 shares authorized, issued and outstanding with redemption value of RMB40,334 and RMB46,712 as of December 31, 2015 and 2016, respectively)	38,123	41,810	6,022
Series B-1 convertible redeemable preferred shares ($ 0.0001 of par value per share; 4,119,294 and 4,119,294 shares authorized, issued and outstanding with redemption value of RMB29,846 and RMB34,633 as of December 31, 2015 and 2016, respectively)	26,935	29,970	4,317
Series B-2 convertible redeemable preferred shares ($0.0001 of par value per share; 69,152,661 and 69,152,661 shares authorized, 69,152,661 and 63,775,246 shares issued and outstanding with redemption value of RMB561,843 and RMB601,272 as of December 31, 2015 and 2016, respectively)	528,468	537,986	77,486
Series C convertible redeemable preferred shares ($0.0001 of par value per share; nil and 53,774,149 shares authorized, nil and 2 shares issued and outstanding with redemption value of nil and nil as of December 31, 2015 and 2016, respectively)	—	*	*
Total mezzanine equity	**608,514**	**625,570**	**90,101**

* Less than 1

SHAREHOLDERS' DEFICIT:			
Class A Ordinary Shares ($0.0001 par value; 341,384,347 and 287,610,198 shares authorized; 110,647,199 and 110,647,199 shares issued and outstanding as of December 31, 2015 and 2016, respectively)	68	68	10
Additional paid-in capital	—	—	—
Accumulated other comprehensive income	15,034	16,942	2,440
Accumulated deficit	(429,743)	(628,661)	(90,545)
Total shareholders' deficit	**(414,641)**	**(611,651)**	**(88,095)**
Total liabilities, mezzanine equity and shareholders' deficit	**201,096**	**132,944**	**19,149**

LEXINFINTECH HOLDINGS LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

24. PARENT COMPANY ONLY CONDENSED FINANCIAL INFORMATION (Continued)

Condensed Statements of Operations and Comprehensive Loss (In thousands)

	For the Year Ended December 31,		
	2015	2016	
	RMB	RMB	US$ Note 2
Operating expenses:			
General and administrative expenses	(1,601)	(1,611)	(232)
Total operating expenses	(1,601)	(1,611)	(232)
Interest income/(expense), net	812	(7,458)	(1,075)
Equity in loss of subsidiaries, VIEs and VIEs' subsidiaries	(309,405)	(104,996)	(15,123)
Other long-term investments related impairment	—	(3,874)	(558)
Loss before income tax expense	(310,194)	(117,939)	(16,988)
Income tax expense	—	—	—
Net loss	(310,194)	(117,939)	(16,988)
Preferred shares redemption value accretion	(51,524)	(62,299)	(8,973)
Deemed dividend to a preferred shareholder	—	(42,679)	(6,147)
Net loss attributable to ordinary shareholders	(361,718)	(222,917)	(32,108)
Net loss	(310,194)	(117,939)	(16,988)
Other comprehensive income:			
Foreign currency translation adjustments, net of nil tax	15,422	1,908	275
Total comprehensive loss	(294,772)	(116,031)	(16,713)

LEXINFINTECH HOLDINGS LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

24. PARENT COMPANY ONLY CONDENSED FINANCIAL INFORMATION (Continued)

Condensed Statements of Cash Flows (In thousands)

	For the Year Ended December 31,		
	2015	2016	
	RMB	RMB	US$
			Note 2
Net cash (used in)/provided by operating activities	(13,440)	1,040	150
Cash flows from investing activities:			
Cash paid on long-term investments	(256,467)	(6,306)	(908)
Net cash used in investing activities	(256,467)	(6,306)	(908)
Cash flows from financing activities:			
Proceeds from issuance of preferred shares	203,240	—	—
Repurchase of preferred shares	—	(87,923)	(12,664)
Proceeds from issuance of convertible loans	—	98,202	14,144
Payment of debt issuance cost	—	(722)	(104)
Net cash provided by financing activities	203,240	9,557	1,376
Effect of exchange rate changes on cash and cash equivalents	14,874	6,094	878
Net (decrease)/increase in cash and cash equivalents	(51,793)	10,385	1,496
Cash and cash equivalents at beginning of the year	143,839	92,046	13,257
Cash and cash equivalents at end of the year	92,046	102,431	14,753

Basis of presentation

The Company's accounting policies are the same as the Group's accounting policies with the exception of the accounting for the investments in subsidiaries, VIEs and VIEs' subsidiaries.

For the Company only condensed financial information, the Company records its investments in subsidiaries, VIEs and VIEs' subsidiaries under the equity method of accounting as prescribed in ASC 323, *Investments—Equity Method and Joint Ventures*. Such investments are presented on the Condensed Balance Sheets as "Investments in subsidiaries, VIEs and VIEs' subsidiaries" and shares in the subsidiaries, VIEs and VIEs' subsidiaries' loss are presented as "Equity in loss of subsidiaries, VIEs and VIEs' subsidiaries" on the Condensed Statements of Operations and Comprehensive Loss. The parent company only condensed financial information should be read in conjunction with the Group' consolidated financial statements.

LEXINFINTECH HOLDINGS LTD.

INTERIM CONDENSED CONSOLIDATED BALANCE SHEETS

(In thousands, except for share and per share data)

	As of				
	December 31, 2016	June 30, 2017		Pro Forma As of June 30, 2017	
	RMB	RMB	US$	RMB	US$
	Audited	Unaudited	Note 2	Note 20	Note 2
ASSETS					
Current assets					
Cash and cash equivalents	479,605	982,056	144,861	982,056	144,861
Restricted cash	172,870	306,884	45,268	306,884	45,268
Restricted time deposits	8,000	11,500	1,696	11,500	1,696
Short-term financing receivables, net	6,470,898	8,458,551	1,247,703	8,458,551	1,247,703
Accrued interest receivable	73,148	118,953	17,547	118,953	17,547
Prepaid expenses and other current assets	219,981	246,305	36,332	246,305	36,332
Amounts due from related parties	11,742	8,473	1,250	8,473	1,250
Inventories, net	107,704	124,704	18,395	124,704	18,395
Total current assets	7,543,948	10,257,426	1,513,052	10,257,426	1,513,052
Non-current assets					
Restricted time deposits	1,000	1,600	236	1,600	236
Long-term financing receivables, net	1,066,148	1,287,102	189,858	1,287,102	189,858
Property, equipment and software, net	41,747	58,297	8,599	58,297	8,599
Long-term investments	24,887	26,055	3,843	26,055	3,843
Deferred tax assets	42,405	42,405	6,254	42,405	6,254
Other assets	—	12,806	1,889	12,806	1,889
Total non-current assets	1,176,187	1,428,265	210,679	1,428,265	210,679
TOTAL ASSETS	8,720,135	11,685,691	1,723,731	11,685,691	1,723,731
LIABILITIES					
Current liabilities					
Accounts payable (including amounts of the consolidated VIEs of RMB72,703 and RMB78,882 as of December 31, 2016 and June 30, 2017, respectively)	72,703	78,882	11,636	78,882	11,636
Amounts due to related parties (including amounts of the consolidated VIEs of RMB397,023 and RMB552,509 as of December 31, 2016 and June 30, 2017, respectively)	137,782	151,098	22,288	151,098	22,288
Short-term borrowings (including amounts of the consolidated VIEs of RMB70,036 and RMB114,898 as of December 31, 2016 and June 30, 2017, respectively)	70,036	114,898	16,949	114,898	16,949
Short-term funding debts (including amounts of the consolidated VIEs of RMB6,968,488 and RMB9,534,553 as of December 31, 2016 and June 30, 2017, respectively)	6,968,488	9,534,553	1,406,421	9,534,553	1,406,421
Accrued interest payable (including amounts of the consolidated VIEs of RMB133,993 and RMB264,999 as of December 31, 2016 and June 30, 2017, respectively)	133,993	264,999	39,089	264,999	39,089
Accrued expenses and other current liabilities (including amounts of the consolidated VIEs of RMB593,298 and RMB589,243 as of December 31, 2016 and June 30, 2017, respectively)	602,259	648,538	95,664	648,538	95,664
Convertible loans (including amounts of the consolidated VIEs of nil and RMB623,433 as of December 31, 2016 and June 30, 2017, respectively)	—	738,631	108,954	—	—
Total current liabilities	7,985,261	11,531,599	1,701,001	10,792,968	1,592,047
Non-current liabilities					
Long-term funding debts (including amounts of the consolidated VIEs of RMB21,014 and RMB32,277 as of December 31, 2016 and June 30, 2017, respectively)	21,014	32,277	4,761	32,277	4,761
Long-term borrowings (including amounts of the consolidated VIEs of RMB1,762 and RMB1,145 as of December 31, 2016 and June 30, 2017, respectively)	1,762	1,145	169	1,145	169
Convertible loans (including amounts of the consolidated VIEs of RMB587,092 and nil as of December 31, 2016 and June 30, 2017, respectively)	698,179	—	—	—	—
Total non-current liabilities	720,955	33,422	4,930	33,422	4,930
TOTAL LIABILITIES	8,706,216	11,565,021	1,705,931	10,826,390	1,596,977
Commitments and contingencies (Note 18)					

The accompanying notes are an integral part of these unaudited interim condensed consolidated financial statements.

LEXINFINTECH HOLDINGS LTD.

INTERIM CONDENSED CONSOLIDATED BALANCE SHEETS (Continued)

(In thousands, except for share and per share data)

	As of				
	December 31, 2016	June 30, 2017		Pro Forma As of June 30, 2017	
	RMB	RMB	US$	RMB	US$
	Audited	Unaudited	Note 2	Note 20	Note 2
MEZZANINE EQUITY (Note 13)					
Series A-1 convertible redeemable preferred shares ($0.0001 of par value per share; 38,602,941 and 38,602,941 shares authorized, issued and outstanding with redemption value of RMB7,792 and RMB7,901 as of December 31, 2016 and June 30, 2017, respectively; no shares issued and outstanding, pro forma)	14,485	14,862	2,192	—	—
Class B ordinary shares ($0.0001 of par value per share; 7,350,000 and 7,350,000 shares authorized, issued and outstanding with redemption value of RMB1,443 and RMB1,463 as of December 31, 2016 and June 30, 2017, respectively; no shares issued and outstanding, pro forma)	1,319	1,388	205	—	—
Series A-2 convertible redeemable preferred shares ($0.0001 of par value per share; 39,390,757 and 39,390,757 shares authorized, issued and outstanding with redemption value of RMB46,712 and RMB47,367 as of December 31, 2016 and June 30, 2017, respectively; no shares issued and outstanding, pro forma)	41,810	43,836	6,466	—	—
Series B-1 convertible redeemable preferred shares ($0.0001 of par value per share; 4,119,294 and 4,119,294 shares authorized, issued and outstanding with redemption value of RMB34,633 and RMB35,149 as of December 31, 2016 and June 30, 2017, respectively; no shares issued and outstanding, pro forma)	29,970	31,637	4,667	—	—
Series B-2 convertible redeemable preferred shares ($0.0001 of par value per share; 69,152,661 and 69,152,661 shares authorized, 63,775,246 and 63,775,246 shares issued and outstanding with redemption value of RMB601,272 and RMB610,508 as of December 31, 2016 and June 30, 2017, respectively; no shares issued and outstanding, pro forma)	537,986	567,251	83,674	—	—
Series C convertible redeemable preferred shares ($0.0001 of par value per share; 53,774,149 and 53,774,149 shares authorized, 2 and 2 shares issued and outstanding with redemption value of nil and nil as of December 31, 2016 and June 30, 2017, respectively; no shares issued and outstanding, pro forma)	*	*	*	—	—
TOTAL MEZZANINE EQUITY	625,570	658,974	97,204	—	—

* Less than 1

SHAREHOLDERS' (DEFICIT)/EQUITY:					
Class A Ordinary Shares ($0.0001 par value; 287,610,198 and 287,610,198 shares authorized; 110,647,199 and 110,647,199 shares issued and outstanding as of December 31, 2016 and June 30, 2017, respectively; 303,718,139 shares issued and outstanding, pro forma)	68	68	10	199	29
Additional paid-in capital	—	2,865	423	1,400,339	206,562
Statutory reserves	2,003	2,003	295	2,003	295
Accumulated other comprehensive income	16,942	17,264	2,547	17,264	2,547
Accumulated deficit	(630,664)	(560,504)	(82,679)	(560,504)	(82,679)
TOTAL SHAREHOLDERS' (DEFICIT)/EQUITY	(611,651)	(538,304)	(79,404)	859,301	126,754
TOTAL LIABILITIES, MEZZANINE EQUITY AND SHAREHOLDERS' (DEFICIT)/EQUITY	8,720,135	11,685,691	1,723,731	11,685,691	1,723,731

The accompanying notes are an integral part of these unaudited interim condensed consolidated financial statements.

LEXINFINTECH HOLDINGS LTD.

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(In thousands, except for share and per share data)

	For the Six Months Ended June 30,		
	2016	2017	
	RMB	RMB	US$ Note 2
Operating revenue:			
Online direct sales	1,317,169	1,193,959	176,118
Services and others	1,678	6,095	899
Online direct sales and services income	1,318,847	1,200,054	177,017
Interest and financial services income	509,799	1,131,609	166,921
Loan facilitation and servicing fees	7,100	106,981	15,781
Other revenue	46,935	97,077	14,320
Financial services income	563,834	1,335,667	197,022
Total operating revenue	1,882,681	2,535,721	374,039
Operating cost:			
Cost of sales (including cost of goods purchased from a related party of RMB345,394 and RMB281,188 for the six months ended June 30, 2016 and 2017, respectively)	(1,387,666)	(1,261,266)	(186,047)
Funding cost	(212,836)	(359,059)	(52,965)
Processing and servicing cost	(45,871)	(95,610)	(14,103)
Provision for credit losses	(77,614)	(271,215)	(40,006)
Total operating cost	(1,723,987)	(1,987,150)	(293,121)
Gross profit	158,694	548,571	80,918
Operating expenses:			
Sales and marketing expenses	(169,570)	(190,018)	(28,029)
Research and development expenses	(46,293)	(101,216)	(14,930)
General and administrative expenses	(35,508)	(94,200)	(13,895)
Total operating expenses	(251,371)	(385,434)	(56,854)
Interest expense, net	(7,374)	(44,262)	(6,529)
Change in fair value of financial guarantee derivatives	(1,979)	14,762	2,178
Others, net	(7,820)	(6,456)	(952)
(Loss)/income before income tax expense	(109,850)	127,181	18,761
Income tax benefit/(expense)	6,777	(55,442)	(8,178)
Net (loss)/income	(103,073)	71,739	10,583
Preferred shares redemption value accretion	(30,515)	(33,404)	(4,927)
Income allocation to participating preferred shares	—	(38,335)	(5,656)
Deemed dividend to a preferred shareholder	(42,679)	—	—
Net (loss)/income attributable to ordinary shareholders	(176,267)	—	—
Net (loss)/income per ordinary share			
Basic	(1.59)	—	—
Diluted	(1.59)	—	—
Pro forma, basic		0.38	0.06
Pro forma, diluted		0.35	0.05
Weighted average ordinary shares outstanding			
Basic	110,647,199	110,647,199	110,647,199
Diluted	110,647,199	110,647,199	110,647,199
Pro forma, basic		303,718,139	303,718,139
Pro forma, diluted		329,866,077	329,866,077
Share-based compensation expenses included in:			
Processing and servicing cost	587	2,321	342
Sales and marketing expenses	1,940	2,468	364
Research and development expenses	2,205	7,786	1,148
General and administrative expenses	3,852	22,115	3,262

The accompanying notes are an integral part of these unaudited interim condensed consolidated financial statements.

LEXINFINTECH HOLDINGS LTD.

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE (LOSS)/INCOME

(In thousands, except for share and per share data)

	For the Six Months Ended June 30,		
	2016	2017	
	RMB	RMB	US$
			Note 2
Net (loss)/income	(103,073)	71,739	10,583
Other comprehensive income			
Foreign currency translation adjustment, net of nil tax	926	322	47
Total comprehensive (loss)/income	(102,147)	72,061	10,630

The accompanying notes are an integral part of these unaudited interim condensed consolidated financial statements.

LEXINFINTECH HOLDINGS LTD.

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' DEFICIT

(In thousands, except for share and per share data)

	Class A Ordinary Shares		Additional Paid-in Capital	Statutory Reserves	Accumulated Other Comprehensive Income	Accumulated Deficit	Total Shareholders' Deficit
	Shares	Amount					
		RMB	RMB	RMB	RMB	RMB	RMB
Balances at December 31, 2015	**110,647,199**	**68**	**—**	**103**	**15,034**	**(429,846)**	**(414,641)**
Net loss	—	—	—	—	—	(103,073)	(103,073)
Share-based compensation expenses	—	—	8,584	—	—	—	8,584
Preferred shares redemption value accretion	—	—	(8,584)	—	—	(21,931)	(30,515)
Deemed dividend to a preferred shareholder	—	—	—	—	—	(42,679)	(42,679)
Foreign currency translation adjustments, net of nil tax	—	—	—	—	926	—	926
Balances at June 30, 2016	**110,647,199**	**68**	**—**	**103**	**15,960**	**(597,529)**	**(581,398)**
Balances at December 31, 2016	**110,647,199**	**68**	**—**	**2,003**	**16,942**	**(630,664)**	**(611,651)**
Net income	—	—	—	—	—	71,739	71,739
Share-based compensation expenses	—	—	34,690	—	—	—	34,690
Preferred shares redemption value accretion	—	—	(31,825)	—	—	(1,579)	(33,404)
Foreign currency translation adjustments, net of nil tax	—	—	—	—	322	—	322
Balances at June 30, 2017	**110,647,199**	**68**	**2,865**	**2,003**	**17,264**	**(560,504)**	**(538,304)**

The accompanying notes are an integral part of these unaudited interim condensed consolidated financial statements.

LEXINFINTECH HOLDINGS LTD.

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(In thousands)

	For the Six Months Ended June 30,		
	2016	2017	
	RMB	RMB	US$ Note 2
Cash flows from operating activities:			
Net (loss)/income	(103,073)	71,739	10,583
Adjustments to reconcile net (loss)/income to net cash (used in)/provided by operating activities:			
Accrued convertible loans interest expense	7,041	40,339	5,950
Amortization of debt issuance cost	3,878	2,813	415
Change in fair value of servicing rights	1,600	2,555	377
Share-based compensation expenses	8,584	34,690	5,116
Depreciation and amortization	1,577	8,441	1,245
Provision for credit losses	77,614	271,215	40,006
Inventory write-downs	695	3,279	484
Change in fair value of financial guarantee derivatives	1,979	(14,762)	(2,178)
Deferred income tax	(6,777)	—	—
Share of results of an equity investee	295	1,161	171
Changes in operating assets and liabilities:			
Financing receivables related to online direct sales	(104,842)	14,660	2,162
Accrued interest receivable	(21,810)	(45,805)	(6,757)
Prepaid expenses and other current assets	26,224	(34,530)	(5,093)
Amounts due from related parties	1,487	3,051	450
Inventories	(19,137)	(20,279)	(2,991)
Other assets	—	(12,806)	(1,889)
Accounts payable	4,744	6,179	911
Amounts due to related parties	(71,952)	13,798	2,035
Accrued interest payable	32,548	131,006	19,324
Accrued expenses and other current liabilities	102,152	66,545	9,816
Net cash (used in)/provided by operating activities	(57,173)	543,289	80,137
Cash flows from investing activities:			
Cash paid on long-term investments	(13,333)	(2,832)	(418)
Purchases of property, equipment and software	(5,775)	(24,811)	(3,660)
Financing receivables originated (excluding receivables related to online direct sales)	(4,578,366)	(10,694,356)	(1,577,501)
Principal collection on financing receivables and recoveries (excluding receivables related to online direct sales)	3,053,010	8,199,874	1,209,546
Changes in restricted cash	(70,517)	(134,014)	(19,768)
Placement of restricted time deposits	(1,000)	(7,600)	(1,121)
Withdrawal of restricted time deposits	—	3,500	516
Net cash used in investing activities	(1,615,981)	(2,660,239)	(392,406)
Cash flows from financing activities:			
Proceeds from financial institution borrowings	20,000	62,000	9,145
Principal payments on financial institution borrowings	—	(17,755)	(2,619)
Proceeds from Funding Debts	7,399,679	9,372,362	1,382,497
Principal payments on Funding Debts	(5,593,490)	(6,795,514)	(1,002,392)
Proceeds from issuances of convertible loans	654,680	—	—
Payment of debt issuance cost	(18,568)	—	—
Repurchase of preferred shares	(87,923)	—	—
Net cash provided by financing activities	2,374,378	2,621,093	386,631
Effect of exchange rate changes on cash and cash equivalents	2,207	(1,692)	(247)
Net increase in cash and cash equivalents	703,431	502,451	74,115
Cash and cash equivalents at beginning of the period	135,371	479,605	70,746
Cash and cash equivalents at end of the period	838,802	982,056	144,861
Supplemental disclosure of cash flows information			
Cash paid for interest expense	202	2,467	364
Cash paid for income tax expense	—	7,297	1,076
Non-cash investing and financing activities			
Accretion to preferred shares redemption value	30,515	33,404	4,927
Purchase of property, equipment and software included in accrued expenses and other current liabilities	—	2,056	303

The accompanying notes are an integral part of these unaudited interim condensed consolidated financial statements.

LEXINFINTECH HOLDINGS LTD.

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. ORGANIZATION AND PRINCIPAL ACTIVITIES

LexinFintech Holdings Ltd. ("Lexin" or the "Company"), formerly known as Staging Finance Holding Ltd., was incorporated in the Cayman Islands on November 22, 2013. The Company is a holding company and conducts its business mainly through its subsidiaries, variable interest entities ("VIEs") and subsidiaries of the VIEs (collectively referred to as the "Group"). The Group offers online direct sales with installment payment terms and offers installment purchase loans and personal installment loans mainly through its retail and online consumer finance platform ("Platform"), www.fenqile.com, and its mobile application ("APP") to young adults typically between the age of 18 and 36 ("Customers") in the People's Republic of China ("PRC").

The Group addresses its Customers' credit needs by offering installment purchase loans and personal installment loans (collectively referred to as the "Loans"). Installment purchase loans are loans offered to Customers who want to finance their online direct purchase from the Platform with general terms of between two months and thirty-six months. Personal installment loans are loans provided to Customers who have consumption needs (other than purchase from the Platform) with terms generally ranging from one month to thirty-six months.

The Group primarily finances the Loans to Customers through its own online investment platform, www.juzilicai.com and its APP, by offering various investment programs that are backed by the Loans to individual investors ("Individual Investors"). The Group also finances the Loans with proceeds from partnering peer-to-peer lending platforms, commercial banks and other financial institutions (collectively "Institutional Funding Partners").

LEXINFINTECH HOLDINGS LTD.

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

1. ORGANIZATION AND PRINCIPAL ACTIVITIES (Continued)

As of June 30, 2017, the Company's principal subsidiaries, consolidated VIEs and subsidiaries of VIEs are as follows:

	Date of Incorporation/ Establishment	Place of Incorporation/ Establishment	Percentage of Direct or Indirect Economic Interest	Principal Activities
Subsidiaries				
Installment (HK) Investment Limited ("Installment HK")	December 9, 2013	Hong Kong, PRC	100%	Investment holding
Beijing Shijitong Technology Co., Ltd.("Beijing Shijitong")	July 1, 2014	Beijing, PRC	100%	Technical support and consulting services
Shenzhen Lexin Software Technology Co., Ltd.("Shenzhen Lexin Software")	March 1, 2017	Shenzhen, PRC	100%	Software development
VIEs				
Beijing Lejiaxin Network Technology Co., Ltd.("Beijing Lejiaxin")	October 25, 2013	Beijing, PRC	100%	Investment holding
Shenzhen Xinjie Investment Co., Ltd.("Shenzhen Xinjie")	December 22, 2015	Shenzhen, PRC	100%	Investment holding
Shenzhen Qianhai Dingsheng Asset Management Co., Ltd. ("Qianhai Dingsheng")	January 13, 2016	Shenzhen, PRC	100%	Financial technology services
Subsidiaries of the VIEs				
Shenzhen Fenqile Network Technology Co., Ltd.("Shenzhen Fenqile")	August 15, 2013	Shenzhen, PRC	100%	Online direct sales and online consumer finance
Shenzhen Qianhai Juzi Information Technology Co., Ltd. ("Qianhai Juzi")	June 26, 2014	Shenzhen, PRC	100%	Online investment platform
Shenzhen Tiqianle Network Technology Co., Ltd.("Shenzhen Tiqianle")	January 13, 2016	Shenzhen, PRC	100%	Online direct sales and online consumer finance
Ji'an Fenqile Network Microcredit Co., Ltd.("Ji'an Microcredit")	December 2, 2016	Ji'an, PRC	100%	Online consumer credit
Shenzhen Fenqile Trading Co., Ltd.("Shenzhen Fenqile Trading")	December 30, 2016	Shenzhen, PRC	100%	Online direct sales

History of the Group and Basis of Presentation

The Group commenced operations through Shenzhen Fenqile, a PRC company incorporated in August 2013 that offers online direct sales with installment payment terms, installment purchase loans and personal installment loans. The equity interests of Shenzhen Fenqile were held by Mr. Jay Wenjie Xiao, the Group's founder, Chief Executive Officer and director (the "Founding Shareholder"), and two angel investors, Mr. Qiangdong Liu and Tibet Xianfeng Huaxing Changqing Investment Co. Ltd. ("Tibet Xianfeng Huaxing"), prior to July 2014. In October 2013, Beijing Lejiaxin was incorporated as an investment holding company in the PRC. The equity interests of Beijing Lejiaxin were held by the Founding Shareholder and Mr. Qiangdong Liu. Beijing Lejiaxin established its wholly owned subsidiary Qianhai Juzi in June 2014 in order to launch the Group's online investment platform *Juzi Licai*, which offers investment programs to the Individual Investors.

LEXINFINTECH HOLDINGS LTD.

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

1. ORGANIZATION AND PRINCIPAL ACTIVITIES (Continued)

2014 Reorganization

In order to facilitate international financing for the Company, the Group underwent a reorganization (the "2014 Reorganization") from November 2013 to July 2014. In November 2013, the Company was incorporated under the Laws of the Cayman Islands to be an offshore holding company for the Group. In December 2013, Installment HK was incorporated in Hong Kong as a wholly owned subsidiary of the Company. In July 2014, Beijing Shijitong was incorporated as a wholly owned subsidiary of Installment HK in the PRC.

To comply with PRC laws and regulations which prohibit or restrict foreign ownership of Internet content, the Company obtained control over Shenzhen Fenqile and Beijing Lejiaxin through Beijing Shijitong by entering into a series of contractual arrangements with Shenzhen Fenqile, Beijing Lejiaxin and their shareholders in July 2014. These contractual arrangements include exclusive option agreements, power of attorney, exclusive business cooperation agreements, and equity pledge agreements. As a result of the 2014 Reorganization, Shenzhen Fenqile and Beijing Lejiaxin became the consolidated VIEs of the Group through the contractual arrangements described in Note 2. The Founding Shareholder, Tibet Xianfeng Huaxing, and Mr. Qiangdong Liu are collectively referred to as the nominee shareholders ("Nominee Shareholders"). The Nominee Shareholders are legal owners of an entity, however, the rights of the shareholders have been transferred to third parties through contractual arrangements.

Concurrently with the 2014 Reorganization, the Company completed its Class B Ordinary Shares, Series A-1 Preferred Shares and Series A-2 Preferred Shares financing. The 2014 Reorganization was accounted for as a reorganization and the historical financial statements were presented on a carryover basis.

2016 Reorganization

In December 2015, Shenzhen Xinjie was incorporated by the Founding Shareholder as an investment holding company in the PRC. In March 2016, Shenzhen Xinjie acquired 73.33% equity interests of Shenzhen Fenqile by investing additional capital in Shenzhen Fenqile to better structure the Group, and the remaining equity interests were still held by the same Nominee Shareholders (the "2016 Reorganization"). In January 2016, Shenzhen Xinjie established a subsidiary Shenzhen Tiqianle to offer online direct sales and online consumer finance services. In January 2016, Qianhai Dingsheng was incorporated by the Founding Shareholder (90%) and Shenzhen Xinjie (10%) to conduct financial technology services business.

The Company obtained control over Shenzhen Xinjie and Qianhai Dingsheng through Beijing Shijitong in December 2015 and January 2016 respectively by entering into a series contractual arrangements with Shenzhen Xinjie, Qianhai Dingsheng and the Founding Shareholder. These contractual arrangements include exclusive option agreements, power of attorney, exclusive business cooperation agreements, and equity pledge agreements. As a result of the 2016 Reorganization, Shenzhen Xinjie and Qianhai Dingsheng became the consolidated VIEs of the Group through the contractual arrangements described in Note 2 and the Company's ability to control Shenzhen Fenqile remains unchanged. Shenzhen Fenqile then became one of the subsidiaries of Shenzhen Xinjie.

LEXINFINTECH HOLDINGS LTD.

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

1. ORGANIZATION AND PRINCIPAL ACTIVITIES (Continued)

All the entities involved in the 2016 Reorganization were under common control and therefore the historical financial statements were presented on a carryover basis.

In December 2016, Ji'an Microcredit and Shenzhen Fenqile Trading were incorporated by Shenzhen Fenqile. The two entities started to carry out online consumer credit businesses and online direct sales businesses respectively since early 2017. In March 2017, Shenzhen Lexin Software was incorporated by Installment HK to conduct software development businesses.

Subsequently in March 2017, the Founding Shareholder transferred 90% equity interests of Qianhai Dingsheng to two employees as the Nominee Shareholders and the remaining 10% equity interests were still held by Shenzhen Xinjie. In April 2017, Beijing Shijitong granted a loan with a total principal of RMB10.0 million to these two Nominee Shareholders and Shenzhen Xinjie. In May 2017, Beijing Shijitong granted another loan with a total principal of RMB1.0 million to the Nominee Shareholders of Shenzhen Xinjie. The two loans granted by Beijing Shijitong were solely for the purpose of providing funds necessary for capital injection into the VIEs to operate their respective businesses. Term of both loans is ten years and will be extended automatically for another ten years on each expiration. These loans were eliminated with the paid-in capital of the VIEs during consolidation.

Management concluded that Shenzhen Fenqile (before the 2016 Reorganization), Beijing Lejiaxin, Shenzhen Xinjie and Qianhai Dingsheng are the VIEs of the Company and the Company is entitled to substantially all of the economic benefits from the VIEs and is obligated to absorb all of their expected losses. As such, the Company is the ultimate primary beneficiary of the VIEs and shall consolidate the financial results of these VIEs and their subsidiaries in the Group's consolidated financial statements. Refer to Note 2 to the consolidated financial statements for the basis of consolidation.

Liquidity

Prior to 2017, the Group incurred significant losses from operations. It generated net profit in the first half of 2017. The Group's accumulated deficit amounted to RMB630.7 million and RMB560.5 million as of December 31, 2016 and June 30, 2017, respectively. Net current liabilities of the Group were RMB441.3 million and RMB1,274.2 million as of December 31, 2016 and June 30, 2017, respectively. The net cash used in operating activities was approximately RMB57.2 million for the six months ended June 30, 2016, while the net cash provided by operating activities was approximately RMB543.3 million for the six months ended June 30, 2017.

The Group's liquidity is based on its ability to generate cash from operations or obtain capital financing from equity interest investors to fund its general operations and capital expansion needs. The growth of the Group's business is also dependent on its ability to obtain funds from the Individual Investors on Juzi Licai and Institutional Funding Partners to fund its Loans to Customers. The Group's ability to continue as a going concern is dependent on management's ability to successfully execute its business plan, which includes increasing revenues while controlling operating cost and expenses to generate positive operational cash flows, and obtaining funds from Individual Investors, Institutional Funding Partners or equity interest investors to generate positive financing cash flows. Based on cash flows projections from operating and financing activities and existing balances of cash and cash equivalents, the Group believed that it will be able to meet its payment obligations for general operations and debt related commitments for the next twelve months from the date of issuance of the unaudited interim condensed consolidated financial statements. Based on the above considerations, the

LEXINFINTECH HOLDINGS LTD.

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

1. ORGANIZATION AND PRINCIPAL ACTIVITIES (Continued)

Group's unaudited interim condensed consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and liquidation of liabilities during the normal course of operations.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The accompanying unaudited interim condensed consolidated financial statements of the Group have been prepared in accordance with the accounting principles generally accepted in the United States of America ("U.S. GAAP") for interim financial information. Accordingly, they do not include all of the information and footnotes normally included in the annual financial statements prepared in accordance with U.S. GAAP. Certain information and footnote disclosures normally included in the annual financial statements prepared in accordance with U.S. GAAP have been condensed or omitted consistent with Article 10 of Regulation S-X. In the opinion of management, the Group's unaudited interim condensed consolidated financial statements and accompanying notes include all adjustments (consisting of normal recurring adjustments) considered necessary for the fair statement of the Group's financial position as of December 31, 2016 and June 30, 2017, and results of operations and cash flows for the six months ended June 30, 2016 and 2017. Interim results of operations are not necessarily indicative of the results for the full year or for any future period. These unaudited interim condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements as of and for the year ended December 31, 2016, and related notes included in the Group's audited consolidated financial statements. The financial information as of December 31, 2016 presented in the unaudited interim condensed consolidated financial statements is derived from the audited consolidated financial statements as of December 31, 2016.

Significant accounting policies followed by the Group in the preparation of the accompanying unaudited interim condensed consolidated financial statements are summarized below.

Basis of consolidation

The unaudited interim condensed consolidated financial statements include the financial statements of the Company, its subsidiaries, the VIEs and subsidiaries of the VIEs for which the Company is the primary beneficiary.

Subsidiaries are those entities in which the Company, directly or indirectly, controls more than one half of the voting power or has the power to govern the financial and operating policies, to appoint or remove the majority of the members of the board of directors, or to cast a majority of votes at the meeting of directors.

A consolidated VIE is an entity in which the Company, or its subsidiary, through contractual arrangements, has the power to direct the activities that most significantly impact the entity's economic performance, bears the risks of and enjoys the rewards normally associated with ownership of the entity, and therefore the Company or its subsidiary is the primary beneficiary of the entity.

All transactions and balances among the Company, its subsidiaries, the VIEs and subsidiaries of the VIEs have been eliminated upon consolidation.

LEXINFINTECH HOLDINGS LTD.

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

VIE Companies

a. Contractual Agreements with VIEs

The following is a summary of the contractual agreements (collectively, "Contractual Agreements") between the Company's PRC subsidiary, Beijing Shijitong, and the VIEs, Shenzhen Fenqile (before the 2016 Reorganization), Beijing Lejiaxin, Shenzhen Xinjie and Qianhai Dingsheng. Through the Contractual Agreements, the VIEs are effectively controlled by the Company.

Exclusive Option Agreements. Pursuant to the Exclusive Option Agreements, the Nominee Shareholders of the VIEs have irrevocably granted Beijing Shijitong or any third party designated by Beijing Shijitong an exclusive option to purchase all or part of their respective equity interests in the VIEs. The purchase price shall be the lowest price permitted by law. Without Beijing Shijitong's prior written consent, the VIEs shall not, among other things, amend their articles of association, increase or decrease the registered capital, sell, dispose of or set any encumbrance on their assets, business or revenue, enter into any material contract outside the ordinary course of business, merge with any other persons or make any investments, distribute dividends, or enter into any transactions which have material adverse effects on their business. The Nominee Shareholders of the VIEs also jointly and severally undertake that they will not transfer, gift or otherwise dispose of their respective equity interests in the VIEs to any third party or create or allow any encumbrance on their equity interests within the term of these agreements. These agreements will remain effective until Beijing Shijitong and/or any third party designated by Beijing Shijitong has acquired all equity interests of the VIEs from their respective Nominee Shareholders.

Power of Attorney. Pursuant to the Power of Attorney, each Nominee Shareholder of the VIEs irrevocably authorizes Beijing Shijitong or any person(s) designated by Beijing Shijitong to act as its attorney-in-fact to exercise all of such shareholder's voting and other rights associated with the shareholder's equity interests in the VIEs, including but not limited to, the right to attend shareholder meetings on behalf of such shareholder, the right to appoint legal representatives, directors, supervisors and chief executive officers and other senior management, and the right to sell, transfer, pledge and dispose of all or a portion of the shares held by such shareholder. The power of attorney is irrevocable and remains in force continuously upon execution.

Exclusive Business Cooperation Agreements. Pursuant to these Exclusive Business Cooperation Agreements, Beijing Shijitong or its designated party has the exclusive right to provide the VIEs with comprehensive business support, technical support and consulting services. Without Beijing Shijitong's prior written consent, the VIEs shall not accept any services covered by these agreements from any third party. The VIEs agree to pay service fees in an amount determined by Beijing Shijitong based on respective profits calculated as operating revenue minus operating cost of the VIEs for the relevant period on a yearly basis or other service fees for specific services as required and as otherwise agreed by both parties. Beijing Shijitong owns the intellectual property rights arising out of the services performed under these agreements. Unless Beijing Shijitong terminates these agreements or pursuant to other provisions of these agreements, these agreements will remain effective indefinitely. These agreements can be terminated by Beijing Shijitong through a 30-day advance written notice, the VIEs have no right to unilaterally terminate these agreements. Beijing Shijitong is entitled to substantially all of the economic benefits of the VIEs.

LEXINFINTECH HOLDINGS LTD.

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Loan Agreements. Pursuant to the loan agreement between Beijing Shijitong and the Nominee Shareholders of Qianhai Dingsheng, and the loan agreement between Beijing Shijitong and the Nominee Shareholders of Shenzhen Xinjie, Beijing Shijitong made the loans solely for the purpose of providing funds necessary for capital injection into the VIEs to operate their respective businesses. Pursuant to these loan agreements, the Nominee Shareholders can only repay the loans by the transfer of all their equity interests in Qianhai Dingsheng or Shenzhen Xinjie, where applicable, to Beijing Shijitong or its designated person(s) pursuant to their respective Exclusive Option Agreements. The Nominee Shareholders of the VIEs must pay all of the proceeds from transfer of such equity interests to Beijing Shijitong. In the event that the Nominee Shareholders transfer their equity interests to Beijing Shijitong or its designated person(s) with a price equivalent to or less than the amount of the principal, the loans will be interest free. If the price is higher than the amount of the principal, the excess amount will be paid to Beijing Shijitong as the loan interest. The loans must be repaid immediately when permitted by PRC laws at Beijing Shijitong's request. Term of both loans is ten years and will be extended automatically for another ten years on each expiration.

Equity Pledge Agreements. Pursuant to these Equity Pledge Agreements, each Nominee Shareholder of the VIEs has pledged all of his, her or its respective equity interests in the VIEs to Beijing Shijitong to guarantee the performance by such Nominee Shareholder and the VIEs of their respective obligations under the Exclusive Option Agreements, the Power of Attorney, the Loan Agreements (applicable to the contractual arrangements with Qianhai Dingsheng or Shenzhen Xinjie), and the Exclusive Business Cooperation Agreements, and any amendment, supplement or restatement to such agreements. If the VIEs or any of their Nominee Shareholders breach any obligations under these agreements, Beijing Shijitong, as pledgee, will be entitled to dispose of the pledged equity and have priority to be compensated by the proceeds from the disposal of the pledged equity. Each of the Nominee Shareholders of the VIEs agrees that before his, her or its obligations under the Contractual Agreements are discharged, he, she or it will not dispose of the pledged equity interests, create or allow any encumbrance on the pledged equity interests, which may result in the change of the pledged equity that may have adverse effects on the pledgee's rights under these agreements without the prior written consent of Beijing Shijitong. These Equity Pledge Agreements will remain effective until the VIEs and their Nominee Shareholders discharge all their respective obligations under the Contractual Agreements.

In April 2015, the Contractual Agreements were restated to reflect the replacement of Tibet Xianfeng Huaxing with its affiliated entity, Tibet Xianfeng Management Consultant Co., Ltd., as a Nominee Shareholder of Shenzhen Fenqile. In March 2016, the Contractual Agreements were restated to reflect the 2016 Reorganization. These changes had no impact on the Group's effective control over Shenzhen Fenqile, and therefore had no impact on the consolidated financial statements.

In March 2017, the Contractual Agreements were restated to reflect the replacement of the Founding Shareholder with two employees Nominee Shareholders of Qianhai Dingsheng. In April and May 2017, the Contractual Agreements were restated to reflect the Loan Agreements entered into between Beijing Shijitong and the Nominee Shareholders of Qianhai Dingsheng, and Beijing Shijitong and the Nominee Shareholders of Shenzhen Xinjie, respectively. These changes had no impact on the Group's effective control over Qianhai Dingsheng and Shenzhen Xinjie, and therefore had no impact on the consolidated financial statements.

LEXINFINTECH HOLDINGS LTD.

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

b. Risks in relation to the VIE structure

The following table sets forth the assets, liabilities, results of operations and changes in cash and cash equivalents of the VIEs and their subsidiaries taken as a whole, which were included in the Group's unaudited interim condensed consolidated financial statements with intercompany balances and transactions eliminated:

	As of	
	December 31, 2016	June 30, 2017
	(RMB in thousands)	
Total assets	8,565,968	11,588,190
Total liabilities	8,845,409	11,791,939

	For the Six Months Ended June 30,	
	2016	2017
	(RMB in thousands)	
Total operating revenue	1,882,681	2,535,721
Net (loss)/income	(94,076)	39,002

	For the Six Months Ended June 30,	
	2016	2017
	(RMB in thousands)	
Net cash (used in)/provided by operating activities	(64,632)	548,936
Net cash used in investing activities	(1,609,354)	(2,636,666)
Net cash provided by financing activities	2,364,823	2,632,093
Net increase in cash and cash equivalents	690,837	544,363
Cash and cash equivalents at beginning of the period	42,816	355,830
Cash and cash equivalents at end of the period	733,653	900,193

Use of estimates

The preparation of the Group's unaudited interim condensed consolidated financial statements is in conformity with the U.S. GAAP, which requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of financial statement and reported revenues and expenses during the reported periods. Significant accounting estimates include, but are not limited to (i) revenue recognition associated with principal versus agent considerations; (ii) fair value of financial guarantee derivatives; (iii) determination of the fair value of preferred shares and ordinary shares; (iv) valuation and recognition of share-based compensation expenses; (v) provision for income tax and valuation allowance for deferred tax assets; (vi) provision for credit losses; (vii) basis of consolidation; (viii) inventory valuation for excess and obsolete inventories. Actual results could materially differ from these estimates.

LEXINFINTECH HOLDINGS LTD.

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Functional currency and foreign currency translation

The Group uses Renminbi ("RMB") as its reporting currency. The functional currency of the Company and its subsidiary incorporated in Hong Kong (i.e. Installment HK) is United States dollars ("US$") and the functional currencies of the PRC entities in the Group are RMB.

In the unaudited interim condensed consolidated financial statements, the financial information of the Company and its subsidiary incorporated in Hong Kong have been translated into RMB at the exchange rates quoted by the People's Bank of China (the "PBOC"). Assets and liabilities are translated at the exchange rates on the balance sheet date, equity amounts are translated at historical exchange rates, and revenues, expenses, gains and losses are translated using the average rate for the period. Translation adjustments arising from these are reported as foreign currency translation adjustments, and are shown as a component of accumulated other comprehensive income in the Unaudited Interim Condensed Consolidated Statements of Changes in Shareholders' Deficit and a component of other comprehensive income in the Unaudited Interim Condensed Consolidated Statements of Comprehensive (Loss)/Income.

Foreign currency transactions denominated in currencies other than the functional currency are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are remeasured at the applicable rates of exchange in effect at that date. Foreign currency exchange gain or loss resulting from the settlement of such transactions and from remeasurement at period-end is recognized in "Others, net" in the Unaudited Interim Condensed Consolidated Statements of Operations.

Foreign currency translation adjustments included in the Group's Unaudited Interim Condensed Consolidated Statements of Comprehensive (Loss)/Income for the six months ended June 30, 2016 and 2017 were gain of RMB0.9 million and gain of RMB0.3 million, respectively. Foreign currency exchange gain or loss recorded was immaterial for each of the periods presented.

Convenience translation

Translations of balances in the Unaudited Interim Condensed Consolidated Balance Sheets, Unaudited Interim Condensed Consolidated Statements of Operations, Unaudited Interim Condensed Consolidated Statements of Comprehensive (Loss)/Income and Unaudited Interim Condensed Consolidated Statements of Cash Flows from RMB into US$ as of and for the six months ended June 30, 2017 are solely for the convenience of the readers and were calculated at the rate of US$1.00=RMB6.7793, representing the noon buying rate set forth in the H.10 statistical release of the U.S. Federal Reserve Board on June 30, 2017. No representation is made that the RMB amounts could have been, or could be, converted, realized or settled into US$ at that rate on June 30, 2017 or at any other rate.

Financing receivables

The Group generates financing receivables from providing installment purchase loans, from its online direct sales, and personal installment loans to Customers. Financing receivables are measured at amortized cost and reported on the Unaudited Interim Condensed Consolidated Balance Sheets at outstanding principal adjusted for any charge-offs, the allowance for credit losses, and deferred fees on originated financing receivables.

LEXINFINTECH HOLDINGS LTD.

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

With respect to the Group's financing receivables, the Group's main funding sources include (1) proceeds from Individual Investors; (2) proceeds from Institutional Funding Partners; (3) the issuance of asset-backed securitized debts.

On-balance sheet: Loans funded by Individual Investors on Juzi Licai and certain Institutional Funding Partners

For the proceeds from loans facilitated through the Group's own online investment platform *Juzi Licai*, which offers the Individual Investors various investment programs with different terms and estimated rates of return, or from certain Institutional Funding Partners, the Group's role includes: (1) collecting the investment principal from the Individual Investors or Institutional Funding Partners and lending the funds to Customers, (2) collecting monthly repayment from the Customers and repaying the Individual Investors or Institutional Funding Partners according to the terms (i.e. interest rate and scheduled repayment dates) of the respective investment programs or agreements between the Individual Investors or Institutional Funding Partners and the Group ("Investment Programs or Agreements"). The Group noted that the terms of the underlying loan agreements between the Individual Investors or Institutional Funding Partners and the Customers ("Underlying Loan Agreements") do not necessarily match the terms of the Investment Programs or Agreements. The mismatch is mainly due to the fact that some Individual Investors or Institutional Funding Partners may invest in the programs that have shorter investment periods than the terms of the Underlying Loan Agreements. Depending on the types of Investment Programs the Individual Investors choose or the Investment Agreements the Institutional Funding Partners entered into with the Group, the investing periods could be as short as one week and as long as thirty-six months. Pursuant to the Investment Programs or Agreements, the Individual Investors or Institutional Funding Partners agree on a rate of return with the Group which is normally lower than the coupon interest rate stipulated in the Underlying Loan Agreement, given the shorter periods of those Investment Programs or Agreements. The Group considers the terms of the Investment Programs or Agreements, which drive the return of the investments, and concludes the Group has liabilities to the Individual Investors or Institutional Funding Partners when the underlying loans are funded. Accordingly, the Group is considered as the primary obligor to the Individual Investors or Institutional Funding Partners in the lending relationship and therefore records the liabilities to Individual Investors or Institutional Funding Partners on its Unaudited Interim Condensed Consolidated Balance Sheets. Consequently, the Group considered that the financing receivables were not settled or extinguished when Customers enter into the Underlying Loan Agreements with the Individual Investors or Institutional Funding Partners. Therefore, the Group continues to account for the financing receivables over the terms of the installment purchase loans and personal installment loans.

Off-balance sheet: Loans funded by certain other Institutional Funding Partners such as third-party commercial banks or consumer finance companies

For the financing receivables funded by the proceeds from certain other Institutional Funding Partners such as third-party commercial banks or consumer finance companies, each underlying loan and Customer has to be approved by the commercial banks or consumer finance companies individually. Once the loan is approved by and originated by the commercial bank or consumer finance company, the fund is provided by the commercial bank or consumer finance company to the Customer

LEXINFINTECH HOLDINGS LTD.

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

and a lending relationship between the Customer and the commercial bank or consumer finance company is established through a loan agreement. The funds can only be used to settle the existing financing receivables the Group generated from installment purchase loans or personal installment loans previously provided to the Customers. Effectively, the Group offers loan facilitation and matching services to the Customers who have credit needs and the commercial banks or consumer finance companies who originate loans directly to Customers referred by the Group. The Group continues to provide account maintenance, collection, and payment processing services to the Customers over the term of the loan agreement. At the same time, the Group also provides a financial guarantee on the principal and the accrued interest repayment of the defaulted loans in case of Customers' defaults, and full interest repayment in the event that Customers early repay their loans. Under this scenario, the Group determines that it is not the legal lender or borrower in the loan origination and repayment process. Accordingly, the Group does not record financing receivables arising from these loans nor loans payable to the commercial banks or consumer finance companies and considered that the financing receivables arising from installment purchase loans or personal installment loans previously provided to the Customers were settled and extinguished when the funds are received. Separately, the Group accounts for the financial guarantee provided as discussed in Note 2.

On-balance sheet: Issuance of asset-backed securitized debts

The Group periodically securitizes its financing receivables arising from online direct sales through the transfer of those assets to a securitization vehicle. The securitization vehicle then issues debt securities to third-party investors and is considered a consolidated variable interest entity under ASC 810. Therefore, the financing receivables remain at the Group and are recorded as "Financing receivables, net" in the Unaudited Interim Condensed Consolidated Balance Sheets. The Group recognizes interest and financial services income over the terms of the financing receivables using the effective interest rate method. The proceeds from third-party investors are recorded as Funding Debts (described below).

Provision for credit losses

The Group assesses the creditworthiness and collectability of its financing receivable portfolio mainly based on delinquency levels and historical charge-offs of the financing receivables using an established systematic process on a pooled basis within respective credit risk levels. The Group considers location, education background, income level, outstanding external borrowings, and external credit references when assigning Customers into different credit risk levels. Also, the financing receivable portfolio within each credit risk level consists of individually small amount of installment purchase loans and personal installment loans. In the consideration of above factors, the Group determines that the entire financing receivable portfolio within each credit risk level is homogenous with similar credit characteristics.

The Group's provision for credit losses is calculated separately for financing receivables within each credit risk level, taking into considerations of those financing receivables with flexible repayment options. For each credit risk level, the Group estimates the expected credit losses rate based on delinquency status of the financing receivables within that level: current, 1 to 29, 30 to 59, 60 to 89, 90 to 119, 120 to 149, 150 to 179 calendar days past due. These loss rates in each delinquency status are based on average historical loss rates of financing receivables associated with each of the

LEXINFINTECH HOLDINGS LTD.

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

abovementioned delinquency categories. The expected loss rate of each risk level will be applied to the outstanding loan balances within that level to determine the allowance for credit loss for each reporting period. In addition, the Group considers other general economic conditions, if any, when determining the provision for credit losses.

Accrued interest receivable

Accrued interest income on financing receivables is calculated based on the contractual interest rate of the loan and recorded as interest and financial services income as earned. Financing receivables are placed on non-accrual status upon reaching 90 days past due. When a financing receivable is placed on non-accrual status, the Group stops accruing interest and reverses all accrued but unpaid interest as of such date.

Nonaccrual financing receivables and charged-off financing receivables

The Group considers a financing receivable to be delinquent when a monthly payment is one day past due. When the Group determines it is probable that it will be unable to collect unpaid principal amount on the receivable, the remaining unpaid principal balance is charged off against the allowance for credit losses. Generally, charge-offs occur after the 180th day of delinquency. Interest and financial services income for nonaccrual financing receivables is recognized on a cash basis. Cash receipt of non-accrual financing receivables would be first applied to any unpaid principal, late payment fees, if any, before recognizing interest and financial services income. The Group does not resume accrual of interest after a loan has been placed on nonaccrual status.

Funding Debts

For the proceeds received from the Individual Investors, Institutional Funding Partners, or the asset-backed securitized debts to fund the Group's on-balance sheet loans, the Group records them as Funding Debts on the Unaudited Interim Condensed Consolidated Balance Sheets.

Accrued interest payable

Accrued interest payable is calculated based on the contractual interest rates of Funding Debts.

Guarantee liabilities

For the off-balance sheet loans funded by certain other Institutional Funding Partners such as third-party commercial banks or consumer finance companies, the Group is obligated to compensate the commercial banks or consumer finance companies for the principal and interest repayment of the defaulted loans in case of Customers' default, and full interest repayment according to the loan terms in the event that the Customers early repay their loans. Therefore, the Group effectively provides guarantees to the commercial banks or consumer finance companies that include credit risk and prepayment risk.

In order to determine the accounting treatment of the guarantees, the Group considered the criteria of scope exception under ASC 815-10-15-58. In order to qualify for this scope exception, the financial guarantee contracts must meet all three of the following criteria: (a) provide for payments to

LEXINFINTECH HOLDINGS LTD.

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

be made solely to reimburse the guaranteed party for failure of the debtor to satisfy its required payment obligations either at prescriptive payment dates or accelerated payment dates as a result of the occurrence of an event of default or notice of acceleration being made to the debtor by the creditor; (b) payment be made only if the debtor's obligation to make payments as a result of conditions as described in (a) is past due; and (c) the guaranteed party is, as a precondition in the contract for receiving payment of any claim under the guarantee, exposed to the risk of non-payment both at inception and throughout its term either through direct legal ownership or through a back-to-back arrangement.

As the guarantee provided by the Group does not solely reimburse these commercial banks or consumer finance companies for failure of the Customers to satisfy required payment obligations, but also the future interest in the event of early repayment by the Customers, the scope exception under ASC 815-10-15-58(a) is not met. Therefore, these contracts are accounted for as a derivative under ASC Topic 815, *Derivatives and Hedging*, and are recognized on the Unaudited Interim Condensed Consolidated Balance Sheets as either assets or liabilities and recorded at fair value.

Derivative assets and liabilities within the scope of ASC 815 are required to be recorded at fair value at inception and remeasured at fair value on an ongoing basis in accordance with ASC Topic 820, *Fair Value Measurement*. Therefore, the financial guarantee derivatives will be subsequently marked to market at the end of each reporting period with gains and losses recognized as change in fair value of financial guarantee derivatives. The estimated fair value of the financial guarantee derivatives is determined by the Group based on a discounted cash flow model, with reference to estimates of cumulative default rates, cumulative prepayment rates, margins on cost of comparable companies and discount rates, using industry standard valuation techniques with the assistance of an independent valuation firm.

Revenue recognition

The Group mainly provides online direct sales and services, and financial services to its Customers.

Consistent with the criteria set out by ASC Topic 605, *Revenue Recognition*, the Group recognizes revenues when the following four criteria are met: (i) persuasive evidence of an arrangement exists, (ii) delivery has occurred or services have been rendered, (iii) the selling price is fixed or determinable, and (iv) collectability is reasonably assured.

Online direct sales and services

Online direct sales

The Group engages in the online direct sales of electronic products, and to a lesser extent, home appliance products and general merchandise products with installment payment terms mainly through its retail website www.fenqile.com and its APP.

The Group considers whether it should report the gross amount of product sales and related cost or the net amount earned as commissions by assessing all indicators set forth in ASC subtopic 605-45. For arrangements where the Group is the primary obligor (i.e. primarily responsible for fulfilling the promise to provide the good or service), is subject to inventory risk, and has latitude in establishing

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

prices and selecting suppliers, revenues are recorded on a gross basis. Otherwise, revenues are recorded on a net basis as services and others.

For online direct sales for which the Group is considered the principal, the Group recognizes revenue net of discounts and return allowances when the products are delivered and titles are passed to the Customers. Return allowances, which reduce net revenues, are estimated based on historical experiences.

For these transactions, the Group originates instalment purchase loans and generates financing receivables due from the Customers who place orders. The online direct sales revenues and related financing receivables are accounted for as sales of products to the Customers with extended payment terms and are recorded at present value of the contractual cash flows when the above revenue recognition criteria are met.

The instalment purchase loans originated through online direct sales may be subsequently funded by certain other Institutional Funding Partners and such subsequent loans may be categorized as off-balance sheet loans. The financing receivables previously generated from online direct sales are settled with the proceeds the Customers receive from the loans issued by the Institutional Funding Partners.

Revenue is recorded net of value-added tax and related surcharges.

Services and others

The Group also operates an online marketplace that enable third-party sellers to sell their products to Customers with installment payment terms. The Customers place their orders online through the website www.fenqile.com or its APP, whereby the Group pays to the third-party sellers on behalf of the Customers, which generate financing receivables due from the Customers. The Group charges the third-party sellers a fixed rate commission fee based on the sales amount for the services rendered. The Group recognizes the commission fees as revenues from the third-party sellers on a net basis at the point of successful delivery of products, as it is not the primary obligor and does not have general inventory risk or does not have latitude to establish prices. Financing receivables associated with third-party sellers' sales are recorded at present value of the contractual cash flows when the above revenue recognition criteria are met.

Financial services

Interest and financial services income

The Group generates interest and financial services income earned on installment purchase loans, from its online direct sales on the website www.fenqile.com and its APP, and personal installment loans to its Customers, if these loans are determined to be on-balance sheet loans.

For the on-balance sheet loans funded by the Individual Investors on *Juzi Licai* or certain Institutional Funding Partners, and the on-balance sheet loans securitized and transferred to the securitization vehicle, the financing receivables continue to be recorded on the Group's Unaudited Interim Condensed Consolidated Balance Sheets over the terms of the loans.

LEXINFINTECH HOLDINGS LTD.

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Interest and financial services income is recognized over the terms of financing receivables using the effective interest method. Origination fees collected on the first repayment date, normally one month after the origination of personal installment loans, are recorded as a component of financing receivables, on the Unaudited Interim Condensed Consolidated Balance Sheets. Deferred origination fees are recognized over the terms of personal installment loans. Direct origination costs include costs directly attributable to originating financing receivables, including vendor costs and personnel costs directly related to the time spent by those individuals performing activities related to the origination of financing receivables. Considering the credit risk characteristics of the Customers as well as the relatively small amount of each individual financing receivable, the Group determined that direct origination costs incurred for originating individual financing receivables are insignificant and expensed as incurred and recorded in "Processing and servicing cost" in the Unaudited Interim Condensed Consolidated Statements of Operations. Interest and financial services income is not recorded when reasonable doubt exists as to the full, timely collection of interest or principal.

Loan facilitation and servicing fees

For the off-balance sheet loans funded by certain other Institutional Funding Partners such as third-party commercial banks or consumer finance companies, the Group does not record financing receivables arising from these loans nor loans payable to the commercial banks or consumer finance companies. For these transactions, the Group earns loan facilitation and servicing fees from the Customers.

The Group provides intermediary services to both the Customers and the commercial banks or consumer finance companies. The intermediary services provided include (1) loan facilitation and matching services, (2) post-origination services (i.e. account maintenance, collection, and payment processing) to the Customers, and (3) a financial guarantee to the commercial banks or consumer finance companies. The Group determined that the financial guarantee is within the scope of ASC 815 *Derivatives and Hedging* and recorded it at fair value at inception, with the remaining consideration recognized as revenues under ASC 605-25.

Under the off-balance sheet loan arrangements, fees for loan facilitation and matching services and post-origination services are charged and collected through deduction from the monthly repayments from the Customers to the commercial banks or consumer finance companies, and no fees are collected upfront. While the loan facilitation and matching services are rendered upfront, the amount allocable to these services based on relative selling prices is limited to nil under ASC 605-25-30-5, because all fees are contingent on ongoing servicing as well as the Customer not prepaying. In considering that, the revenue is recognized each month when the fee is received over the terms of the loans as the monthly repayments occur in line with the resolution of the contingency.

Other revenue

Other revenue includes fees collected for prepayment and late payment for on-balance sheet loans, which is calculated as a certain percentage of interest over the prepaid principal loan amount in case of prepayment or a certain percentage of past due amounts in case of late payment.

LEXINFINTECH HOLDINGS LTD.

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Customer incentives

In order to incentivize the Customers to use the platform, the Group provides two major types of incentive coupons: cash coupons that have a stated discount amount that reduces the selling price of a future purchase of product and repayment coupons that have a stated discount amount that reduce a future repayment on the installment loan related to a previously executed product sale or personal installment loan. Both cash coupons and repayment coupons are given to the Customers for free as part of the Group's promotion events at the Group's discretion. In accordance with ASC subtopic 605-50, cash coupons are accounted for as a reduction of revenue upon the future purchase by the Customers. The amount of cash coupons recognized as a reduction of revenue was RMB12.9 million and RMB100.9 million for the six months ended June 30, 2016 and 2017, respectively. Repayment coupons are recorded as a reduction of revenue based on historical usage pattern as they are earned by the Customers. Repayment coupons generally have an expiration of six months after issuance. Expired repayment coupons are recognized as revenue at the coupons' expiration, which was not material for the six months ended June 30, 2016 and 2017.

Cash and Cash equivalents

Cash and cash equivalents represent cash on hand, demand deposits, time deposits and highly liquid investments placed with banks or other financial institutions, which are unrestricted to withdrawal or use, and which have original maturities of three months or less. As of December 31, 2016 and June 30, 2017, the Group did not have any cash equivalents.

Restricted cash

Restricted cash mainly represents: (i) cash received from Customers but not yet been repaid to investors or received from investors but not yet been remitted to Customers which is not available to fund the general liquidity needs of the Group; (ii) security deposits set aside for partnering commercial banks or certain Institutional Funding Partners in case of Customers' defaults; and (iii) cash set aside under the quality assurance program which is managed by the Group through custody bank accounts.

Restricted time deposits

Time deposits securing the Group's short-term and long-term borrowings from financial institutions are treated as restricted time deposits on the Unaudited Interim Condensed Consolidated Balance Sheets. Short-term and long-term borrowings are designated to support the Group's general operation and could not be used to fund the Group's financing receivables.

Inventories, net

Inventories, consisting of products available for sale, are stated at the lower of cost or net realizable value. Cost of inventory is determined using the first-in first-out method. Net realizable value is the estimated selling price in the ordinary course of business, less reasonably predictable costs of disposal and transportation. Adjustments are recorded to write down the cost of inventory to the net realizable value due to slow-moving merchandise and damaged goods, which is dependent upon factors such as historical and forecasted consumer demand, and promotional environment. The Group takes ownership, risks and rewards of the products purchased. Write downs are recorded in cost of revenues

LEXINFINTECH HOLDINGS LTD.

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

in the Unaudited Interim Condensed Consolidated Statements of Operations. For all interim periods presented, all inventory balances were products available for sale.

The Group also provides fulfillment-related services in connection with the Group's online marketplace. Third-party sellers maintain ownership of their inventories and therefore these products are not included in the Group's inventories.

Long-term investments

The Group accounts for long-term investments over which it has significant influence but does not own a majority of the equity interest or lack of control using the equity method. For long-term investments which the Group does not have significant influence or the underlying shares the Group invested in are not considered in-substance common stock and have no readily determinable fair value, the cost method accounting is applied.

The Group assesses its long-term investments for other-than-temporary impairment by considering factors as well as all relevant and available information including, but not limited to, current economic and market conditions, the operating performance of the companies including current earnings trends and other company-specific information such as financing rounds.

Property, equipment and software, net

Property, equipment and software, net are stated at cost less accumulated depreciation, amortization and impairment, if any. Depreciation and amortization is computed using the straight-line method over the estimated useful lives of the assets. The estimated useful lives are as follows:

Category	Estimated Useful Lives
Computers and equipment	3 - 5 years
Furniture and fixtures	3 - 5 years
Leasehold improvement	Over the shorter of the expected life of leasehold improvement or the lease term
Software	3 - 10 years

Impairment of long-lived assets

Long-lived assets are evaluated for impairment whenever events or changes in circumstances (such as a significant adverse change to market conditions that will impact the future use of the assets) indicate that the carrying value of an asset may not be fully recoverable or that the useful life is shorter than the Group had originally estimated. When these events occur, the Group evaluates the impairment for the long-lived assets by comparing the carrying value of the assets to an estimate of future undiscounted cash flows expected to be generated from the use of the assets and their eventual disposition. If the sum of the expected future undiscounted cash flows is less than the carrying value of the assets, the Group recognizes an impairment loss based on the excess of the carrying value of the assets over the fair value of the assets.

LEXINFINTECH HOLDINGS LTD.

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair value measurements

Financial instruments

Accounting guidance defines fair value as the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When determining the fair value measurements for assets and liabilities required or permitted to be recorded at fair value, the Group considers the principal or most advantageous market in which it would transact and it considers assumptions that market participants would use when pricing the asset or liability.

Accounting guidance establishes a fair value hierarchy that requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. A financial instrument's categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement. Accounting guidance establishes three levels of inputs that may be used to measure fair value:

- Level 1 applies to assets or liabilities for which there are quoted prices in active markets for identical assets or liabilities.

- Level 2 applies to assets or liabilities for which there are inputs other than quoted prices included within Level 1 that are observable for the asset or liability such as quoted prices for similar assets or liabilities in active markets; quoted prices for identical asset or liabilities in markets with insufficient volume or infrequent transactions (less active markets); or model-derived valuations in which significant inputs are observable or can be derived principally from, or corroborated by, observable market data.

- Level 3 applies to asset or liabilities for which there are unobservable inputs to the valuation methodology that are significant to the measurement of the fair value of the assets or liabilities.

The carrying amount of cash and cash equivalents, restricted cash, amounts due from related parties, accounts payable, and amounts due to related parties approximates fair value because of their short-term nature. Financing receivables are measured at amortized cost. Funding Debts and accrued interest payable are carried at amortized cost. The carrying amount of the financing receivables, Funding Debts, accrued interest receivable, and accrued interest payable approximates their respective fair value as the interest rates applied reflect the current quoted market yield for comparable financial instruments. The Group considers unobservable inputs to be significant, if, by their exclusion, the estimated fair value of a Level 3 asset or liability would be impacted by a significant percentage change, or based on qualitative factors such as the nature of the instrument and significance of the unobservable inputs relative to other inputs used within the valuation.

For the off-balance sheet loans funded by certain third-party commercial banks or consumer finance companies, the Group accounts for financial guarantee provided to the commercial banks or consumer finance companies at fair value (Note 6).

The Group measures certain financial assets, including the investments under the cost method and equity method at fair value on a non-recurring basis only if an impairment charge were to be recognized. The Group's non-financial assets, such as property, equipment and software, would be measured at fair value only if they were determined to be impaired.

LEXINFINTECH HOLDINGS LTD.

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cost of sales

Cost of sales consists of purchase price of the products, shipping charges and handling costs, as well as write-downs of inventory. Shipping charges to receive products from suppliers are included in the inventories, and recognized as cost of sales upon sale of the products to the Customers. For the six months ended June 30, 2016 and 2017, write-downs of inventory were insignificant.

Funding cost

Funding cost consists of interest expense the Group pays to Individual Investors on *Juzi Licai* and Institutional Funding Partners, including partnering peer-to-peer lending platforms, commercial banks and other financial institutions, to fund its financing receivables, certain fees and amortization of deferred debt issuance costs incurred in connection with obtaining these debts, such as origination fees and legal fees.

Processing and servicing cost

Processing and servicing cost consists primarily of vendor costs related to credit assessment, customer and system support, payment processing services and collection services associated with originating, facilitating and servicing the loans.

Sales and marketing expenses

Sales and marketing expenses consist primarily of advertising costs and payroll and related expenses for personnel engaged in marketing and business development activities. Advertising costs, which consist primarily costs of online advertising and offline outdoor promotion activities, are expensed as incurred and are included within sales and marketing expenses in the Unaudited Interim Condensed Consolidated Statements of Operations. For the six months ended June 30, 2016 and 2017, advertising costs totaled RMB56.8 million and RMB38.1 million, respectively.

Research and development expenses

Research and development expenses consist primarily of payroll and related expenses for IT professionals involved in developing technology platform and website, server and other equipment depreciation, bandwidth and data center costs, and rental expenses. All research and development costs have been expensed as incurred as the costs qualifying for capitalization have been insignificant.

General and administrative expenses

General and administrative expenses consist of payroll and related expenses for employees involved in general corporate functions, including finance, legal and human resources; costs associated with use of facilities and equipment, such as depreciation expenses, rental and other general corporate related expenses.

Operating leases

The Group leases office space under operating lease agreements with initial lease term up to five years. Rental expense is recognized from the date of initial possession of the leased property on a

LEXINFINTECH HOLDINGS LTD.

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

straight-line basis over the term of the lease and charged to earnings. Certain lease agreements contain rent holidays, which are recognized on a straight-line basis over the lease term. Lease renewal periods are considered on a lease-by-lease basis and are generally not included in the initial lease terms.

Share-based compensation

All share-based awards to employees and directors, such as stock options, are measured at the grant date based on the fair value of the awards. Share-based compensation, net of estimated forfeitures, is recognized as expenses on a straight-line basis over the requisite service period, which is the vesting period. Options granted generally vest over four years.

Given the exercise price of each share option is US$0.0001, the Group uses the intrinsic value (approximately the fair value of each of the Company's ordinary share) on the grant date to estimate the fair value of stock options.

Forfeitures are estimated at the time of grant and revised in subsequent periods if actual forfeitures differ from those estimates. The Group uses historical data to estimate pre-vesting option and records share-based compensation expense only for those awards that are expected to vest. See Note 17 for further discussion on share-based compensation.

Fair value of preferred shares and ordinary shares

Shares of the Company, which do not have quoted market prices, were valued based on the income approach. The income approach involves applying the discounted cash flow analysis based on projected cash flow using the Group's best estimate as of the valuation dates. Estimating future cash flow requires the Group to analyze projected revenue growth, gross margins, effective tax rates, capital expenditures and working capital requirements. In determining an appropriate discount rate, the Group considered the cost of equity and the rate of return expected by venture capitalists. The Group also applied a discount for lack of marketability given that the shares underlying the award were not publicly traded at the time of grant. Determination of estimated fair value of the Group requires complex and subjective judgments due to its limited financial and operating history, unique business risks and limited public information on companies in China similar to the Group.

Option-pricing method was used to allocate enterprise value to preferred shares and ordinary shares. The method treats preferred shares and ordinary shares as call options on the enterprise's value, with exercise prices based on the liquidation preference of the preferred shares. The strike prices of the "options" based on the characteristics of the Group's capital structure, including number of shares of each class of ordinary shares, seniority levels, liquidation preferences, and conversion values for the preferred shares. The option-pricing method also involves making estimates of the anticipated timing of a potential liquidity event, such as a sale of the Group or an initial public offering, and estimates of the volatility of the Group's equity securities. The anticipated timing is based on the plans of board of directors and management of the Group. Estimating the volatility of the share price of a privately held company is complex because there is no readily available market for the shares. Volatility is estimated based on annualized standard deviation of daily stock price return of comparable companies.

LEXINFINTECH HOLDINGS LTD.

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Taxation

Income tax

Current income tax is provided for in accordance with the laws of the relevant tax jurisdictions.

Deferred income tax is provided using assets and liabilities method, which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the unaudited interim condensed consolidated financial statements. Under this method, deferred tax assets and liabilities are determined on the basis of the differences between financial statements and tax basis of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse.

Deferred tax assets are recognized to the extent that these assets are more-likely-than-not to be realized. In making such a determination, the Group considers all positive and negative evidence, including future reversals of projected future taxable income and results of recent operation. The Group records a valuation allowance to reduce the amount of deferred tax assets if based on the weight of available evidence, it is more-likely-than-not that some portion, or all, of the deferred tax assets will not be realized.

Uncertain tax positions

To assess uncertain tax positions, the Group applies a more-likely-than-not threshold and a two-step approach for the tax position measurement and financial statement recognition. Under the two-step approach, the first step is to evaluate the tax position for recognition by determining if the weight of available evidence indicates that it is more-likely-than-not that the position will be sustained, including resolution of related appeals or litigation processes, if any. The second step is to measure the tax benefit as the largest amount that is more than 50% likelihood of being realized upon settlement. The Group classifies interest and penalties related to income tax matters, if any, in income tax expense.

(Loss)/income per share

Basic (loss)/income per share is computed by dividing net (loss)/income attributable to ordinary shareholders, considering the accretions to redemption value of the preferred shares, allocation of net income attributable to participating preferred shares and deemed dividend to a preferred shareholder, by the weighted average number of ordinary shares outstanding during the period using the two-class method. Under the two-class method, net loss is not allocated to other participating securities if based on their contractual terms they are not obligated to share in the loss. Diluted (loss)/income per share is calculated by dividing net (loss)/income attributable to ordinary shareholders by the weighted average number of ordinary and dilutive ordinary equivalent shares outstanding during the period. Ordinary equivalent shares consist of ordinary shares issuable upon the conversion of the preferred shares and convertible loans using the if-converted method, and ordinary shares issuable upon the exercise of outstanding share options using the treasury stock method. Ordinary equivalent shares are not included in the denominator of the diluted (loss)/income per share calculation when inclusion of such shares would be anti-dilutive.

LEXINFINTECH HOLDINGS LTD.

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Segment reporting

The Group engages primarily in online direct sales service and online consumer finance services for its Customers in the PRC. The Group does not distinguish between markets or segments for the purpose of internal reports. The Group does not distinguish revenues, costs and expenses between segments in its internal reporting, and reports costs and expenses by nature as a whole. The Group's chief operating decision maker, who has been identified as the Chief Executive Officer, reviews the consolidated results when making decisions about allocating resources and assessing performance of the Group as a whole and hence, the Group has only one reportable segment. As most of the Group's long-lived assets are all located in the PRC and all the Group's revenues are derived from the PRC, no geographical segments are presented.

Significant risks and uncertainties

Foreign currency risk

The PRC government imposes controls on the convertibility of RMB into foreign currencies. The Group's cash and cash equivalents, restricted cash and restricted time deposits denominated in RMB that are subject to such government controls amounted to RMB558.6 million and RMB1,284.3 million as of December 31, 2016 and June 30, 2017, respectively. The value of RMB is subject to changes in the central government policies and to international economic and political developments affecting supply and demand in the PRC foreign exchange trading system market. In the PRC, certain foreign exchange transactions are required by law to be transacted only by authorized financial institutions at exchange rates set by the PBOC. Remittances in currencies other than RMB by the Group in the PRC must be processed through PBOC or other Chinese foreign exchange regulatory bodies which require certain supporting documentation in order to process the remittance.

Concentration of credit risk

Credit risk is one of the most significant risks for the Group's installment purchase loans and personal installment loans businesses. The Group records provision for credit losses based on its estimated probable losses against its financing receivables. Apart from the financing receivables, financial instruments that potentially expose the Group to significant concentration of credit risk primarily included in the financial statement line items of cash and cash equivalents, restricted cash, restricted time deposits, accrued interest receivable, prepaid expenses and other current assets. As of June 30, 2017, substantially all of the Group's cash and cash equivalents were deposited in financial institutions located in the PRC. Financing receivables are typically unsecured and are derived from revenues earned from Customers in the PRC. The risk with respect to financing receivables is mitigated by credit evaluations the Group performs on its Customers and the Group's ongoing monitoring process of outstanding balances.

Concentration of Customers, suppliers, Individual Investors, and Institutional Funding Partners

There was no revenue from Customers which individually represented greater than 10% of the total operating revenue for any of the interim periods presented. There was no financing receivables due from Customers of the Group that individually accounted for greater than 10% of the Group's carrying amount of financing receivables as of December 31, 2016 and June 30, 2017, respectively.

LEXINFINTECH HOLDINGS LTD.

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Only two suppliers accounted for more than 10% of the Group's total purchases for the six months ended June 30, 2016 and June 30, 2017, respectively. Only two suppliers accounted for more than 10% of the Group's accounts payable as of December 31, 2016, and only three suppliers accounted for more than 10% of the Group's accounts payable as of June 30, 2017, as follows:

	As of	
	December 31, 2016	June 30, 2017
Inventory supplier A	56%	57%
Inventory supplier B	11%	*
Inventory supplier C	*	12%
Inventory supplier D	—	10%

* Less than 10%.

There was no Individual Investor or Institutional Funding Partner that accounted for more than 10% of the Group's total funding cost for the six months ended June 30, 2016 and 2017, respectively. There was no Individual Investor or Institutional Funding Partner that accounted for more than 10% of the Group's Funding Debts as of December 31, 2016 and June 30, 2017, respectively.

Recent accounting pronouncements

In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU"), 2014-09, *Revenue from Contracts with Customers* (Topic 606). The guidance substantially converges final standards on revenue recognition between the FASB and the International Accounting Standards Board providing a framework on addressing revenue recognition issues and, upon its effective date, replaces almost all existing revenue recognition guidance, including industry-specific guidance, in current U.S. GAAP. In August 2015, FASB issued its final standard formally amending the effective date of the new revenue recognition guidance. The amendments in this ASU are effective for public companies for annual reporting periods beginning after December 15, 2017, including interim periods within that reporting period. Earlier application is permitted only as of annual reporting periods beginning after December 15, 2016, including interim reporting periods within that reporting period. The Group is currently evaluating the impact of adoption on its consolidated financial statements.

In January 2016, the FASB issued ASU 2016-01, *Financial Instruments—Overall* (Subtopic 825-10): *Recognition and Measurement of Financial Assets and Financial Liabilities*. The new guidance will impact the accounting for equity investments, financial liabilities under the fair value option, and the presentation and disclosure requirements for financial instruments. In addition, the FASB clarified the need for a valuation allowance on deferred tax assets resulting from unrealized losses on available-for-sale debt securities. The accounting for other financial instruments, such as loans, investments in debt securities, and financial liabilities not under the fair value option is largely unchanged. The standard is effective for public companies for annual periods (and interim periods within those annual periods) beginning after December 15, 2017. The Group does not expect a material impact to the consolidated financial statements due to the adoption of this guidance.

LEXINFINTECH HOLDINGS LTD.

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

In February 2016, the FASB issued ASU 2016-02, *Leases* (Topic 842), which requires that a lessee should recognize the assets and liabilities that arise from operating leases. A lessee should recognize in the balance sheet a liability to make lease payments (the lease liability) and a right-of-use asset representing its right to use the underlying asset for the lease term. For leases with a term of 12 months or less, a lessee is permitted to make an accounting policy election by class of underlying asset not to recognize lease assets and lease liabilities. If a lessee makes this election, it should recognize lease expenses for such lease generally on a straight-line basis over the lease term. ASU 2016-02 is effective for fiscal years and interim periods within those years beginning after December 15, 2018. Early adoption is permitted. The Group is currently evaluating the impact ASU 2016-02 will have on the Group's consolidated financial statements, but expects that most existing operating lease commitments will be recognized as operating lease obligations and right-of-use assets as a result of adoption.

In June 2016, the FASB amended guidance related to impairment of financial instruments as part of ASU 2016-13, *Financial Instruments—Credit Losses* (Topic 326): *Measurement of Credit Losses on Financial Instruments*, which will be effective on January 1, 2020. The guidance replaces the incurred loss impairment methodology with an expected credit loss model for which the Group is required to recognize an allowance based on its estimate of expected credit loss. The Group is currently evaluating the impact of this new guidance on its consolidated financial statements.

In August 2016, the FASB issued ASU 2016-15, *Statement of Cash Flows* (Topic 230): *Classification of Certain Cash Receipts and Cash Payments*. ASU 2016-15 provides guidance for targeted changes with respect to how cash receipts and cash payments are classified in the statements of cash flows, with the objective of reducing diversity in practice. ASU 2016-15 is effective for public companies for interim and annual periods beginning after December 15, 2017, with early adoption permitted. The Group is in the process of evaluating the impact of this accounting standard update on its Consolidated Statements of Cash Flows.

In November 2016, the FASB issued ASU 2016-18, *Statement of Cash Flows* (Topic 230): *Restricted Cash*. This ASU affects all entities that have restricted cash or restricted cash equivalents and are required to present a statement of cash flows under Topic 230. ASU 2016-18 requires that a statement of cash flows explain the change during the period in the total of cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents. This update will become effective for public companies for fiscal years beginning after December 15, 2017, and interim periods within fiscal years beginning after December 15, 2018, and early adoption is permitted in any interim or annual period. The Group is currently evaluating the impact of this guidance on its Consolidated Statements of Cash Flows.

In May 2017, the FASB issued ASU 2017-09, *Compensation—Stock Compensation (Topic 718): Scope of Modification Accounting.* This ASU clarifies when changes to the terms or conditions of a share-based payment award must be accounted for as modifications. Specifically, an entity would not apply modification accounting if the fair value, vesting conditions, and classification of the awards are the same immediately before and after the modification. The standard is effective for fiscal years beginning after December 31, 2017, and interim periods within those fiscal years. Early adoption is permitted. The Group does not expect a material impact to the consolidated financial statements due to the adoption of this guidance.

LEXINFINTECH HOLDINGS LTD.

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

In July 2017, the FASB issued ASU 2017-11, *Earnings Per Share (Topic 260), Distinguishing Liabilities from Equity (Topic 480)* and *Derivatives and Hedging (Topic 815): I. Accounting for Certain Financial Instruments with Down Round Features. II. Replacement of the Indefinite Deferral for Mandatorily Redeemable Financial Instruments of Certain Nonpublic Entities and Certain Mandatorily Redeemable Noncontrolling Interests with a Scope Exception.* This ASU affects all entities that issue financial instruments (for example, warrants or convertible instruments) that include down round features. Part I of this ASU relates to the recognition, measurement, and earnings per share of certain freestanding equity-classified financial instruments that include down round features affect entities that present earnings per share in accordance with the guidance in *Topic 260, Earnings Per Share*, while in Part II does not have an accounting effect. The Group is in the process of evaluating the impact of this accounting standard update on its consolidated financial statements.

3. FINANCING RECEIVABLES, NET

Financing receivables, net as of December 31, 2016 and June 30, 2017 consisted of the followings:

	As of	
	December 31, 2016	June 30, 2017
	(RMB in thousands)	
Short-term:		
Installment purchase loans	1,591,486	1,492,713
Personal installment loans	5,045,347	7,253,853
Deferred origination fees	(15,839)	(23,822)
Total short-term financing receivables	**6,620,994**	**8,722,744**
Allowance for credit losses	(150,096)	(264,193)
Total short-term financing receivables, net	**6,470,898**	**8,458,551**
Long-term:		
Installment purchase loans	269,644	205,939
Personal installment loans	824,985	1,130,079
Deferred origination fees	(3,751)	(8,203)
Total long-term financing receivables	**1,090,878**	**1,327,815**
Allowance for credit losses	(24,730)	(40,713)
Total long-term financing receivables, net	**1,066,148**	**1,287,102**

These balances represent short-term and long-term financing receivables generated from online direct sales and personal installment loans transacted on the Platform with an original term generally up to three years and do not have collateral. The weighted average interest rates of these financing receivables were 26.3% and 24.5% as of December 31, 2016 and June 30, 2017, respectively.

As of December 31, 2016, installment purchase loans and personal installment loans that were collectively evaluated for impairment were RMB1,861.1 million and RMB5,850.7 million, respectively. As of December 31, 2016, installment purchase loans and personal installment loans that were individually evaluated for impairment were RMB30.1 million and RMB84.6 million, respectively.

LEXINFINTECH HOLDINGS LTD.

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

3. FINANCING RECEIVABLES, NET (Continued)

As of June 30, 2017, installment purchase loans and personal installment loans that were collectively evaluated for impairment were RMB1,698.7 million and RMB8,351.9 million, respectively. As of June 30, 2017, installment purchase loans and personal installment loans that were individually evaluated for impairment were RMB24.8 million and RMB124.8million, respectively.

As of December 31, 2016 and June 30, 2017, installment purchase loans and personal installment loans that were individually evaluated for impairment were fully charged off, respectively, given the Group determined it was probable that the Group will be unable to collect unpaid principal amount on those loans.

The following table summarizes the balances of financing receivables by due date as of December 31, 2016 and June 30, 2017:

	As of	
	December 31, 2016	June 30, 2017
	(RMB in thousands)	
Due in months		
0 - 12	6,620,994	8,722,744
13 - 24	864,469	1,179,798
25 - 36	206,609	147,727
Thereafter	19,800	290
Total financing receivables	**7,711,872**	**10,050,559**

The activities in the provision for credit losses for the six months ended June 30, 2016 and 2017, respectively, consisted of the following:

	As of June 30,	
	2016	2017
	(RMB in thousands)	
Beginning balance	(47,667)	(174,826)
Provisions	(77,614)	(271,215)
Charge-offs	41,007	149,623
Recoveries from prior charge-offs	(1,575)	(8,488)
Ending balance	**(85,849)**	**(304,906)**

As of December 31, 2016, allowance for credit losses that was collectively and individually evaluated for impairment was RMB174.8 million and RMB114.7 million, respectively.

As of June 30, 2017, allowance for credit losses that was collectively and individually evaluated for impairment was RMB304.9 million and RMB149.6 million, respectively.

LEXINFINTECH HOLDINGS LTD.

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

3. FINANCING RECEIVABLES, NET (Continued)

Aging analysis of past due financing receivables as of December 31, 2016 and June 30, 2017 are as follows:

	1 - 29 Days Past Due	30 - 59 Days Past Due	60 - 89 Days Past Due	90 - 179 Days Past Due	180 Days or Greater Past Due	Total Past Due	Current	Total
				(RMB in thousands)				
Installment purchase loans	15,539	7,324	6,675	16,927	—	46,465	1,814,665	1,861,130
Personal installment loans	92,050	39,962	31,769	61,589	—	225,370	5,625,372	5,850,742
December 31, 2016	**107,589**	**47,286**	**38,444**	**78,516**	**—**	**271,835**	**7,440,037**	**7,711,872**
Installment purchase loans	14,339	6,429	5,278	14,201	—	40,247	1,658,405	1,698,652
Personal installment loans	184,244	79,821	62,453	137,158	—	463,676	7,888,231	8,351,907
June 30, 2017	**198,583**	**86,250**	**67,731**	**151,359**	**—**	**503,923**	**9,546,636**	**10,050,559**

The Group evaluates the creditworthiness and collectability of its financing receivable portfolio on a pooled basis, due to its composition of small, homogeneous financing receivables with similar general credit risk characteristics. Financing receivables amounting to RMB78.5 million and RMB151.4 million as of December 31, 2016 and June 30, 2017, respectively, were in non-accrual status. Interest and financial services income for non-accrual financing receivables is recognized on a cash basis. Cash receipt of non-accrual financing receivables would be first applied to any unpaid principal, late payment fees, if any, before recognizing interest and financial services income. For the six months ended June 30, 2016 and 2017, interest and financial services income earned from non-accrual financing receivables were RMB24.5 million and RMB34.6 million, respectively.

As of December 31, 2016 and June 30, 2017, financing receivables amounting to RMB84.5 million and RMB107.0 million have been pledged as collaterals pursuant to investment agreements with certain Institutional Funding Partners (Note 7) and credit facility arrangements with lending financial institutions (Note 8).

As of December 31, 2016 and June 30, 2017, financing receivables amounting to RMB200.0 million and RMB60.4 million have been securitized pursuant to the Group's ABS Plan (Note 7).

For the six months ended June 30, 2016 and 2017, deferred origination fees associated with the financing receivables amounting to RMB26.9 million and RMB82.6 million have been recognized as adjustments to interest and financial services income over the terms of the personal installment loans.

Credit Quality Indicators

The Group developed its credit assessment model based on the historical delinquency performance of the customers as well as information submitted in the customers' credit applications. The credit assessment model is designed to predict the likelihood that a customer will be delinquent in the future. The Group assigns one of the seven credit risk levels to each customer, with risk level A representing the lowest risk, risk level F representing the highest risk and risk level N representing customers who

LEXINFINTECH HOLDINGS LTD.

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

3. FINANCING RECEIVABLES, NET (Continued)

are approved for trial purposes only and will be separately tracked accordingly. The key factors the Group considers in determining the credit risk level of each customer include geographic location, education background, level of income, etc. The Group updates the information for each of the risk levels on a regularly basis.

The following tables present the net recorded investment of financing receivables, by credit quality indicator, as of December 31, 2016 and June 30, 2017.

	As of December 31, 2016		As of June 30, 2017	
	Installment Purchase Loans	Personal Installment Loans	Installment Purchase Loans	Personal Installment Loans
	(RMB in thousands)			
Risk level:				
A	664,167	1,911,617	868,603	2,346,031
B	327,646	968,367	348,543	1,821,978
C	562,366	1,892,710	320,272	2,087,462
D	190,284	702,038	109,606	1,304,549
E	48,285	157,879	24,229	491,399
F	15,844	52,129	5,315	99,137
N	52,538	166,002	22,084	201,351
Total	**1,861,130**	**5,850,742**	**1,698,652**	**8,351,907**

4. PREPAID EXPENSES AND OTHER CURRENT ASSETS

	As of	
	December 31, 2016	June 30, 2017
	(RMB in thousands)	
Receivables from third-party online payment service providers[(i)]	103,244	90,371
Deposits to Institutional Funding Partners	45,447	49,969
Prepayment to inventory suppliers	31,966	45,943
Prepaid input value-added tax	17,588	25,973
Rental deposits and other current assets	21,736	34,049
Total prepaid expenses and other current assets	**219,981**	**246,305**

(i) The Group opened accounts with third-party online payment service providers mainly to facilitate collection and transfer of the funds, interest and service fees from/to the Customers and Individual Investors or Institutional Funding Partners. The balance of receivables from third-party online payment service providers represents amounts temporarily held in these accounts.

5. LOAN SERVICING RIGHTS

For the off-balance sheet loans funded by certain third-party commercial banks or consumer finance companies, where the Group was determined not to be the legal lender or borrower in the loan

LEXINFINTECH HOLDINGS LTD.

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5. LOAN SERVICING RIGHTS (Continued)

origination and repayment process, the Group effectively services the loans and provides financial guarantee to the commercial banks or consumer finance companies that include credit risk and prepayment risk.

Loan servicing rights

Servicing is comprised of account maintenance, collection, and payment processing from Customers and distributions to the commercial banks or consumer finance companies. Servicing fees compensate the Group for the costs it incurs in servicing the related loans. The amount of servicing revenue earned is predominantly affected by the various servicing rates paid by the Customers, the outstanding principal balance of the loans serviced, and the amount of principal and interest collected from Customers and remitted to the commercial banks or consumer finance companies.

Servicing rights are recorded as either an asset or liability when the benefits of servicing are expected to be more or less than adequate compensation. The Group records servicing assets and liabilities at their estimated fair values, when the off-balance sheet loans are originated, in "Prepaid expenses and other current assets" and "Accrued expenses and other current liabilities," respectively, on the Unaudited Interim Condensed Consolidated Balance Sheets. Change in fair value of the servicing assets and liabilities is reported in "Loan facilitation and servicing fees" in the Unaudited Interim Condensed Consolidated Statements of Operations in the period in which the change occurs.

The Group utilizes industry standard valuation techniques, such as discounted cash flow models, to arrive at an estimate of fair value with the assistance of an independent valuation firm. Significant assumptions used in valuing the servicing rights are estimates of adequate compensation rates, discount rates, cumulative default rates and cumulative prepayment rates. Changes in certain assumptions may have a significant impact on the fair value of the servicing rights. The selection of cumulative default rates and cumulative prepayment rates are based on data derived from historical trends.

As of December 31, 2016 and June 30, 2017, the servicing assets and liabilities recorded were insignificant. The change in fair value of the servicing assets and liabilities was insignificant for the six months ended June 30, 2016 and 2017, respectively.

LEXINFINTECH HOLDINGS LTD.

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

6. FAIR VALUE MEASUREMENT

Recurring

The following table presents the fair value hierarchy for the Group's assets and liabilities that are measured and recorded at fair value on a recurring basis as of December 31, 2016 and June 30, 2017:

December 31, 2016	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs	Balance at Fair Value
		(RMB in thousands)		
Assets				
Restricted time deposits-current portion	—	8,000	—	8,000
Restricted time deposits-noncurrent portion	—	1,000	—	1,000
Total assets	**—**	**9,000**	**—**	**9,000**
Liabilities				
Guarantee liabilities	—	—	31,191	31,191
Total liabilities	**—**	**—**	**31,191**	**31,191**

June 30, 2017	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs	Balance at Fair Value
		(RMB in thousands)		
Assets				
Restricted time deposits-current portion	—	11,500	—	11,500
Restricted time deposits-noncurrent portion	—	1,600	—	1,600
Total assets	**—**	**13,100**	**—**	**13,100**
Liabilities				
Guarantee liabilities	—	—	36,758	36,758
Total liabilities	**—**	**—**	**36,758**	**36,758**

The fair value of the Group's restricted time deposits is determined based on the prevailing interest rates for similar products in the market (Level 2). For the off-balance sheet loans funded by certain third-party commercial banks or consumer finance companies, as the Group's financial guarantee provided to the commercial banks or consumer finance companies does not trade in an active market with readily observable quoted prices, the Group uses significant unobservable inputs to measure the fair value of these guarantee liabilities (Level 3).

Transfers into or out of fair value hierarchy classifications are made if the significant inputs used in the financial models measuring the fair value of the assets and liabilities became unobservable or observable in the current marketplace. These transfers are considered to be effective as of the beginning of the period in which they occur. The Group did not transfer any assets or liabilities in or out of Level 2 and Level 3 during the six months ended June 30, 2016 and 2017.

LEXINFINTECH HOLDINGS LTD.

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

6. FAIR VALUE MEASUREMENT (Continued)

Significant Unobservable Inputs

The Group uses a discounted cash flow model to estimate fair value of the guarantee liabilities. The following table presents quantitative information about the significant unobservable inputs used for the Group's Level 3 fair value measurement as of December 31, 2016 and June 30, 2017:

		Range of Inputs					
		December 31, 2016			June 30, 2017		
Financial Instrument	Unobservable Input	Minimum	Maximum	Weighted-Average	Minimum	Maximum	Weighted-Average
Guarantee liabilities	Discount rates	10.6%	21.9%	20.9%	9.5%	25.2%	19.0%
	Cumulative default rates[(i)]	2.4%	2.4%	2.4%	2.7%	2.7%	2.7%
	Cumulative prepayment rates[(i)] (ii)	14.7%	15.4%	14.8%	0.3%	2.6%	1.5%
	Margins on cost	70.0%	70.0%	70.0%	70.0%	70.0%	70.0%

(i) Expressed as a percentage of the original principal balance of the loans.

(ii) Starting from January 1, 2017, third-party commercial banks and consumer finance companies allowed full prepayment rather than partial prepayment of the loans from Customers. Therefore, the Group no longer provides guarantees for loans that are fully prepaid but still provides guarantees for loans that are partially prepaid. The cumulative prepayment rates as of June 30, 2017 represented the cumulative partial prepayment rates only.

The following table summarizes the activities related to fair value of the guarantee liabilities:

	For the Six Months Ended June 30,	
	2016	2017
	(RMB in thousands)	
Fair value at beginning of the period (Level 3)	—	31,191
Issuances	9,469	39,918
Cash payment	(5,345)	(19,589)
Change in fair value[(i)]	1,979	(14,762)
Fair value at end of the period (Level 3)	**6,103**	**36,758**

(i) Recognized as change in fair value of financial guarantee derivatives in the Unaudited Interim Condensed Consolidated Statements of Operations.

Significant Recurring Level 3 Fair Value Liability Input Sensitivity

Changes in certain of the unobservable inputs noted above may have a significant impact on the fair value of the guarantee liabilities. The following table summarizes the effect adverse changes in

LEXINFINTECH HOLDINGS LTD.

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

6. FAIR VALUE MEASUREMENT (Continued)

estimate would have on the fair value of the guarantee liabilities as of December 31, 2016 and June 30, 2017 given a hypothetical changes in the cumulative default rates:

	As of	
	December 31, 2016	June 30, 2017
	(RMB in thousands, except percentage)	
Weighted-average cumulative default rates[(i)]	2.4%	2.7%
Change in fair value from:		
Increase by 10%	3,685	5,468
Decrease by 10%	(3,685)	(5,468)

(i) Expressed as a percentage of the original principal balance of the loans.

Other financial instruments

The followings are other financial instruments not measured at fair value in the Unaudited Interim Condensed Consolidated Balance Sheets, but for which the fair value is estimated for disclosure purposes.

Cash and cash equivalents, restricted cash, and amounts due from related parties are financial assets with carrying amounts that approximate fair value due to their short-term nature. Accounts payable and amounts due to related parties are financial liabilities with carrying amounts that approximate fair value because of their short-term nature.

Non-recurring

The Group measures certain financial assets, including the investments under the cost method and the equity method at fair value on a non-recurring basis only if an impairment charge were to be recognized. The Group's non-financial assets, such as property, equipment and software, would be measured at fair value only if they were determined to be impaired.

LEXINFINTECH HOLDINGS LTD.

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

7. FUNDING DEBTS

The following table summarizes the Group's outstanding Funding Debts as of December 31, 2016 and June 30, 2017, respectively:

	As of	
	December 31, 2016	June 30, 2017
	(RMB in thousands)	
Short-term:		
Liabilities to Individual Investors—*Juzi Licai*	5,537,031	8,118,771
Liabilities to Institutional Funding Partners	1,275,643	1,412,338
Asset-backed securitized debts	155,814	3,444
Total short-term Funding Debts	**6,968,488**	**9,534,553**
Long-term:		
Liabilities to Institutional Funding Partners	21,014	32,277
Total long-term Funding Debts	**21,014**	**32,277**

For the six months ended June 30, 2016 and 2017, the following significant activities took place related to the Group's funding sources:

Liabilities to Individual Investors—Juzi Licai

The Group finances its financing receivables using the proceeds from Individual Investors on *Juzi Licai* by offering various investment programs. As of December 31, 2016 and June 30, 2017, the terms of those programs are all within 12 months with weighted average interest rates of 8.3% and 7.8%, respectively. As of December 31, 2016 and June 30, 2017, Individual Investors on *Juzi Licai* funded an aggregate amount of RMB5,331.1 million and RMB8,055.0 million in outstanding financing receivables originated by the Group, respectively.

Liabilities to Institutional Funding Partners

The Group also finances the financing receivables using the proceeds from Institutional Funding Partners, including partnering peer-to-peer lending platforms and other financial institutions. As part of the arrangement with each of them, the Group and Institutional Funding Partners typically agree on an aggregated amount of funds to be provided, maximum credit limit given to an individual customer, maximum borrowing term and an annualized interest rate.

Those liabilities mature from September 2017 to November 2018 bearing weighted average interest rates of 8.3% and 8.0% as of December 31, 2016 and June 30, 2017, respectively. As of December 31, 2016 and June 30, 2017, Institutional Funding Partners funded an aggregate amount of RMB1,302.7 million and RMB1,575.9 million in outstanding financing receivables originated by the Group, respectively. As of December 31, 2016 and June 30, 2017, financing receivables amounting to RMB16.4 million and RMB8.4 million have been pledged as collaterals pursuant to certain credit facility arrangements with lending financial institutions.

LEXINFINTECH HOLDINGS LTD.

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

7. FUNDING DEBTS (Continued)

Asset-backed securitized debts

In December 2015, the Group, through its VIE, Shenzhen Fenqile, created an asset-backed securitization plan ("ABS Plan") which was issued and listed on the Shanghai Stock Exchange in January 2016. Of the total commitment, an Institutional Funding Partner purchased RMB183.0 million senior tranche securities bearing interest at 5.05%, representing 91.5% of total securities issued by the ABS Plan. The Group purchased all subordinated tranche securities amounting to RMB17.0 million, representing 8.5% of the total securities issued. Interest only payments began in January 2016 and are payable quarterly through January 2017. Beginning January 2017, monthly payments will consist of both principal and interest with a final maturity of January 2018.

Shenzhen Fenqile has power to direct the activities that most significantly impact economic performance of the ABS Plan by providing the loan servicing and default loan collection services. Accordingly, Shenzhen Fenqile is considered the primary beneficiary of the ABS plan and has consolidated the ABS plan's assets, liabilities, results of operations, and cash flows in the Group's consolidated financial statements.

As of December 31, 2016, RMB199.8 million short-term financing receivables and RMB0.2 million long term financing receivables were pledged as collateral under the ABS Plan. As of June 30, 2017, RMB60.4 million short-term financing receivables were pledged as collateral under the ABS Plan. The financing receivables pledged can only be used to settle the ABS Plan's obligations. The assets of the ABS Plan are not available to creditors of the Company. In addition, the investors of the ABS Plan have no recourse against the assets of the Company.

Maturities of Funding Debts

The following table summarizes the remaining contractual maturity dates of the Group's Funding Debts and associated interest payments.

	1 - 12 months	13 - 24 months	25 - 36 months	37 - 48 months	49 - 60 months	Total
			(RMB in thousands)			
Liabilities to Individual Investors—*Juzi Licai*	8,118,771	—	—	—	—	8,118,771
Liabilities to Institutional Funding Partners	1,412,338	32,277	—	—	—	1,444,615
Asset-backed securitized debts	3,444	—	—	—	—	3,444
Total Funding Debts	**9,534,553**	**32,277**	**—**	**—**	**—**	**9,566,830**
Interest payments[(i)]	264,999	—	—	—	—	264,999
Total interest payments	**9,799,552**	**32,277**	**—**	**—**	**—**	**9,831,829**

(i) Interest payments with variable interest rates are calculated using the interest rate as of June 30, 2017.

LEXINFINTECH HOLDINGS LTD.

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

8. SHORT-TERM AND LONG-TERM BORROWINGS

The following table summarizes the Group's outstanding short-term and long-term borrowings as of December 31, 2016 and June 30, 2017, respectively:

	Maturity Date	Principal Amount	Interest Rate Per Annum	Type	As of December 31, 2016	As of June 30, 2017
		(RMB in thousands, except percentage)				
Loan I[(i)]	May 18, 2018	20,000	7.3%	Bank loan	10,036	4,248
Loan II[(ii)]	September 18, 2017	30,000	5.3%	Financial institution loan	30,000	30,000
Loan III[(iii)]	December 22, 2017	30,000	6.5%	Bank loan	30,000	24,600
Loan VI[(iv)]	February 20, 2018	50,000	6.9%	Financial institution loan	—	47,500
Loan V[(v)]	March 8, 2019	12,000	54 basis points plus the PBOC benchmark rate at the inception date	Bank loan	—	8,550
Total short-term borrowings					**70,036**	**114,898**

	Maturity Date	Principal Amount	Interest Rate Per Annum	Type	As of December 31, 2016	As of June 30, 2017
		(RMB in thousands, except percentage)				
Loan I[(i)]	May 18, 2018	20,000	7.3%	Bank loan	1,762	—
Loan V[(v)]	March 8, 2019	12,000	54 basis points plus the PBOC benchmark rate at the inception date	Bank loan	—	1,145
Total long-term borrowings					**1,762**	**1,145**

(i) The principal and interest is payable on a monthly basis. As of June 30, 2017, the outstanding balance of the loan was secured by RMB1.0 million time deposit and RMB3.8 million financing receivables of the Group pledged as collateral.

(ii) The interest is payable on a quarterly basis and the principal will be due upon maturity. As of June 30, 2017, the outstanding balance of the loan was secured by RMB7.5 million time deposit and RMB16.1 million financing receivables of the Group pledged as collateral.

(iii) The Group was granted a one-year RMB100.0 million credit facility that will expire on December 22, 2017. The Group may use amounts borrowed under the facility for general operation. As of June 30, 2017, the outstanding balance under the facility was secured by RMB1.5 million time deposit and RMB23.9 million financing receivables of the Group pledged as collateral.

(iv) The interest is payable on a monthly basis and the principal will be due upon maturity. As of June 30, 2017, the outstanding balance of the loan was RMB47.5 million, which was secured by RMB2.5 million time deposit and RMB45.1 million financing receivables of the Group pledged as collateral.

(v) The principal and interest is payable on a monthly basis. As of June 30, 2017, the outstanding balance of the loan was secured by RMB0.6 million time deposit and RMB9.7 million financing receivables of the Group pledged as collateral.

The Group was in compliance with the covenants of the above credit facilities during all periods presented.

LEXINFINTECH HOLDINGS LTD.

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

9. ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

	As of	
	December 31, 2016	June 30, 2017
	(RMB in thousands)	
Funds payable to Institutional Funding Partners[(i)]	253,297	238,396
Accrued payroll and welfare	116,674	135,872
Tax payable	78,734	120,849
Deferred interest and financial services income	34,600	52,990
Guarantee liabilities at fair value	31,191	36,758
Payable to third-party sellers	27,777	15,032
Security deposits from third-party sellers	15,287	10,278
Accrued professional fees	13,572	9,294
Marketing and promotion related expenses	7,469	2,641
Other accrued expenses	23,658	26,428
Total accrued expenses and other current liabilities	**602,259**	**648,538**

(i) The payable balance mainly includes funds received from Customers but not yet transferred to accounts of Institutional Funding Partners due to the settlement time lag.

10. RELATED PARTY BALANCES AND TRANSACTIONS

The table below sets forth major related parties of the Group and their relationships with the Group:

Entity or individual name	Relationship with the Group
JD.com, Inc. and its subsidiaries ("JD Group")	JD Group is a shareholder of the Group
Mr. Jay Wenjie Xiao	Chief Executive Officer and Director of the Group
Individual Director or Officer	Directors or Officers of the Group

(a) The Group entered into the following significant related party transactions:

	For the Six Months Ended June 30,	
	2016	2017
	(RMB in thousands)	
Purchase of goods and services from JD Group	350,180	290,831

LEXINFINTECH HOLDINGS LTD.

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

10. RELATED PARTY BALANCES AND TRANSACTIONS (Continued)

(b) The Group had the following significant related party balances:

(i) Amounts due from related parties

	As of	
	December 31, 2016	June 30, 2017
	(RMB in thousands)	
Due from Mr. Jay Wenjie Xiao*	11,038	7,796
Others	704	677
Total	**11,742**	**8,473**

* Above balances represented amount prepaid to Mr. Jay Wenjie Xiao for potential investing activities to be conducted on behalf of the Group. For the six months ended June 30, 2017, Mr. Jay Wenjie Xiao paid RMB2.8 million to acquire shares of one of the Group's investees.

(ii) Amounts due to related parties

	As of	
	December 31, 2016	June 30, 2017
	(RMB in thousands)	
Due to JD Group	92,597	106,395
Due to individual Director or Officer and his/her immediate family members under *Juzi Licai* investment programs as Individual Investors	45,175	44,703
Others	10	—
Total	**137,782**	**151,098**

The Group believes that the terms of the transactions with the related parties are comparable to the terms of arm's-length transactions with third-party vendors and Individual Investors.

11. TAXATION

a) ***Value-added tax ("VAT")***

During the periods presented, the Group is subject to 17% VAT for online direct sales revenues from sales of electronic products, home appliance products and general merchandise products, and 6% for financial services income earned from rendering services to its Customers in the PRC.

The Group is also subject to surcharges on VAT payments according to PRC tax law.

LEXINFINTECH HOLDINGS LTD.

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

11. TAXATION (Continued)

b) ***Income tax***

Cayman Islands

The Company was incorporated in the Cayman Islands. Under the current laws of the Cayman Islands, the Company is not subject to tax on either income or capital gain. Additionally, the Cayman Islands does not impose a withholding tax on payments of dividends to shareholders.

Hong Kong

Under the current Hong Kong Inland Revenue Ordinance, Installment HK is subject to 16.5% income tax on its taxable income generated from operations in Hong Kong. Additionally, payments of dividends by the subsidiaries incorporated in Hong Kong to the Company are not subject to any Hong Kong withholding tax. For operations in Hong Kong, the Company has incurred net accumulated operating losses for income tax purposes. The Group believes that it is more-likely-than-not that these net accumulated operating losses will not be utilized in the future. Therefore, the Group has provided full valuation allowance for the deferred tax assets arising from the losses in Hong Kong as of December 31, 2016 and June 30, 2017, respectively.

China

The Company's subsidiary, consolidated VIEs and subsidiaries of the VIEs established in the PRC are subject to statutory income tax at a rate of 25%.

Under the Enterprise Income Tax ("EIT") Law enacted by the National People's Congress of PRC on March 16, 2007 and its implementation rules which became effective on January 1, 2008, dividends generated after January 1, 2008 and payable by FIEs in the PRC to its foreign investors who are non-resident enterprises are subject to a 10% withholding tax, unless any such foreign investor's jurisdiction of incorporation has a tax treaty with the PRC that provides for a different withholding arrangement. Under the taxation arrangement between the PRC and Hong Kong, a qualified Hong Kong tax resident which is the "beneficial owner" and directly holds 25% or more of the equity interest in a PRC resident enterprise is entitled to a reduced withholding tax rate of 5%. The Cayman Islands, where the Company was incorporated, does not have a tax treaty with PRC.

The EIT Law includes a provision specifying that legal entities organized outside of the PRC will be considered resident enterprises for the PRC income tax purposes if the place of effective management or control is within the PRC. The implementation rules to the EIT Law provide that non-resident legal entities will be considered as PRC resident enterprises if substantial and overall management and control over the manufacturing and business operations, personnel, accounting, properties, etc., occurs within the PRC. Despite the present uncertainties resulting from the limited PRC tax guidance on the issue, the Group does not believe that the Group's entities organized outside of the PRC should be treated as resident enterprises for the PRC income tax purposes. If the PRC tax authorities subsequently determine that the Company and its subsidiary registered outside the PRC should be deemed resident enterprises, the Company and its subsidiary registered outside the PRC will

LEXINFINTECH HOLDINGS LTD.

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

11. TAXATION (Continued)

be subject to the PRC income tax, at a rate of 25%. The components of the Group's loss before income tax expense for each of interim period ends are as follows:

	For the Six Months Ended June 30,	
	2016	2017
	(RMB in thousands, except percentage)	
(Loss)/income before income tax expense	(109,850)	127,181
Loss from non-China operations	(1,599)	(8,332)
(Loss)/income from China operations	(108,251)	135,513
Income tax (benefit)/expense applicable to China operations	(6,777)	55,442
Effective tax rate for China operations	6.3%	40.9%

Uncertain Tax Position

The Group did not identify significant unrecognized tax benefits for the six months ended June 30, 2016 and 2017. The Group did not incur any interest related to unrecognized tax benefits, did not recognize any penalties as income tax expense and also does not anticipate any significant change in unrecognized tax benefits within 12 months from June 30, 2017.

12. CONVERTIBLE LOANS

In May 2016, the Group issued convertible loans in the aggregated principal amount of RMB654,680,000 (US$100,000,000) to four investors of the Group with compounding interest at 12% per annum, maturing two years after the issuance date. Pursuant to the convertible loans agreements, the holders of the convertible loans may (i) convert the outstanding principal of the convertible loans into a fixed percentage of the equity interest in Shenzhen Fenqile, one subsidiary of the Group's VIE, or (ii) convert the outstanding principal of the convertible loans into a fixed number of shares of Series C Convertible Redeemable Preferred Shares ("Series C Preferred Shares") of the Company at a conversion price of US$2.5105 per share. Accrued interests shall be waived if the investors elect to exercise any of the conversion options. Convertible loans in the principal amount of RMB98,202,000 (US$15,000,000) were issued by the Company (the "Convertible Loans A") and convertible loans in the principal amount of RMB556,478,000 (US$85,000,000) were issued by Shenzhen Fenqile (the "Convertible Loans B"). The issuance costs for the convertible loans were RMB11.3 million.

In conjunction with the issuance of the convertible loans, the Group entered into a Series C Preferred Shares purchase agreements with two Convertible Loans B investors and issued 1 share of Series C Preferred Shares to each of them for no consideration. The issuance of Series C Preferred Shares was to allow Convertible Loans B investors to exercise voting rights in the Company on an as-converted basis. No other rights of Series C Preferred Shares could be enjoyed by Convertible Loans B investors prior to the conversion of the Convertible Loans B.

LEXINFINTECH HOLDINGS LTD.

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

12. CONVERTIBLE LOANS (Continued)

Although the legal forms of the Convertible Loans B and the 2 shares of Series C Preferred Shares of the Company are two separate instruments held by Convertible Loans B investors, the Group considered these two instruments are in substance one combined instrument issued to Convertible Loans B investors, that is, convertible loans, which were initially measured at par under ASC 470 and subsequently stated at amortized cost with any difference between the initial carrying value and the principal amount as interest expenses using the effective interest method over the period from the issuance date to the maturity date. The 2 shares of Series C Preferred Shares were recorded at par and classified as mezzanine equity.

The investors for Convertible Loans B are entitled to down round protection if the Group issues additional equity interest in the future at a lower valuation. The protection will be provided through conversion price adjustments ("Conversion Price Adjustments") before the Convertible Loans B are converted or by issuing additional shares for free after the conversion of the loans into the equity interest of the VIE ("After Conversion Adjustments").

In the event of a lower valuation prior to the conversion of Convertible Loans B, the down round protection is provided in the form of Conversion Price Adjustment, which effectively resets the strike or conversion rate to the lower valuation. The Group considers the Conversion Price Adjustments are part of the conversion features that do not require bifurcation. The After Conversion Adjustments are considered as an embedded feature that requires bifurcation pursuant to criteria set forth under ASC 815. The Group determined the fair value of the After Conversion Adjustments was immaterial with the assistance from an independent valuation firm.

No Series C Preferred Shares of the Company were issued to Convertible Loans A investors, and the investors of Convertible Loans A are not entitled to the down round protection as discussed above.

13. CONVERTIBLE REDEEMABLE PREFERRED SHARES

In conjunction with the Group's 2014 Reorganization discussed in Note 1, in July 2014, the Group issued 38,602,941 Series A-1 Convertible Redeemable Preferred Shares ("Series A-1 Preferred Shares") for an aggregate purchase price of RMB5,250,000 (US$857,157) and 35,014,006 Series A-2 Convertible Redeemable Preferred Shares ("Series A-2 Preferred Shares") for an aggregate purchase price of RMB29,552,640 (US$4,800,000) (collectively, "Series A Preferred Shares").

Out of the total Series A-1 Preferred Shares, i) 11,374,158 Series A-1 Preferred Shares were issued for cash consideration of RMB1,500,000 (US$244,902); and ii) 27,228,783 Series A-1 Preferred Shares were converted from one shareholder loan with the principal amount of RMB3,750,000 (US$612,255).

Out of the total Series A-2 Preferred Shares, i) 14,589,169 Series A-2 Preferred Shares were converted from three shareholder loans with the principal amount of RMB12,313,600 (US$2,000,000); and ii) 20,424,837 Series A-2 Preferred Shares were issued for cash consideration of RMB17,239,040 (US$2,800,000). Subsequently, 4,376,751 Class A Ordinary Shares of the Company were redesignated into the same number of Series A-2 Preferred Shares.

At the same time, the Company issued 7,350,000 Class B Ordinary Shares (the "OS-B") for cash consideration of RMB1,000,000 (US$163,428).

LEXINFINTECH HOLDINGS LTD.

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

13. CONVERTIBLE REDEEMABLE PREFERRED SHARES (Continued)

In November 2014, the Group issued 4,119,294 Series B-1 Convertible Redeemable Preferred Shares ("Series B-1 Preferred Shares"), which were converted from two shareholder loans with the principal amount of RMB24,550,800 (US$4,000,000), and 40,266,106 Series B-2 Convertible Redeemable Preferred Shares ("Series B-2 Preferred Shares") for cash consideration of RMB282,334,200 (US$46,000,000) (collectively, "Series B Preferred Shares").

In March 2015, the Group also issued another 28,886,555 Series B-2 Preferred Shares for an aggregate purchase price of RMB203,240,400 (US$33,000,000). In May 2016, the Group issued 2 Series C Preferred Shares together with the issuance of Convertible Loans B to two investors of the Group for an aggregate purchase price of RMB556,478,000 (US$85,000,000). The Group also issued Convertible Loans A with an aggregate amount of RMB98,202,000 (US$15,000,000) to another two investors of the Group as discussed in Note 12.

The Series A-1, OS-B, A-2, B-1, B-2, C Preferred Shares are collectively referred to as the "Preferred Shares". All series of Preferred Shares have the same par value of US$0.0001 per share.

The Group determined that the Series A-1, OS-B, A-2, B-1, B-2 and C Preferred Shares should be classified as mezzanine equity upon their respective issuance since the Preferred Shares are contingently redeemable at any time on or after March 31, 2021 (May 25, 2020 for Series C Preferred Shares) from the issuance date in the event that a qualified initial public offering ("QIPO") has not occurred and the Preferred Shares have not been converted. The QIPO is defined as a public offering of ordinary shares of the Company (or securities representing such ordinary shares) registered under the Securities Act and with gross proceeds to the Company of at least US$180 million and an implied pre-money valuation of US$3,000 million or more, or in a similar public offering of ordinary shares in a jurisdiction and on an internationally recognized securities exchange or inter-dealer quotation system outside of the United States.

The major rights, preferences and privileges of the Preferred Shares are as follows:

Conversion rights

Each of the Preferred Shares is convertible, at the option of the holder, into the Company's ordinary shares at an initial conversion ratio of 1:1 at any time after the date of issuance of such Preferred Shares, subject to adjustments in the event of (i) share splits, share dividends, combinations, recapitalization and similar events, or (ii) issuance of ordinary shares (excluding certain events such as issuance of ordinary shares pursuant to a public offering) at a price per share less than the conversion price in effect on the date of or immediately prior to such issuance.

The Preferred Shares shall be automatically converted into ordinary shares immediately prior to the consummation of a QIPO.

Dividend Rights

The holders of Preferred Shares are entitled to receive non-cumulative dividends prior and in preference to any declaration or payment of any dividend on Class A Ordinary Shares carried at the rate of 8% of original issuance price per annum as and when declared by the board of directors.

LEXINFINTECH HOLDINGS LTD.

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

13. CONVERTIBLE REDEEMABLE PREFERRED SHARES (Continued)

After payment of such preferential dividends on Preferred Shares during any year, any further dividends or distribution distributed during such year shall be declared and paid ratably on the outstanding Preferred Shares (on an as-converted basis) and the ordinary shares.

No dividends on Preferred Shares and ordinary shares have been declared since the inception through June 30, 2017.

Liquidation preferences

In the event of any liquidation, dissolution or winding up of the Group, either voluntarily or involuntarily, the holders of Preferred Shares have preference over holders of ordinary shares with respect to payment of dividends and distribution of assets. Upon liquidation, Series C Preferred Shares shall rank senior to Series B Preferred Shares, Series B Preferred Shares shall rank senior to Series A-2 Preferred Shares, Series A-2 Preferred Shares shall rank senior to Series A-1 Preferred Shares and Class B Ordinary Shares, and Series A-1 Preferred Shares and Class B Ordinary Shares shall rank senior to ordinary shares.

The holders of Series C Preferred Shares shall be entitled to choose from receiving an amount equal to (i) 100% of the original issue price (as adjusted for any share splits, share dividends, combinations, recapitalizations and similar transactions) with respect to each Series C Preferred Shares on an as-converted basis, plus (ii) all dividends declared and unpaid with respect thereto (as adjusted for any share splits, share dividends, combinations, recapitalizations and similar transactions) per Series C Preferred Share, then held by such holder, plus (iii) simple annual interest calculated at 8% per annum on the original issue price with respect to each Series C Preferred Shares, annually calculated from the original issue date and up to and including the date of the liquidation event; or the repayment of the principal and accrued interest at 12% per annum of the Convertible Loans B (Note 12).

The holders of Series B Preferred Shares, Series A Preferred Shares and Class B Ordinary Shares shall be entitled to receive an amount equal to (i) 100% of the original issue price (as adjusted for any share splits, share dividends, combinations, recapitalizations and similar transactions) with respect to each Series B Preferred Share on an as-converted basis, plus (ii) all dividends declared and unpaid with respect thereto (as adjusted for any share splits, share dividends, combinations, recapitalizations and similar transactions) per share, then held by such holder.

After distribution or payment in full of the amount distributable or payable on the Series C Preferred Shares, Series B Preferred Shares, Series A Preferred Shares and Class B Ordinary Shares, the remaining assets of the Company available for distribution to members shall be distributed ratably among the holders of outstanding ordinary shares and the holders of outstanding Preferred Shares in proportion to the number of outstanding ordinary shares held by them (on an as-converted basis).

Voting rights

The holder of each ordinary share issued and outstanding has one vote for each ordinary share held and the holder of each Preferred Shares (except Series C Preferred Shares) has the number of votes as equals to the number of ordinary shares then issuable upon their conversion into ordinary

LEXINFINTECH HOLDINGS LTD.

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

13. CONVERTIBLE REDEEMABLE PREFERRED SHARES (Continued)

shares. The holders of the Preferred Shares shall vote together with the holders of ordinary shares on all matters submitted to a vote of the shareholders of the Company and not as a separate class.

Redemption rights

At any time on or after March 13, 2021, for Series A Preferred Shares, Class B Ordinary Shares and Series B Preferred Shares, if requested by a majority holders of the respective series of Preferred Shares then outstanding, the Group shall redeem all of the respective outstanding Preferred Shares in that series. The redemption prices shall be the sum of (i) the original issue price; (ii) all dividends declared and unpaid; and (iii) annual interest calculated at 10% per annum on the original issue price, compounded annually.

At any time on or after May 25, 2020, for Series C Preferred Shares, if requested by a majority holders of the shares then outstanding, the Group shall redeem all of the respective outstanding Series C Preferred Shares. The redemption prices shall be the sum of (i) the original issue price; (ii) all dividends declared and unpaid; and (iii) an interest calculated at 12% per annum on the original PS-C issue price, compounded annually. The holder of Series C Preferred Shares shall not receive any redemption price prior to the conversion of the Convertible Loans B into Series C Preferred Shares.

The Group accretes changes in the redemption value over the period from the date of issuance of the Preferred Shares to their respective earliest redemption date using effective interest method. Changes in the redemption value are considered to be changes in accounting estimates. The accretion will be recorded against retained earnings, or in the absence of retained earnings, by charges against additional paid-in capital. Once additional paid-in capital has been exhausted, additional charges should be recorded by increasing the accumulated deficit.

Accounting of Preferred Shares except Series C Preferred Shares

Except for Series C Preferred Shares which are discussed in Note 12, the Group records accretion on the Preferred Shares, where applicable, to the redemption value from the issuance dates to the earliest redemption dates. The accretion of Preferred Shares was RMB30.5 million and RMB33.4 million for the six months ended June 30, 2016 and 2017, respectively. The Preferred Shares are recorded initially at fair value, net of issuance costs. The issuance costs for Series A and Series B Preferred Shares were RMB0.3 million and RMB6.4 million, respectively.

The Group determined that the embedded conversion features and the redemption features do not require bifurcation as they either are clearly and closely related to the Preferred Shares or do not meet the definition of a derivative.

The Group has determined that there was no embedded beneficial conversion feature attributable to the Preferred Shares other than Series A Preferred Shares. The amount of the embedded beneficial conversion feature of Series A Preferred Shares recognized by the Group was RMB4.6 million (US$0.8 million) at the issuance date. In making this determination, the Group compared the initial effective conversion prices of the Preferred Shares and the fair values of the Group's ordinary shares determined by the Group at the issuance dates. Except for Series A Preferred Shares, the initial effective conversion prices were greater than the fair values of the ordinary shares to which the Preferred Shares are convertible into at the issuance dates. To the extent a conversion price adjustment

LEXINFINTECH HOLDINGS LTD.

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

13. CONVERTIBLE REDEEMABLE PREFERRED SHARES (Continued)

occurs, as described above, the Group will reevaluate whether or not a beneficial conversion feature should be recognized.

The Group's Preferred Shares activities for the six months ended June 30, 2016 and 2017 are summarized below:

	Series A-1 Preferred Shares		Class B Ordinary Shares		Series A-2 Preferred Shares		Series B-1 Preferred Shares		Series B-2 Preferred Shares		Series C Preferred Shares	
	No. of shares	Amount in RMB	No. of shares	Amount in RMB	No. of shares	Amount in RMB	No. of shares	Amount in RMB	No. of shares	Amount in RMB	No. of shares	Amount in RMB
Balances as of December 31, 2015	**38,602,941**	**13,797,276**	**7,350,000**	**1,191,268**	**39,390,757**	**38,122,607**	**4,119,294**	**26,935,325**	**69,152,661**	**528,467,734**	**—**	**—**
Issuance of Preferred Shares	—	—	—	—	—	—	—	—	—	—	2	*
Preferred Shares redemption value accretion	—	328,778	—	61,190	—	1,760,470	—	1,449,362	—	26,915,529	—	—
Repurchase of Preferred Shares	—	—	—	—	—	—	—	—	(5,377,415)	(45,243,745)	—	—
Balances as of June 30, 2016	**38,602,941**	**14,126,054**	**7,350,000**	**1,252,458**	**39,390,757**	**39,883,077**	**4,119,294**	**28,384,687**	**63,775,246**	**510,139,518**	**2**	*****
Balances as of December 31, 2016	**38,602,941**	**14,484,875**	**7,350,000**	**1,318,578**	**39,390,757**	**41,809,759**	**4,119,294**	**29,970,441**	**63,775,246**	**537,985,682**	**2**	*****
Preferred Shares redemption value accretion	—	377,398	—	69,605	—	2,026,368	—	1,666,063	—	29,264,888	—	—
Balances as of June 30, 2017	**38,602,941**	**14,862,273**	**7,350,000**	**1,388,183**	**39,390,757**	**43,836,127**	**4,119,294**	**31,636,504**	**63,775,246**	**567,250,570**	**2**	*****

* Less than 1.

In May 2016, the Group repurchased 5,377,415 Series B-2 Preferred Shares from one of preferred shareholders with a total repurchase price of RMB87,922,800 (US$13,500,000). The difference of the repurchase price and the carrying amount of Series B-2 Preferred Shares, of RMB42,679,055, is accounted for as deemed dividend to the preferred shareholder.

14. NET (LOSS)/INCOME PER SHARE

Basic net (loss)/income per share is the amount of net (loss)/income available to each share of ordinary shares outstanding during the reporting period. Diluted net (loss)/income per share is the amount of net (loss)/income available to each share of ordinary shares outstanding during the reporting period adjusted to include the effect of potentially dilutive ordinary shares. For the six months ended June 30, 2016 and 2017, options to purchase ordinary shares that were anti-dilutive and excluded from the calculation of diluted net (loss)/income per share were 20,723,401 and 26,147,938 shares on a weighted average basis. For the six months ended June 2016 and 2017, the Series A-1 Preferred Shares, Class B Ordinary Shares, Series A-2 Preferred Shares, Series B-1 Preferred Shares, Series B-2 Preferred Shares, Series C Preferred Shares and convertible loans convertible into ordinary shares that were also anti-dilutive and excluded from the calculation of diluted net (loss)/income per share of the Company were 164,840,060 shares and 193,070,940 shares on a weighted average basis.

LEXINFINTECH HOLDINGS LTD.

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

14. NET (LOSS)/INCOME PER SHARE (Continued)

The following table sets forth the computation of basic and diluted net (loss)/income per share for the periods indicated:

	For the Six Months Ended June 30,	
	2016	2017
	(RMB in thousands, except share and per share data)	
Basic and diluted net (loss)/income per share calculation:		
Numerator:		
Net (loss)/income	(103,073)	71,739
Accretion on Series A-1 Preferred Shares redemption value	(329)	(377)
Accretion on Class B Ordinary Shares redemption value	(61)	(70)
Accretion on Series A-2 Preferred Shares redemption value	(1,760)	(2,026)
Accretion on Series B-1 Preferred Shares redemption value	(1,449)	(1,666)
Accretion on Series B-2 Preferred Shares redemption value	(26,916)	(29,265)
Income allocation to participating preferred shares	—	(38,335)
Deemed dividend to a preferred shareholder	(42,679)	—
Net (loss)/income attributable to ordinary shareholders	(176,267)	—
Denominator:		
Weighted average ordinary shares outstanding—basic	110,647,199	110,647,199
Weighted average ordinary shares outstanding—diluted	110,647,199	110,647,199
Basic net (loss)/income per share attributable to ordinary shareholders	(1.59)	—
Diluted net (loss)/income per share attributable to ordinary shareholders	(1.59)	—

15. EMPLOYEE BENEFIT PLAN

Full-time employees of the Group in the PRC are entitled to welfare benefits including pension insurance, medical insurance, unemployment insurance, maternity insurance, on-the-job injury insurance, and housing fund plans through a PRC government-mandated defined contribution plan. Chinese labor regulations require that the Group makes contributions to the government for these benefits based on certain percentages of the employees' salaries, up to a maximum amount specified by the local government. The Group has no legal obligation for the benefits beyond the contributions.

Total contributions by the Group for such employee benefits were RMB20.9 million and RMB33.6 million for the six months ended June 30, 2016 and 2017, respectively.

16. STATUTORY RESERVES AND RESTRICTED NET ASSETS

In accordance with the PRC laws and regulations, the Company's PRC subsidiary registered as wholly foreign-owned enterprise is required to make appropriation to certain reserve funds, namely general reserve fund, enterprise expansion fund, and staff bonus and welfare fund, all of which are appropriated from the subsidiary's annual after-tax profits as reported under the accounting principles generally accepted in the PRC ("PRC GAAP"). The appropriation must be at least 10% of the annual after-tax profits to the general reserve fund until such reserve fund has reached 50% of the subsidiary's registered capital.

LEXINFINTECH HOLDINGS LTD.

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

16. STATUTORY RESERVES AND RESTRICTED NET ASSETS (Continued)

Additionally, in accordance with the PRC Company Laws, a domestic company is required to provide statutory surplus fund at least 10% of its annual after-tax profits as reported under the PRC GAAP until such statutory surplus fund has reached 50% of its registered capital. A domestic company is also required to provide discretionary surplus fund, at the discretion of the board of directors, from its annual after-tax profits as reported under the PRC GAAP. The aforementioned reserve funds can only be used for specific purposes and are not distributable as cash dividends.

As a result of the PRC laws and regulations and the requirement that distributions by the PRC entity can only be paid out of distributable profits computed in accordance with the PRC GAAP, the PRC entity is restricted from transferring a portion of its net assets to the Company. Amounts restricted include paid-in capital, additional paid-in capital and statutory reserves of the Company's PRC entities. As of December 31, 2016 and June 30, 2017, the aggregated amounts of paid-in capital, additional paid-in capital and statutory reserves represented the amount of net assets of the relevant PRC entities in the Group not available for distribution amounted to RMB339.4 million and RMB703.6 million, respectively (including RMB2.0 million and RMB2.0 million statutory surplus fund as of December 31, 2016 and June 30, 2017, respectively). There were no appropriations to these reserves by the Group's PRC entities for the six months ended June 30, 2016 and 2017.

17. SHARE-BASED COMPENSATION

Share-based compensation was recognized in operating cost and expenses for the six months ended June 30, 2016 and 2017 as follows:

	For the Six Months Ended June 30,	
	2016	2017
	(RMB in thousands)	
Processing and servicing cost	587	2,321
Sales and marketing expenses	1,940	2,468
Research and development expenses	2,205	7,786
General and administrative expenses	3,852	22,115
Total share-based compensation expenses	**8,584**	**34,690**

The Group recognizes share-based compensation, net of estimated forfeitures, on a straight-line basis over the vesting term of the awards. There was no income tax benefit recognized in the Unaudited Interim Condensed Consolidated Statements of Operations for share-based compensation and the Group did not capitalize any of the share-based compensation as part of the cost of any asset in the six months ended June 30, 2016 and 2017.

Stock options

In September 2014, the Group adopted its Share Incentive Plan (the "2014 Plan"), which permits the grant of options, restricted shares and restricted share units of the Company to employees, directors and other eligible persons of the Company and its affiliates. Under the plan, the maximum

LEXINFINTECH HOLDINGS LTD.

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

17. SHARE-BASED COMPENSATION (Continued)

number of Class A Ordinary Shares that may be delivered will not exceed a total of 20,220,588 shares in the aggregate. In August 2015, the Company's shareholders approved to newly reserve an additional of 15,235,971 Class A Ordinary Shares for future issuance. Option awards are granted with an exercise price determined by the board of directors. Those option awards generally vest over a period of four years and expire in ten years.

The following table sets forth a summary of the number of shares available for issuance:

	Shares Available (In thousands)
December 31, 2015	**11,217**
Granted	(1,905)
Cancelled/forfeited/repurchased	—
June 30, 2016	**9,312**
December 31, 2016	**6,357**
Granted	(3,890)
Cancelled/forfeited/repurchased	850
June 30, 2017	**3,317**

The following table sets forth the summary of option activities under the 2014 Plan:

	Options Outstanding (In thousands)	Weighted Average Exercise Price US$	Weighted Average Remaining Contractual Life (In years)	Aggregate Intrinsic Value (RMB in thousands)
December 31, 2015	**24,240**	**0.0001**	**9.11**	**178,676**
Granted	1,905	0.0001		
Exercised	—	—		
Cancelled/forfeited/repurchased	—	—		
June 30, 2016	**26,145**	**0.0001**	**8.70**	**415,128**
December 31, 2016	**29,100**	**0.0001**	**8.41**	**737,880**
Granted	3,890	0.0001		
Exercised	—	—		
Cancelled/forfeited/repurchased	(850)	0.0001		
June 30, 2017	**32,140**	**0.0001**	**8.13**	**1,120,304**
Vested and expected to vest as of June 30, 2016	26,145	0.0001	8.70	415,128
Exercisable as of June 30, 2016	8,410	0.0001	8.40	133,533
Vested and expected to vest as of June 30, 2017	32,140	0.0001	8.13	1,120,304
Exercisable as of June 30, 2017	13,138	0.0001	7.52	491,048

LEXINFINTECH HOLDINGS LTD.

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

17. SHARE-BASED COMPENSATION (Continued)

The weighted average grant date fair value of options granted for the six months ended June 30, 2016 and 2017 was RMB12.3 (US$1.9) and RMB31.3 (US$4.6) per share, respectively.

No options were exercised for the six months ended June 30, 2016 and 2017.

As of December 31, 2016 and June 30, 2017, the unrecognized compensation cost, adjusted for estimated forfeitures, related to non-vested stock options granted to the Group's employees and directors as of June 30, 2017 was RMB122.3 million and RMB211.2 million, respectively. Total unrecognized compensation cost is expected to be recognized over a weighted-average period of 3.3 years and may be adjusted for future changes in estimated forfeitures.

18. COMMITMENTS AND CONTINGENCIES

Operating lease commitments

The Group leases certain office premises under non-cancelable leases. Rental expenses under operating leases for the six months ended June 30, 2016 and 2017 were RMB9.2 million and RMB19.9 million, respectively.

Future minimum lease payments under non-cancelable operating leases agreements are as follows:

	RMB in thousands
Remainder of 2017	22,057
2018	38,368
2019	34,330
2020	27,772
2021	16,816
2022 and thereafter	—

Debt Obligations

The Group's debt obligations are associated with 1) the Funding Debts and interest payable to Individual Investors on *Juzi Lica*i and certain Institutional Funding Partners, and ABS securities issued in connection with securitization of certain financial assets; 2) the borrowings from financial institutions to support the Group's general operations; 3) the issuance of convertible loans bearing compounding interest rates of 12% per annum.

LEXINFINTECH HOLDINGS LTD.

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

18. COMMITMENTS AND CONTINGENCIES (Continued)

The expected repayment amount of the debt obligations are as follows:

	Less than 1 year	1 - 2 years	2 - 3 years	Total
		(RMB in thousands)		
Funding Debts obligations				
Liabilities to Individual Investors—*Juzi Licai*	8,118,771	—	—	8,118,771
Liabilities to Institutional Funding Partners	1,412,338	32,277	—	1,444,615
Assets-backed securitized debts	3,444	—	—	3,444
Interest payments[(i)]	320,901	831	—	321,732
Total Funding Debts obligations	**9,855,454**	**33,108**	**—**	**9,888,562**
Short-term and long-term borrowings	114,898	1,145	—	116,043
Interest payments[(i)]	3,445	30	—	3,475
Total short-term and long-term borrowings obligations	**118,343**	**1,175**	**—**	**119,518**
Convertible loans	658,094	—	—	658,094
Interest payments[(i)]	157,943	—	—	157,943
Total convertible loans obligations	**816,037**	**—**	**—**	**816,037**

(i) Interest payments with variable interest rates are calculated using the interest rate as of June 30, 2017.

19. SUBSEQUENT EVENTS

In July 2017, the Group established a quality assurance program with the purposes of providing make-up payments to Individual Investors on *Juzi Licai* when Customers fail to satisfy their principal or interest repayment obligations. The Group is in the process of assessing the accounting treatment of the quality assurance program.

In September 2017, the Company granted up to 881,000 options to its employees and one non-employee consultant under the 2014 Plan with an exercise price of US$0.0001.

In October 2017, in connection with the exercise of the conversion options of the convertible loans issued in May 2016 by the investors, the Group issued 5,974,905 Series C-2 Convertible Redeemable Preferred Shares ("Series C-2 Preferred Shares") to Convertible Loans A investors and 33,857,797 Series C-1 Convertible Redeemable Preferred Shares ("Series C-1 Preferred Shares") to Convertible Loans B investors. The accrued but unpaid convertible loans interests were waived by the investors upon the conversion of the convertible loans.

In October 2017, the Group adopted a new Share Incentive Plan (the "2017 Plan") which permits the grant of options, restricted shares and restricted share units of the Company to employees, directors and other eligible persons of the Company and its affiliates. The Group planned to no longer grant share-based awards under the 2014 Plan and all future share-based shares will be granted under its 2017 Plan. Under the 2017 Plan, the maximum number of Class A Ordinary Shares that may be delivered will not exceed a total of 22,859,634 shares in the aggregate.

LEXINFINTECH HOLDINGS LTD.

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

19. SUBSEQUENT EVENTS (Continued)

In October 2017, written resolutions were passed by the board of directors of the Company and its shareholders, pursuant to which, below major matters have been approved by the board of directors and its shareholders:

(1) The Group will adopt a dual-class share structure, consisting of Class A ordinary shares and Class B ordinary shares, which will become effective immediately prior to the completion of this public offering. Immediately prior to the completion of this public offering, i) all of the Group's issued and outstanding Class A Ordinary Shares will be automatically re-designated as Class B ordinary shares on a one-for-one basis; ii) all of the Group's issued and outstanding Series A-1 Preferred Shares, Class B Ordinary Shares, Series A-2 Preferred Shares, Series B-1 Preferred Shares, Series B-2 Preferred Shares, Series C-1 Preferred Shares, and Series C-2 Preferred Shares will be automatically converted and re-designated as Class A ordinary shares on a one-for-one basis. The holders of Class A ordinary shares will be entitled to one vote per share in respect of matters requiring the votes of shareholders, while holders of Class B ordinary shares will be entitled to ten votes per share.

(2) The authorized share capital will be increased from US$50,000 divided into 500,000,000 shares of par value of US$0.0001 each, to US$500,000 divided into 5,000,000,000 shares of par value of US$0.0001 each, of which (i) 4,889,352,801 shall be designated as Class A ordinary shares; and (ii) 110,647,199 shall be designated as Class B ordinary shares, by the creation of an additional 4,500,000,000 Class A ordinary shares each to rank pari passu in all respects with the existing Class A Ordinary Shares (the "Increase of Authorized Share Capital").

(3) Immediately following the completion of the Increase of Authorized Share Capital above, 3,000,000 Class A Ordinary Shares which are authorized but unissued immediately prior to the completion of the IPO will be re-classified as undesignated shares, such shares to be of such class or classes (however designated) as the board of directors may determine in accordance with the Sixth Amended and Restated Memorandum and Articles of Association ("Post-IPO M&A") (the "Reserved Shares"), such that, following such re-classification and re-designation above, the authorized share capital of the Company shall be US$500,000 divided into 5,000,000,000 shares of par value of US$0.0001 each, of which (i) 1,889,352,801 shall be designated as Class A ordinary shares; (ii) 110,647,199 shall be designated as Class B ordinary shares; and (iii) 3,000,000,000 shall be designated as Reserved Shares, with such rights preferences and privileges set forth in the Post-IPO M&A to be adopted by the shareholders' resolutions.

20. UNAUDITED PRO FORMA INFORMATION

Pursuant to the Company's memorandum and articles of association, the Company's Preferred Shares and the convertible loans will be automatically converted into ordinary shares upon a QIPO. Unaudited pro forma shareholders' equity as of June 30, 2017, as adjusted for the reclassification of the related Preferred Shares from mezzanine equity to shareholders' equity and convertible loans from liabilities to shareholders' equity is shown in the unaudited pro forma consolidated balance sheets.

LEXINFINTECH HOLDINGS LTD.

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

20. UNAUDITED PRO FORMA INFORMATION (Continued)

Unaudited pro forma basic and diluted net income per ordinary share reflects the effect of the conversion of Preferred Shares and convertible loans as follows, as if the conversion occurred as of the beginning of the period or the original date of issuance, if later.

	For the Six Months Ended June 30, 2017 (RMB in thousands, except share and per share data)
Numerator:	
Net income attributable to ordinary shareholders	—
Preferred shares redemption value accretion reversed	33,404
Income allocation to participating preferred shares reversed	38,335
Interest expense and amortized issuance cost of convertible loans reversed	43,152
Numerator for pro forma basic and diluted net income per share	114,891
Denominator:	
Weighted average number of ordinary shares used in calculating pro forma diluted net income per share	303,718,139
Weighted average number of ordinary shares used in calculating pro forma diluted net income per share	329,866,077
Pro forma basic net income per share	0.38
Pro forma diluted net income per share	0.35

PART II
INFORMATION NOT REQUIRED IN PROSPECTUS

ITEM 6. INDEMNIFICATION OF DIRECTORS AND OFFICERS.

Cayman Islands law does not limit the extent to which a company's articles of association may provide for indemnification of officers and directors, except to the extent any such provision may be held by the Cayman Islands courts to be contrary to public policy, such as to provide indemnification against civil fraud or the consequences of committing a crime.

The post-offering amended and restated memorandum and articles of association that we expect to adopt and to become effective immediately prior to the completion of this offering provide that we shall indemnify our directors and officers (each an indemnified person) against all actions, proceedings, costs, charges, expenses, losses, damages or liabilities incurred or sustained by such indemnified person, other than by reason of such person's own dishonesty, willful default or fraud, in or about the conduct of our company's business or affairs (including as a result of any mistake of judgment) or in the execution or discharge of his duties, powers, authorities or discretions, including without prejudice to the generality of the foregoing, any costs, expenses, losses or liabilities incurred by such indemnified person in defending (whether successfully or otherwise) any civil proceedings concerning our company or its affairs in any court whether in the Cayman Islands or elsewhere.

Pursuant to the indemnification agreements the form of which is filed as Exhibit 10.4 to this registration statement, we agree to indemnify our directors and executive officers against certain liabilities and expenses incurred by such persons in connection with claims made by reason of their being such a director or officer.

The underwriting agreement, the form of which will be filed as Exhibit 1.1 to this registration statement, will also provide for indemnification of us and our officers and directors for certain liabilities.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers or persons controlling us pursuant to the foregoing provisions, we have been informed that in the opinion of the SEC such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

ITEM 7. RECENT SALES OF UNREGISTERED SECURITIES.

During the past three years, we have issued the following securities. We believe that each of the following issuances was exempt from registration under the Securities Act in reliance on Section 4(a)(2) of the Securities Act regarding transactions involving a public offering or in reliance on Regulation S under the Securities Act regarding sales by an issuer in offshore transactions. No underwriters were involved in these issuances of securities.

Purchaser	Date of Sale or Issuance	Number of Securities	Consideration
Series A-1 Preferred Shares			
K2 Evergreen Partners Limited	July 18, 2014	11,029,412	US$0.244902 million
K2 Partners II Limited	July 18, 2014	27,573,529	US$0.612255 million
Series A-2 Preferred Shares			
Matrix Partners China III Hong Kong Limited	July 18, 2014	29,178,338	US$4.0 million
K2 Partners II Limited	July 18, 2014	5,835,668	US$0.80 million
Tenzing Holdings Hong Kong Limited.	May 26, 2016	4,376,751(1)	
Series B-1 Preferred Shares			
Matrix Partners China III Hong Kong Limited	November 10, 2014	2,059,647	US$2 million
K2 Partners II Limited	November 10, 2014	2,059,647	US$2 million
Series B-2 Preferred Shares			
Apoletto Asia Ltd	November 10, 2014	23,634,454	US$27 million
BAI GmbH	November 10, 2014	8,753,501	US$10 million
Matrix Partners China III Hong Kong Limited	November 10, 2014	5,252,101	US$6 million
Huaxing Capital Partners, L.P.	November 10, 2014	2,626,050	US$3 million
JD.com Asia Pacific Investment Limited	March 13, 2015	28,886,555	US$33 million
Series C Preferred Shares(2)			
Magic Peak Investments Limited.	May 26, 2016	1	nil
CR High Growth I, L.P.	May 26, 2016	1	nil
Series C-1 Preferred Shares			
Magic Peak Investments Limited	October 23,2017	19,916,351(3)	US$49.4 million
Shanghai Huasheng Lingfei Equity Investment (Limited Partnership)	October 23,2017	13,941,446	RMB 229,138,000 (US$33.8 million)
Series C-2 Preferred Shares			
CoBuilder Partners Venture Fund L.P.	October 23,2017	1,991,635	US$5 million
HeYi Holdings L.P.	October 23,2017	3,983,270	US$10 million
Ordinary Shares			
Officers and employees as a group	From September 16, 2014 to September 30, 2017	Outstanding options to purchase 32,806,000 ordinary shares as of September 30, 2017	Exercise price of US$0.0001

(1) Re-designated from class C ordinary shares originally issued to Tenzing Holdings 2011 Ltd. in July 18, 2014 to series A-2 preferred share in September 17, 2014.

(2) In connection with the series C financing of the Company and the issuance of convertible loans in the principal amount of US$85 million by Shenzhen Fenqile, we entered into a series C preferred shares purchase agreements with the Magic Peak Investments Limited and CR High Growth I, L.P. and issued one series C preferred share to each of them for no consideration. The issuance of series C preferred share was to allow these two investors to exercise voting rights in the Company on an as-if converted basis. See also "Management's Discussion and Analysis of Financial Condition and Results Of Operations—Liquidity and Capital Resources." In connection with the conversion of the outstanding principal of the convertible loans into the equity interest of our company, we repurchased and subsequently cancelled one C preferred shares from CR High Growth I, L.P., and re-designated and re-classified one series C preferred share held by Magic Peak Investments Limited as one series C-1 preferred share.

(3) Include one series C-1 preferred share re-designated and re-classified from the one series C preferred share held by Magic Peak Investments Limited.

ITEM 8. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES.

(a) Exhibits

See Exhibit Index beginning on page II-4 of this registration statement.

The agreements included as exhibits to this registration statement contain representations and warranties by each of the parties to the applicable agreement. These representations and warranties were made solely for the benefit of the other parties to the applicable agreement and (i) were not intended to be treated as categorical statements of fact, but rather as a way of allocating the risk to

one of the parties if those statements prove to be inaccurate; (ii) may have been qualified in such agreement by disclosure that was made to the other party in connection with the negotiation of the applicable agreement; (iii) may apply contract standards of "materiality" that are different from "materiality" under the applicable securities laws; and (iv) were made only as of the date of the applicable agreement or such other date or dates as may be specified in the agreement.

We acknowledge that, notwithstanding the inclusion of the foregoing cautionary statements, we are responsible for considering whether additional specific disclosure of material information regarding material contractual provisions is required to make the statements in this registration statement not misleading.

(b) Financial Statement Schedules

Schedules have been omitted because the information required to be set forth therein is not applicable or is shown in the Consolidated Financial Statements or the Notes thereto.

ITEM 9. UNDERTAKINGS.

The undersigned registrant hereby undertakes to provide to the underwriter at the closing specified in the ajs, certificates in such denominations and registered in such names as required by the underwriter to permit prompt delivery to each purchaser.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the registrant pursuant to the provisions described in Item 6, or otherwise, the registrant has been advised that in the opinion of the SEC such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

The undersigned registrant hereby undertakes that:

(1) For purposes of determining any liability under the Securities Act, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.

(2) For the purpose of determining any liability under the Securities Act, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

LEXINFINTECH HOLDINGS LTD.

EXHIBIT INDEX

Exhibit Number	Description of Document
1.1*	Form of Underwriting Agreement
3.1	Fifth Amended and Restated Memorandum and Articles of Association of the Registrant, as currently in effect
3.2	Sixth Amended and Restated Memorandum and Articles of Association of the Registrant, effective upon the completion of this offering
4.1*	Registrant's Specimen American Depositary Receipt (included in Exhibit 4.3)
4.2*	Registrant's Specimen Certificate for Ordinary Shares
4.3*	Form of Deposit Agreement, among the Registrant, the depositary and holder of the American Depositary Receipts
4.4	Fourth Amended and Restated Shareholders Agreement dated October 21, 2017 between the Registrant and other parties thereto
5.1*	Opinion of Maples and Calder (Hong Kong) LLP regarding the validity of the ordinary shares being registered and certain Cayman Islands tax matters
8.1*	Opinion of Maples and Calder (Hong Kong) LLP regarding certain Cayman Islands tax matters (included in Exhibit 5.1)
8.2*	Opinion of Beijing Shihui Law Firm regarding certain PRC tax matters (included in Exhibit 99.2)
10.1	Share Incentive Plan, as amended
10.2	The 2017 Share Incentive Plan of the Registrant
10.3	Form of Employment Agreement between the Registrant and its executive officers
10.4	Form of Indemnification Agreement between the Registrant and its directors and executive officers
10.5	English translation of Exclusive Business Cooperation Agreement between Beijing Shijitong Technology Co., Ltd. and Shenzhen Fenqile Network Technology Co., Ltd. dated November 4, 2014
10.6	English translation of Exclusive Option Agreement among Beijing Shijitong Technology Co., Ltd., Shenzhen Fenqile Network Technology Co., Ltd. and shareholders of Shenzhen Fenqile Network Technology Co., Ltd. dated March 1, 2016
10.7	English translation of Equity Pledge Agreement among Beijing Shijitong Technology Co., Ltd., Shenzhen Fenqile Network Technology Co., Ltd. and shareholders of Shenzhen Fenqile Network Technology Co., Ltd. dated March 1, 2016
10.8	English translation of the Power of Attorney by the shareholders of Shenzhen Fenqile Network Technology Co., Ltd. dated March 1, 2016
10.9	English translation of Exclusive Business Cooperation Agreement between Beijing Shijitong Technology Co., Ltd. and Beijing Lejiaxin Network Technology Co., Ltd. dated July 18, 2014
10.10	English translation of Exclusive Option Agreement among Beijing Shijitong Technology Co., Ltd., Beijing Lejiaxin Network Technology Co., Ltd. and shareholders of Beijing Lejiaxin Network Technology Co., Ltd. dated July 18, 2014

Exhibit Number	Description of Document
10.11	English translation of Equity Pledge Agreement among Beijing Shijitong Technology Co., Ltd., Beijing Lejiaxin Network Technology Co., Ltd. and shareholders of Beijing Lejiaxin Network Technology Co., Ltd. dated July 18, 2014
10.12	English translation of the Power of Attorney by the shareholders of Beijing Lejiaxin Network Technology Co., Ltd. dated July 18, 2014
10.13	English translation of Exclusive Business Cooperation Agreement between Beijing Shijitong Technology Co., Ltd. and Shenzhen Xinjie Investment Co., Ltd. dated December 22, 2015
10.14	English translation of Exclusive Option Agreement among Beijing Shijitong Technology Co., Ltd., Shenzhen Xinjie Investment Co., Ltd. and shareholders of Shenzhen Xinjie Investment Co., Ltd. dated March 10, 2017
10.15	English translation of Equity Pledge Agreement among Beijing Shijitong Technology Co., Ltd., Shenzhen Xinjie Investment Co., Ltd. and shareholders of Shenzhen Xinjie Investment Co., Ltd. dated March 10, 2017, and its Supplementary Agreement dated May 10, 2017
10.16	English translation of Power of Attorney by the shareholders of Shenzhen Xinjie Investment Co., Ltd. dated March 10, 2017
10.17	English translation of Loan Agreement among Beijing Shijitong Technology Co., Ltd. and shareholders of Shenzhen Xinjie Investment Co., Ltd. dated May 10, 2017
10.18	English translation of Exclusive Business Cooperation Agreement between Beijing Shijitong Technology Co., Ltd. and Shenzhen Qianhai Dingsheng Asset Management Co., Ltd. dated January 13, 2016
10.19	English translation of Exclusive Option Agreement among Beijing Shijitong Technology Co., Ltd., Shenzhen Qianhai Dingsheng Asset Management Co., Ltd. and shareholders of Shenzhen Qianhai Dingsheng Asset Management Co., Ltd. dated March 9, 2017
10.20	English translation of Equity Pledge Agreement among Beijing Shijitong Technology Co., Ltd., Shenzhen Qianhai Dingsheng Asset Management Co., Ltd. and shareholders of Shenzhen Qianhai Dingsheng Asset Management Co., Ltd. dated March 9, 2017, and its Supplementary Agreement dated April 13, 2017
10.21	English translation of Power of Attorney by the shareholders of Shenzhen Qianhai Dingsheng Asset Management Co., Ltd. dated March 9, 2017
10.22	English translation of Loan Agreement among Beijing Shijitong Technology Co., Ltd. and shareholders of Qianhai Dingsheng Asset Management Co., Ltd. dated April 13, 2017
10.23†	English translation of Agreement of Long-Term Sales of Goods between Shenzhen Fenqile Trade Co., Ltd. and Guangzhou Jingdong Trade Co., Ltd. dated May 1, 2017
21.1	Principal subsidiaries, consolidated affiliated entities and subsidiaries of consolidated affiliated entities of the Registrant
23.1*	Consent of PricewaterhouseCoopers Zhong Tian LLP, an independent registered public accounting firm
23.2*	Consent of Maples and Calder (Hong Kong) LLP (included in Exhibit 5.1)
23.3*	Consent of Beijing Shihui Law Firm (included in Exhibit 99.2)
24.1*	Powers of Attorney (included on signature page)
99.1	Code of Business Conduct and Ethics of the Registrant

Exhibit Number	Description of Document
99.2*	Opinion of Beijing Shihui Law Firm regarding certain PRC law matters
99.3*	Consent of Oliver Wyman Consulting (Shanghai) Limited
99.4	Consent of Mr. Wei Wu

* To be filed by amendment.

† Previously filed.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form F-1 and has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in Shenzhen, China, on, 2017.

LexinFintech Holdings Ltd.

By: _____

Name: Jay Wenjie Xiao
Title: Chief Executive Officer and Director

POWER OF ATTORNEY

Each person whose signature appears below constitutes and appoints each of Jay Wenjie Xiao and Craig Yan Zeng as attorneys-in-fact with full power of substitution for him or her in any and all capacities to do any and all acts and all things and to execute any and all instruments which said attorney and agent may deem necessary or desirable to enable the registrant to comply with the Securities Act of 1933, as amended (the "Securities Act"), and any rules, regulations and requirements of the Securities and Exchange Commission thereunder, in connection with the registration under the Securities Act of ordinary shares of the registrant (the "Shares"), including, without limitation, the power and authority to sign the name of each of the undersigned in the capacities indicated below to the Registration Statement on Form F-1 (the "Registration Statement") to be filed with the Securities and Exchange Commission with respect to such Shares, to any and all amendments or supplements to such Registration Statement, whether such amendments or supplements are filed before or after the effective date of such Registration Statement, to any related Registration Statement filed pursuant to Rule 462(b) under the Securities Act, and to any and all instruments or documents filed as part of or in connection with such Registration Statement or any and all amendments thereto, whether such amendments are filed before or after the effective date of such Registration Statement; and each of the undersigned hereby ratifies and confirms all that such attorney and agent shall do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, as amended, this Registration Statement has been signed by the following persons in the capacities and on the dates indicated.

Signature	Title	Date
Jay Wenjie Xiao	Chief Executive Officer and Director (Principal Executive Officer)	, 2017
Keyi Chen	Director	, 2017
Yibo Shao	Director	, 2017
Jared Yi Wu	Director	, 2017
Craig Yan Zeng	Chief Financial Officer (Principal Financial and Accounting Officer)	, 2017

SIGNATURE OF AUTHORIZED REPRESENTATIVE IN THE UNITED STATES

Pursuant to the Securities Act of 1933, the undersigned, the duly authorized representative in the United States of LexinFintech Holdings Ltd. has signed this registration statement or amendment thereto in New York on , 2017.

Authorized U.S. Representative

By: _____

Name: Giselle Manon
Title: Service of Process Officer

Exhibit 3.1

THE COMPANIES LAW (REVISED)

OF THE CAYMAN ISLANDS

COMPANY LIMITED BY SHARES

FIFTH AMENDED AND RESTATED

MEMORANDUM AND ARTICLES OF ASSOCIATION

OF

LEXINFINTECH HOLDINGS LTD. (□□□□□□□□)

THE COMPANIES LAW (Revised)

OF THE CAYMAN ISLANDS

COMPANY LIMITED BY SHARES

FIFTH AMENDED AND RESTATED MEMORANDUM OF ASSOCIATION

OF

LEXINFINTECH HOLDINGS LTD. (□□□□□□□□)

(adopted by Special Resolution passed on October 21, 2017)

1. The name of the Company is LEXINFINTECH HOLDINGS LTD. (□□□□□□□□).

2. The Registered Office of the Company shall be at the Offices of Osiris International Cayman Limited, Suite #4-210, Governors Square, 23 Lime Tree Bay Avenue, PO Box 32311, Grand Cayman KY1 -1209, Cayman Islands or at such other place as the Directors may from time to time decide.

3. The objects for which the Company is established are unrestricted and shall include the following:

(a) To act and to perform all the functions of a holding company in all of its branches and to co-ordinate the policy and administration of any subsidiary company or companies wherever incorporated or carrying on business or of any group of companies of which the Company or any subsidiary company is a member or which are in any manner controlled directly or indirectly by the Company.

(b) (i) To carry on the business of an investment company and to act as promoters and entrepreneurs and to carry on business as financiers, capitalists, concessionaires, merchants, brokers, traders, dealers, agents, importers and exporters and to undertake and carry on and execute all kinds of investment, financial, commercial, mercantile, trading and other operations.

(ii) To carry on whether as principals, agents or otherwise howsoever the business of realtors, developers, consultants, estate agents or managers, builders, contractors, engineers, manufacturers, dealers in or vendors of all types of property including services.

(c) To exercise and enforce all rights and powers conferred by or incidental to the ownership of any shares, stock, obligations or other securities including but without prejudice to the generality of the foregoing all such powers of veto or control as may be conferred by virtue of the holding by the Company of some special proportion of the

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issued or nominal amount thereof, to provide managerial and other executive, supervisory and consultant services for or in relation to any company in which the Company is interested upon such terms as may be thought fit.

(d) To purchase or otherwise acquire, sell, exchange, surrender, lease, mortgage, charge, convert, turn to account, dispose of and deal with real and personal property and rights of all kinds and, in particular, mortgages, debentures, produce, concessions, options, contracts, patents, annuities, licenses, stocks, shares, bonds, policies, book debts, business concerns, undertakings, claims, privileges and causes in action of all kinds.

(e) To subscribe for, conditionally or unconditionally, to underwrite, issue on commission or otherwise, take, hold, deal in and convert stocks, shares and securities of all kinds and to enter into partnership or into any arrangement for sharing profits, reciprocal concessions or cooperation with any person or company and to promote and aid in promoting, to constitute, form or organize any company, syndicate or partnership of any kind, for the purpose of acquiring and undertaking any property and liabilities of the Company or of advancing, directly or indirectly, the objects of the Company or for any other purpose which the Company may think expedient.

(f) To stand surety for or to guarantee, support or secure the performance of all or any of the obligations of any person, firm or company whether or not related or affiliated to the Company in any manner and whether by personal covenant or by mortgage, charge or lien upon the whole or any part of the undertaking, property and assets of the Company, both present and future, including its uncalled capital or by any such method and whether or not the Company shall receive valuable consideration therefor.

(g) To engage in or carry on any other lawful trade, business or enterprise which may at any time appear to the Directors of the Company capable of being conveniently carried on in conjunction with any of the aforementioned businesses or activities or which may appear to the Directors of the Company likely to be profitable to the Company.

In the interpretation of this Memorandum of Association in general and of this Clause in particular, no object, business or power specified or mentioned shall be limited or restricted by reference to or inference from any other object, business or power, or the name of the Company, or by the juxtaposition of two or more objects, businesses or powers and that, in the event of any ambiguity in this clause or elsewhere in this Memorandum of Association, the same shall be resolved by such interpretation and construction as will widen and enlarge and not restrict the objects, businesses and powers of and exercisable by the Company.

4. Except as prohibited or limited by the Companies Law (Revised), as amended, supplemented, reissued or restated from time to time, the Company shall have full power and authority to carry out any object and shall have and be capable of from time

to time and at all times exercising any and all of the powers at any time or from time to time exercisable by a natural person or body corporate in doing in any part of the world whether as principal, agent, contractor or otherwise whatever may be considered by it necessary for the attainment of its objects and whatever else may be considered by it as incidental or conducive thereto or consequential thereon, including the power to make any alterations or amendments to this Memorandum of Association and the Articles of Association of the Company considered necessary or convenient in the manner set out in the Articles of Association of the Company, and the power to do any of the following acts or things, viz:

to pay all expenses of and incidental to the promotion, formation and incorporation of the Company; to register the Company to do business in any other jurisdiction; to sell, lease or dispose of any property of the Company; to draw, make, accept, endorse, discount, execute and issue promissory notes, debentures, bills of exchange, bills of lading, warrants, options and other negotiable or transferable instruments; to lend money or other assets and to act as guarantors; to borrow or raise money on the security of the undertaking or on all or any of the assets of the Company including uncalled capital or without security; to invest monies of the Company in such manner as the Directors determine; to promote other companies; to sell the undertaking of the Company for cash or any other consideration; to distribute assets in specie to Members of the Company; to make charitable or benevolent donations; to pay pensions or gratuities or provide other benefits in cash or kind to Directors, officers, employees, past or present, and their families; to purchase Directors and officers liability insurance and to carry on any trade or business and generally to do all acts and things which, in the opinion of the Company or the Directors, may be conveniently, profitably or usefully acquired and dealt with, carried on, executed or done by the Company in connection with the business aforesaid PROVIDED THAT the Company shall only carry on the businesses for which a license is required under the laws of the Cayman Islands when so licensed under the terms of such laws.

5. The liability of each Member is limited to the amount from time to time unpaid on such Member's shares.

6. The authorized share capital of the Company is US$50,000.00 divided into 301,551,645 Class A Ordinary Shares of a nominal or par value of US$0.0001 each, 7,350,000 Class B Ordinary Shares of a nominal or par value of US$0.0001 each, 191,098,355 Preferred Shares of a nominal or par value of US$0.0001 each, 38,602,941 of which are designated as convertible and redeemable Series A-1 Preferred Shares ("**Series A-1 Preferred Shares**"), 39,390,757 of which are designated as convertible and redeemable Series A-2 Preferred Shares ("**Series A-2 Preferred Shares**"), 4,119,294 of which are designated as convertible and redeemable Series B-1 Preferred Shares ("**Series B-1 Preferred Shares**"), 69,152,661 of which are designated as convertible and redeemable Series B-2 Preferred Shares ("**Series B-2 Preferred Shares**"), 33,857,797 of which are designated as convertible and redeemable Series C-1 Preferred Shares ("**Series C-1 Preferred Shares**"), and 5,974,905 of which are designated as convertible and redeemable Series C-2 Preferred Shares ("**Series C-2 Preferred Shares**"), each with power for the Company insofar as is permitted by applicable law and the Articles of Association, to redeem or purchase any of its shares and to increase or reduce the said capital subject to the provisions of the

Companies Law (Revised) and the Articles of Association and to issue any part of its capital, whether original, redeemed or increased with or without any preference, priority or special privilege or subject to any postponement of rights or to any conditions or restrictions and so that unless the conditions of issue shall otherwise expressly declare every issue of shares whether declared to be preference or otherwise shall be subject to the powers hereinbefore contained.

7. If the Company is registered as exempted, its operations will be carried on subject to the provisions of Section 174 of the Companies Law (Revised) and, subject to the provisions of the Companies Law (Revised) and the Articles of Association, it shall have the power to register by way of continuation as a body corporate limited by shares under the laws of any jurisdiction outside the Cayman Islands and to be deregistered in the Cayman Islands.

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THE COMPANIES LAW (REVISED)

OF THE CAYMAN ISLANDS

COMPANY LIMITED BY SHARES

FIFTH AMENDED AND RESTATED ARTICLES OF ASSOCIATION

OF

LEXINFINTECH HOLDINGS LTD. (□□□□□□□□)

(adopted by Special Resolution passed on October 21, 2017)

GENERAL MATTERS

1. In these Articles, Table A in the Schedule to the Statute does not apply and, unless there is something in the subject or context inconsistent therewith,

"**Affiliate**"	shall mean, in respect of a Person, any other Person that, directly or indirectly, through one or more intermediaries, Controls, is Controlled by, or is under common Control with, such Person, and (a) in the case of a natural Person, shall include, without limitation, such Person's spouse, parents, children, siblings, mother-in-law and father-in-law and brothers and sisters-in-law, (b) in the case of a Preferred Shareholder, without limiting the generality of the foregoing, shall include any Person who holds Shares as a nominee for such Preferred Shareholder, and (c) in respect of a Preferred Shareholder, shall also include (i) any shareholder of such Preferred Shareholder, (ii) any entity or individual which has a direct or indirect interest in such Preferred Shareholder (including, if applicable, any general partner or limited partner) or any fund manager thereof; (iii) any Person that directly or indirectly Controls, is Controlled by, under common Control with, or is managed by such Preferred Shareholder, its shareholder, the general partner or the fund manager of such Preferred Shareholder or its shareholder, (iv) the relatives of any individual referred to in (ii) above, and (v) any trust Controlled by or held for the benefit of such individuals. For the avoidance of doubt, no Preferred Shareholder shall be deemed to be an Affiliate of any Group Company.
"**Applicable Conversion Price**"	shall have the meaning ascribed to it in Article 15.
"**Apoletto**"	shall mean collectively, Apoletto Asia Ltd. and its successors, assigns and transferees.
"**Apoletto Observer**"	shall have the meaning ascribed to it in Article 68.
"**Articles**"	shall mean these Articles as originally framed or as from time to time altered by a Special Resolution and in accordance with Article 19.

"**Auditors**"	shall mean the persons for the time being performing the duties of auditors of the Company.
"**BAI**"	shall mean BAI GmbH, and its successors, assigns and transferees.
"**BAI Observer**"	shall have the meaning ascribed to it in Article 68.
"Beijing Domestic Company"	shall mean Beijing Lejiaxin Network Technology Co., Ltd. (□□□□□□□□□□□□□□), a limited liability company organized and existing under the laws of PRC whose Unified Social Credit Code is 91110105080484040M.
"**Board of Directors**"	shall mean the board of directors of the Company.
"**Business Day**" or **"business day"**	shall mean any day that is not a Saturday, Sunday, legal holiday or a day on which banks are required to be closed in Singapore, the United States of America, the Hong Kong Special Administrative Region or the PRC.
"**CEO**"	shall mean the chief executive officer of the Company.
"**Class A Ordinary Shares**"	shall mean the Company's ordinary shares other than Class B Ordinary Shares, par value US$0.0001 per share.
"**Class B Ordinary Shares**"	shall mean the class B ordinary shares in the capital of the Company with a nominal or par value of US$0.0001 per share having the rights set forth in these Articles.
"**Company**"	shall mean Lexinfintech Holdings Ltd. (□□□□□□□□).
"**Control**"	with respect to any third-party, shall have the meaning ascribed to it in Rule 405 under the Securities Act, and shall be deemed to exist for any Person (a) when such Person holds at least twenty percent (20%) of the outstanding voting securities of such third party and no other party owns a greater number of outstanding voting securities of such third party or (b) over other members of such party's immediate family. Immediate family members include, without limitation, a person's spouse, parents, children, siblings, mother-in-law and father-in-law and brothers and sisters-in-law. The terms "**Controlling**" and "**Controlled**" have meanings correlative to the foregoing.

"**debenture**"	shall mean debenture stock, mortgages, bonds and any other such securities of the Company whether constituting a charge on the assets of the Company or not.
"**Deemed Liquidation Event**"	shall have the meaning ascribed to it in Article 127(d).
"**Directors**"	shall mean the members of the Board of Directors of the Company for the time being.
"**Drag-Along Sale**"	shall have the meaning ascribed to it in Article 10B (a).

"**Founder**"	shall mean Wenjie Xiao (□□□), with PRC Identity Card Number of 362423198309013034.
"**Founder Hold Co**"	shall mean Installment Payment Investment Inc., a British Virgin Islands exempted company, whose registered address is at Start Chambers, Wickham's Cay II, P.O. Box 2221, Road Town, Tortola, British Virgin Islands.
"**Government Authority**"	shall mean any nation or government or any province or state or any other political subdivision thereof, and any entity, authority or body exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, including any government authority, agency, department, board, commission or instrumentality or any political subdivision thereof, any court, tribunal or arbitrator, and any self-regulatory organization.
"**Group Companies**"	shall mean the Company, HK Company, the WFOE, the Shenzhen Domestic Companies, the Beijing Domestic Company, the PRC Subsidiaries and their respective Subsidiaries from time to time, and each a Group Company.
"**HK Company**"	shall mean Installment (HK) Investment Limited with its registered address at Room C, 21/F, CMA Building, No.64 Connaught Road, Central, Hong Kong.

"**Huasheng**"	shall mean collectively, Shanghai Huasheng Lingfei Equity Investment (Limited Partnership) □□□□□□□□□□□□ □□□□□□□□□□□□ and its successors, assigns and transferees.
"**Huasheng Observer**"	shall have the meaning ascribed to it in Article 68.
"**Huaxing**"	shall mean Huaxing Capital Partners, L.P.
"**Huaxing Observer**"	shall have the meaning ascribed to it in Article 68.
"**IAS**"	shall mean the applicable International Accounting Standards published by the International Accounting Standards Board from time to time.
"JD"	shall mean JD.com Asia Pacific Investment Limited.
"JD Observer"	shall have the meaning ascribed to it in Article 68.
"**Junior Shares**"	shall mean all classes and series of shares that are junior in rights and preferences to the Series A Preferred Shares, including the Ordinary Shares.
"**K2**"	shall mean K2 Evergreen Partners Limited, K2 Partners II Limited and its successors, permitted assignees and transferees.
"K2 Director"	shall have the meaning ascribed to it in Article 68.
"**K2 Observer**"	shall have the meaning ascribed to it in Article 68.
"**law**"	shall mean all national, state, provincial, local, municipal, and other laws, statutes, constitutions, ordinances, codes, edicts, decrees, injunctions, stipulations, judgments, orders, rulings, rules, regulations, assessments, writs, and requirements, whether temporary, preliminary or permanent, issued, enacted, adopted, promulgated, implemented or otherwise put into effect by or under the authority of any Governmental Authority.
"**Majority Class A Ordinary Shareholders"**	shall mean the holders representing more than fifty percent (50%) of the Class A Ordinary Shares then outstanding, voting as a single class.
"**Majority Series A-1 Preferred Shareholders"**	shall mean the holders representing more than fifty percent (50%) of, the Series A-1 Preferred Shares and the Class B Ordinary Shares then outstanding, voting as a single class on an as converted basis.

"**Majority Series A-2 Preferred Shareholders"**	shall mean the holders representing more than fifty percent (50%) of, the Series A-2 Preferred Shares then outstanding, voting as a single class on an as converted basis.
"**Majority Series B Preferred Shareholders"**	shall mean the holders representing more than fifty percent (50%) of, the Series B Preferred Shares then outstanding, voting as a single class on an as converted basis.
"**Majority Series C Preferred Shareholders**"	shall mean the holders representing at least fifty percent (50%) of, the Series C Preferred Shares then outstanding, voting as a single class on an as converted basis.
"**Matrix**"	shall mean Matrix Partners China III Hong Kong Limited and its transferees, permitted assignees and successors.
"**Matrix Director**"	shall have the meaning ascribed to it in Article 68.

"**Matrix Observer**"	shall have the meaning ascribed to it in Article 68.
"**Member**"	shall mean a duly registered holder from time to time of the shares in the capital of the Company.
"**Memorandum of Association" or "M&A"**	shall mean the Fifth Amended and Restated Memorandum of Association of the Company, as amended and restated from time to time in accordance with Article 19.
"**month**"	shall mean calendar month.
"ordinary resolution"	shall mean a Members resolution passed either (i) as a written resolution signed by all Members, or (ii) at a meeting by Members holding not less than fifty percent (50%) of all the outstanding shares of the Company, each calculated on a fully converted basis, including, if required pursuant to Article 19, holders of at least a majority of the then outstanding Series A-1 Preferred Shares, fifty percent (50%) of the then outstanding Series A-2 Preferred Shares, fifty percent (50%) of the then outstanding Series B Preferred Shares and more than fifty percent (50%) of the then outstanding Series C Preferred Shares (which Members, being entitled to do so, vote in person or, where proxies are allowed, by proxy at a general meeting of which notice specifying the intention to propose the resolution as an ordinary resolution has been duly given).

"**Ordinary Shares**"	shall mean the ordinary shares in the capital of the Company, par value of US$0.0001 per share which includes Class A Ordinary Shares and Class B Ordinary Shares.
"**Original Issue Price**"	shall mean the Original Series A-1 Issue Price, Original Series A-2 Issue Price, the Original Series B-1 Issue Price, the Original Series B-2 Issue Price the Original Series C-1 Issue Price and/or the Original Series C-2 Issue Price, as the case may be.
"**Original Series A-1 Issue Price**"	shall mean the per share price of US$0.0222 at which the Series A-1 Shareholders have agreed to purchase, and the Company has agreed to sell and issue, the Series A-1 Preferred Shares.
"**Original Series A-2 Issue Price**"	shall mean the per share price of US$0.1371 at which the Series A-2 Shareholders have agreed to purchase, and the Company has agreed to sell and issue, the Series A-2 Preferred Shares.
"**Original Series B-1 Issue Price**"	shall mean the per share price of US$0.9710 at which the Series B-1 Shareholders have agreed to purchase, and the Company has agreed to sell and issue, the Series B-1 Preferred Shares.
"**Original Series B-2 Issue Price**"	shall mean the per share price of US$1.1424 at which the Series B-2 Shareholders have agreed to purchase, and the Company has agreed to sell and issue, the Series B-2 Preferred Shares.
"**Original Series C-1 Issue Price**"	shall be deemed as RMB 16.4357 per share for Huasheng, and equivalent US dollars of RMB 16.4357 exchanged and calculated based on the central parity rate as published by the People's Bank of China on the Closing Date as defined in the Series C-1 Preferred Share Purchase Agreement per share for Taikang.
"**Original Series C-2 Issue Price**"	shall be deemed as US$2.5105 per share.
"**paid-up**"	shall mean paid-up and/or credited as paid-up.

"**Person**"	shall mean an individual, corporation, partnership, limited partnership, proprietorship, association, limited liability company, firm, trust, estate or other enterprise or entity.
"**PRC**"	shall mean the People's Republic of China, for the purpose of these Articles, excluding the Hong Kong Special Administrative Region, the Macau Special Administrative Region and the Islands of Taiwan.
"**PRC Companies**"	shall mean the WFOE, Shenzhen Domestic Companies, Beijing Domestic Company, the PRC Subsidiaries and their respective Subsidiaries from time to time.
"**PRC Subsidiaries**"	shall mean Shanghai Lexiao Network Technology Co., Ltd. (□□□□□□□□□□□□), a limited liability company organized and existing under the laws of PRC whose Unified Social Credit Code is 91310115MA1H76Q47H; Shenzhen Tiqianle Network Technology Co., Ltd. (□□□□□□□□□□□□□□□), a limited liability company organized and existing under the laws of PRC whose Unified Social Credit Code is 91440300359884543U; and Shenzhen Qianhai Juzi Information Technology Co., Ltd. (□□□□□□□□□□□□□□□), a limited liability company organized and existing under the laws of PRC whose Unified Social Credit Code is 91440300398462589C.
"**Preferred Shareholders**"	shall mean, collectively, the Series A Preferred Shareholders, the Series B Preferred Shareholders, and the Series C Preferred Shareholders. A "**Preferred Shareholder**" means any of them.
"**Preferred Shares**"	shall mean the Series A Preferred Shares and/or the Series B Preferred Shares and/or the Series C Preferred

	Shares.
"**Preferred Shareholder Director**"	shall have the meaning ascribed to it in Article 68.
"**Preferred Shareholder Observer**"	shall have the meaning ascribed to it in Article 68.

"Qualified IPO"	shall mean a firm underwritten public offering of Ordinary Shares of the Company (or securities representing such Ordinary Shares) on The Stock Exchange of Hong Kong Limited, the New York Stock Exchange or NASDAQ that has been registered under the applicable securities laws with gross proceeds to the Company of at least US$180 million and an equity valuation of the Company immediately prior to such public offering of US$3,000,000,000 or more, or in a similar public offering of Ordinary Shares in a jurisdiction and on an internationally recognized securities exchange or inter-dealer quotation system, provided such public offering is equivalent to the aforementioned in terms of equity valuation per share, gross proceeds and regulatory approval, and is approved in accordance with Article 19.
"**Redemption Date**"	shall mean the date on which the Preferred Shares and Class B Ordinary Shares shall be redeemed as stipulated in Article 18(a).
"**Redemption Notice**"	shall have the meaning ascribed to it in Article 18(a).
"**Redemption Price**"	shall mean the Series A and B Redemption Price and/or the Series C Redemption Price, as the case may be.
"**Redemption Start Date**"	with respect to any holder of Class B Ordinary Shares and/or Series A-1 Preferred Shares and/or Series A-2 Preferred Shares and/or Series B-1 Preferred Shares and/or Series B-2 Preferred Shares, shall mean March 13, 2021; with respect to any holder of Series C Preferred Shares, shall mean May 25, 2020.
"**registered office**"	shall mean the registered office for the time being of the Company.
"**Registrable Securities**"	shall have the meaning ascribed to it in the Shareholders Agreement.
"**Requesting Holder**"	shall have the meaning ascribed to it in Article 18.
"**Seal**"	shall mean the common seal of the Company and includes every duplicate seal.

"**Secretary**"	includes an Assistant Secretary and any person appointed to perform the duties of Secretary of the Company.
"**Securities Act**"	shall mean the United States Securities Act of 1933, as amended.
"**Series A and B Redemption Price**"	Shall mean the series A and B redemption price as stipulated in Article 18(a).
"**Series A Preferred Shareholders**"	shall mean the Members who hold any Series A Preferred Shares. A "**Series A Preferred Shareholder**" means any of them.
"**Series A Preferred Share Purchase Agreement**"	shall mean the Series A Preferred Share Purchase Agreement dated July 18, 2014.
"**Series A Preferred Shares**"	shall mean, collectively the Series A-1 Preferred Shares and Series A-2 Preferred Shares.
"Series A-1 Conversion Price"	shall mean the price at which Class A Ordinary Shares shall be deliverable upon conversion of the Series A-1 Preferred Shares and Class B Ordinary Shares as stipulated in Article 15.
"**Series A-1 Original Issue Date**"	shall mean the date of the first sale and issuance of the Series A-1 Preferred Shares.
"**Series A-1 Preferred Shares**"	shall mean the series A-1 preferred shares in the capital of the Company with a nominal or par value of US$0.0001 per share having the rights set forth in these Articles.
"**Series A-1 Preferred Shares Liquidation Preference**"	shall have the meaning ascribed to it in Article 127(d).
"Series A-2 Conversion Price"	shall mean the price at which Class A Ordinary Shares shall be deliverable upon conversion of the Series A-2 Preferred Shares as stipulated in Article 15.

"**Series A-2 Original Issue Date**"	shall mean the date of the first sale and issuance of the Series A-2 Preferred Shares.
"**Series A-2 Preferred Shares**"	shall mean the series A-2 preferred shares in the capital of the Company with a nominal or par value of US$0.0001 per share having the rights set forth in these Articles.

"**Series A-2 Preferred Shares Liquidation Preference**"	shall have the meaning ascribed to it in Article 127(c).
"Series B-1 Conversion Price"	shall mean the price at which Class A Ordinary Shares shall be deliverable upon conversion of the Series B-1 Preferred Shares as stipulated in Article 15.
"Series B-2 Conversion Price"	shall mean the price at which Class A Ordinary Shares shall be deliverable upon conversion of the Series B-2 Preferred Shares as stipulated in Article 15.
"**Series B-1 Original Issue Date**"	shall mean the date of the first sale and issuance of the Series B-1 Preferred Shares.
"**Series B-2 Original Issue Date**"	shall mean the respective date of the first sale and issuance of the Series B-2 Preferred Shares to each Series B Investor.
"**Series B Preferred Share Purchase Agreement**"	shall mean the Series B Preferred Share Purchase Agreement dated November 4, 2014.
"**Series B-2 Preferred Share Purchase Agreement**"	shall mean the Series B-2 Preferred Share Purchase Agreement dated March 13, 2015.
"**Series B-1 Preferred Shareholders**"	shall mean the Members who hold any Series B-1 Preferred Shares. A "**Series B-1 Preferred Shareholder**" means any of them.
"**Series B-2 Preferred Shareholders**"	shall mean the Members who hold any Series B-2 Preferred Shares. A "**Series B-2 Preferred Shareholder**" means any of them.
"**Series B-1 Preferred Shares**"	shall mean the series B-1 preferred shares in the capital of the Company with a nominal or par value of US$0.0001 per share having the rights set forth in these Articles.
"**Series B-2 Preferred Shares**"	shall mean the series B-2 preferred shares in the capital of the Company with a nominal or par value of US$0.0001 per share having the rights set forth in these Articles.
"**Series B Preferred Shares Liquidation Preference**"	shall have the meaning ascribed to it in Article 127(b).

"**Series C-1 Conversion Price**"	shall mean the price at which Class A Ordinary Shares shall be deliverable upon conversion of the Series C-1 Preferred Shares as stipulated in Article 15.
"**Series C-1 Original Issue Date**"	shall mean the respective date of the first sale and issuance of the Series C-1 Preferred Shares.
"**Series C-1 Preferred Share Purchase Agreements**"	shall mean the Series C-1 Preferred Share Purchase Agreement by and among Taikang, the Company and other parties named thereto dated October 21, 2017, and the Series C-1 Preferred Share Purchase Agreement by and among Huasheng, the Company and other parties named thereto dated June 7, 2017.
"**Series C-1 Preferred Shareholders**"	shall mean the Members who hold any Series C-1 Preferred Shares. A "**Series C-1 Preferred Shareholder**" means any of them.
"**Series C-1 Preferred Shares**"	shall mean the series C-1 preferred shares in the capital of the Company with a nominal or par value of US$0.0001 per share having the rights set forth in these Articles.
"**Series C-2 Conversion Price**"	shall mean the price at which Class A Ordinary Shares shall be deliverable upon conversion of the Series C-2 Preferred Shares as stipulated in Article 15.
"**Series C-2 Original Issue Date**"	shall mean the respective date of the first sale and issuance of the Series C-2 Preferred Shares.
"**Series C-2 Preferred Share Purchase**	shall mean the Series C-2 Preferred Share Purchase Agreement dated October 21, 2017.

Agreement"

"**Series C-2 Preferred Shareholders**"	shall mean the Members who hold any Series C-2 Preferred Shares. A "**Series C-2 Preferred Shareholder**" means any of them.
"**Series C-2 Preferred Shares**"	shall mean the series C-2 preferred shares in the capital of the Company with a nominal or par value of US$0.0001 per share having the rights set forth in these Articles.
"**Series C Original Issue Date**"	with respect to Series C-1 Preferred Shares, shall mean the Series C-1 Original Issue Date; with respect to Series C-2 Preferred Shares, shall mean the Series C-2 Original Issue Date.

"**Series C Preferred Shareholders**"	shall mean the Series C-1 Preferred Shareholders and the Series C-2 Preferred Shareholders.
"**Series C Preferred Shares**"	shall mean the Series C-1 Preferred Shares and the Series C-2 Preferred Shares.
"**Series C Preferred Shares Liquidation Preference**"	shall have the meaning ascribed to it in Article 127(a).
"**Series C Redemption Price**"	shall mean the series C redemption price as stipulated in Article 18(a).
"**Shares**"	shall mean all the Preferred Shares and Ordinary Shares now owned or subsequently acquired by any Member.
"**Shareholders Agreement**"	shall mean the Shareholders Agreement by and among the Preferred Shareholders, the Company, the HK Company, the PRC Companies, the Founder Hold Co, VAL and the Founder dated October 21, 2017.
"**Share Premium Account**"	shall mean the account of the Company which the Company is required by the Statute to maintain, to which all premiums over nominal or par value received by the Company in respect of issues of shares from time to time are credited.
"**Shenzhen Domestic Companies**"	shall mean Shenzhen Fenqile; Shenzhen Xinjie Investment Co., Ltd. (□□□□□□□□□□□), a limited liability company organized and existing under the laws of PRC whose Unified Social Credit Code is 91440300359619977T; and Shenzhen Qianhai Dingsheng Asset Management Co., Ltd. (□□□□□□□□□□□□□□□□), a limited liability company organized and existing under the laws of PRC whose Unified Social Credit Code is 91440300359876420H.
"**Shenzhen Fenqile**"	shall mean Shenzhen Fenqile Network Technology Co., Ltd. (□□□□□□□□□□□□□□□), a limited liability company organized and existing under the laws of PRC whose Unified Social Credit Code is 914403000758305191.

"**Special Resolution**"	shall mean a Members resolution expressed to be a special resolution and passed either (i) as a written resolution signed by all Members, or (ii) at a meeting by Members holding not less than seventy-five percent (75%) of all the outstanding shares of the Company, calculated on a fully converted basis (which Members, being entitled to do so, vote in person or, where proxies are allowed, by proxy at a general meeting of which notice specifying the intention to propose the resolution as a special resolution has been duly given).
"**Statute**"	shall mean the Companies Law (Revised) of the Cayman Islands, and every statutory modification or re-enactment thereof for the time being in force.
"**Subsidiary**"	shall mean, with respect to any subject entity (the "subject entity"), (i) any company, partnership or other entity (x) more than fifty percent (50%) of whose shares or other interests entitled to vote in the election of directors or (y) more than a fifty percent (50%) interest in the profits or capital of such entity are owned or controlled directly or indirectly by the subject entity or through one or more Subsidiaries of the subject entity, (ii) any entity whose assets, or portions thereof, are consolidated with the net earnings of the subject entity and are recorded on the books of the subject entity for financial reporting purposes in accordance with the IAS or U.S. GAAP, or (iii) any entity with respect to which the subject entity has the power to otherwise direct the business and policies of that entity directly or indirectly through another Subsidiary. Notwithstanding the above, as applied to the Company, the term "Subsidiary" or "subsidiary" includes the PRC Companies"
"**Taikang**"	shall mean collectively, MAGIC PEAK INVESTMENTS LIMITED □□□□□□□□ and its successors, assigns and transferees.
"**Taikang Director**"	shall have the meaning ascribed to it in Article 68.
"**Taikang Observer**"	shall have the meaning ascribed to it in Article 68.

"**TIG**"	shall mean Taikang Life Insurance Co., Ltd. (□□□□□□□□□□□□□).
"**Trade Sale**"	shall mean a bona fide third party offer for the sale of all or more than fifty percent (50%) of the equity or assets of the Company, whether through a single transaction or a series of transactions, for an amount which represents an equity valuation of the Company immediately prior to such sale of at least US$3,000,000,000.

"**WFOE**"	shall mean the Beijing Shijitong Technology Co., Ltd. (□□□□□□□□□□□□), a limited liability company organized and existing under the laws of PRC whose Unified Social Credit Code is 91110108397827646N.
"**U.S. GAAP**"	shall mean the accounting principles generally accepted in the United States.
"**VAL**"	shall mean Various Ample Limited, a British Virgin Islands exempted company, with the registered office at P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands.
"**written**" and "**in writing**"	include all modes of representing or reproducing words in permanent legible visible form.

Words importing the singular number include the plural number and vice-versa.

Words importing the masculine gender include the feminine gender.

Words importing persons include corporations.

2. The business of the Company may be commenced as soon after incorporation as the Directors shall see fit, notwithstanding that only part of the shares may have been allotted.

3. The Directors may pay, out of the capital or any other monies of the Company, all expenses incurred in or about the formation and establishment of the Company, including the expenses of registration.

CERTIFICATES FOR SHARES

4. Certificates representing shares of the Company shall be in such form as shall be determined by the Directors. Such certificates may be under Seal. All certificates for shares shall be consecutively numbered or otherwise identified and shall specify the shares to which they relate. The name and address of the person to whom the shares represented thereby are issued, with the number of shares and date of issue, shall be entered in the register of Members of the Company. All certificates surrendered to the Company for transfer shall be cancelled and no new certificate shall be issued until the former certificate for a like number of shares shall have been surrendered and cancelled. The Directors may authorize certificates to be issued with the seal and authorized signature(s) affixed by some method or system of mechanical process.

5. Notwithstanding Article 4 of these Articles, if a share certificate be defaced, lost or destroyed, it may be renewed on payment of a fee of one dollar (US$l.00) or such lesser sum and on such terms (if any) as to evidence and indemnity and the payment of the expenses incurred by the Company in investigating evidence, as the Directors may prescribe.

ISSUE OF SHARES

6. Subject to the relevant provisions, if any, in the Memorandum of Association and these Articles and to any direction that may be given by the Company in general meeting and without prejudice to any special rights previously conferred on the holders of existing shares, the Directors may allot, issue, grant options over or otherwise dispose of shares of the Company (including fractions of a share) with or without preferred, deferred or other special rights or restrictions, whether with regard to dividend, voting, return of capital or otherwise and to such persons, at such times and on such other terms as they think proper. The Company shall not issue shares in bearer form.

7. The Company shall maintain a register of its Members and every person whose name is entered as a Member in the register of Members shall be entitled without payment to receive within two (2) months after allotment or lodgment of transfer (or within such other period as the conditions of issue shall provide) one (1) certificate for all his shares or several certificates each for one or more of his shares upon payment of fifty cents (US$0.50) for every certificate after the first or such less sum as the Directors shall from time to time determine provided that in respect of a share or shares held jointly by several persons the Company shall not be bound to issue more than one certificate and delivery of a certificate for a share to one of the several joint holders shall be sufficient delivery to all such holders.

TRANSFER OF SHARES

8. The instrument of transfer of any share shall be in writing and shall be executed by or on behalf of the transferor and the transferor shall be deemed to remain the holder of a share until the name of the transferee is entered in the register in respect thereof.

9. The Directors may in their absolute discretion decline to register any transfer of Shares with reasonable cause. The Directors shall register any transfer of Shares except where holders proposing or effecting the transfers of the Shares are subject to binding written agreements with the Company which restrict the transfer of the Shares held by such holders and such holders have not complied with the terms of such agreements or the restrictions have not been waived in accordance with their terms. If the Directors refuse to register a transfer they shall notify the transferee within five (5) Business Days of such refusal, providing a detailed explanation of the reason therefor. Notwithstanding the foregoing, if a transfer complies with the holder's transfer obligations and restrictions set forth in agreements with the Company, the Directors shall register such transfer.

10. The registration of transfers may be suspended at such time and for such periods as the Directors may from time to time determine, provided always that such registration shall not be suspended for more than thirty (30) days in any year.

RESTRICTIONS ON TRANSFERS OF ORDINARY SHARES

10A. (1) Right Holders' Rights of First Refusal.

(a) Restriction on Transfers. Unless otherwise agreed in writing among the Members, the Founder or a Member who holds, directly or indirectly, Class A Ordinary Shares (other than any Class A Ordinary Shares issued upon conversion of any Preferred Shares and Class B Ordinary Shares) may not sell, transfer, pledge, hypothecate, encumber or otherwise dispose of its Class A Ordinary Shares to any Person, whether directly or indirectly, except in compliance with this Article 10A.

(b) Notice of Sale. If the Founder or a Member who holds, directly or indirectly, Class A Ordinary Shares (other than any Class A Ordinary Shares issued upon conversion of any Preferred Shares and Class B Ordinary Shares) (the "**Selling Shareholder**") proposes to sell or transfer any of its Shares (the "**Transfer Shares**"), then the Selling Shareholder shall promptly give a written notice (the "**Transfer Notice**") to the Company and to each of the holders of Preferred Shares and VAL (each, a "**Right Holder**"), which Transfer Notice shall include the number of Transfer Shares to be sold or transferred and the nature of such sale or transfer, (ii) the identity (identities) (including name(s) and address(es)) of the prospective transferee(s), and (iii) the consideration and the material terms and conditions upon which the proposed sale or transfer is to be made. The Transfer Notice shall certify that the Selling Shareholder has received a firm offer from the prospective transferee(s) and in good faith believes a binding agreement for the sale or transfer is obtainable on the terms set forth in the Transfer Notice. The Transfer Notice shall also include a copy of any written proposal, term sheet or letter of intent or other agreement relating to the proposed Transfer.

(c) Notice of Purchase. Each Right Holder shall be entitled to purchase all or any part of such Right Holder's Pro Rata Share (as defined below) of the Transfer Shares at the price and upon the terms and conditions specified in the Transfer Notice by giving a written notice to the Selling Shareholder within twenty (20) Business Days after the date of the Transfer Notice (the "**First Refusal Period**") stating therein the number of Transfer Shares to be purchased. If a Right Holder exercises such right and notifies the Selling Shareholder of the number of Transfer Shares to be purchased, then such Right Holder shall complete the purchase of the Transfer Shares on the same terms and conditions as those set out in the Transfer Notice. A failure by a Right Holder to respond within such prescribed period shall constitute a decision by such Right Holder not to exercise its right to purchase such Transfer Shares. For purposes of this clause (c), each

Right Holder's pro rata share of the Transfer Shares shall be equal to the number of Transfer Shares, multiplied by a fraction, the numerator of which shall be the number of Class A Ordinary Shares (on an as-converted basis) held by such Right Holder on the date of the Transfer Notice and the denominator of which shall be the total number of Class A Ordinary Shares (on an as-converted basis) held on the date of the Transfer Notice by each Right Holder which exercises its right of first refusal under this clause (c) on the date of the Transfer Notice.

(d) Second Transfer Notice; Over-Allotment. To the extent that any Right Holder does not exercise its right of first refusal to the full extent to purchase such Right Holder's pro rata share of the Transfer Shares, the Selling Shareholder shall deliver written notice thereof (the "**Second Transfer Notic**e"), within two (2) days after the expiration of the First Refusal Period, to each Right Holder that elected to the full extent to purchase such Right Holder's pro rata share of the Transfer Shares (the "**Exercising Holder**"). Each Exercising Holder shall have five (5) Business Days from the date of the Second Transfer Notice (the "**Second Refusal Period**") to notify the Selling Shareholder of its desire to purchase more than its pro rata share of the Transfer Shares, stating the number of the additional Transfer Shares it proposes to purchase. Such notice may be made by telephone if followed by a written confirmation within two (2) Business Days from the date of verbal notice. If as a result thereof, such over-allotment exceeds the total number of the remaining Transfer Shares available for purchase, the overpurchasing Exercising Holders will be cut back or limited by the Selling Shareholder with respect to their over-allotment to that number of remaining Transfer Shares equal to the lesser of (a) the number of the additional Transfer Shares it proposes to purchase; and (b) the product obtained by multiplying (i) the number of the remaining Transfer Shares available for purchase by (ii) a fraction the numerator of which is the number of Class A Ordinary Shares (on an as converted basis) held by each overpurchasing Exercising Holder and the denominator of which is the total number of Class A Ordinary Shares (on an as converted basis) held by all the overpurchasing Exercising Holders. Each overpurchasing Exercising Holder shall be obligated to purchase such number of additional Transfer Shares as determined by the Selling Shareholder pursuant to this subsection (d) and the Selling Shareholder shall so notify such Exercising Holders within fifteen (15) Business Days from the date of the Second Transfer Notice.

(e) Non-Exercise. Subject to the provisions of Article 10A(2), in the event the Right Holders fail to purchase all of the Transfer Shares within the above-prescribed period, the Selling Shareholder shall have ninety (90) Business Days after delivery of the Transfer Notice to each Right Holder to sell such Transfer Shares at a price upon terms and conditions no more favorable to the transferee than specified in the original Transfer Notice. In the event that the Selling Shareholder has not sold the Transfer Shares within such prescribed period, the Selling Shareholder shall not thereafter sell any Shares without first offering such Shares to the Right Holders in the manner provided in Article 10A.

(f) Closing. If any Right Holder elects to purchase the Transfer Shares, then the payment for the Transfer Shares to be purchased shall be made by wire transfer in immediately available funds, against delivery of such Transfer Shares and a transfer form signed by such Selling Shareholder, at a place and time agreed by the Selling Shareholder and the Right Holders that have elected to purchase a majority of the Transfer Shares, provided that the scheduled time for closing shall not be later than fifteen (15) Business Days following the expiration of the last period during which any Right Holder may elect to purchase any Transfer Shares (including the Transfer Shares offered under the Second Refusal Period), which may be extended for an additional sixty (60) Business Days in the event any regulatory or governmental approval is required to effect such transaction.

(2) Right Holders' Co-sale Right. To the extent any Right Holders does not exercise its respective rights of first refusal as to any Transfer Shares pursuant to Article 10A(1), such Right Holder shall have the right to participate in the sale of any Transfer Shares subject to the following terms and conditions:

(a) Definition. A Right Holder's "**Pro Rata Co-Sale Share**" of a specified quantity of Transfer Shares shall mean that number of Class A Ordinary Shares on as converted basis which equals the specified quantity of Transfer Shares proposed to be transferred multiplied by a fraction equal to (i) the total number of Class A Ordinary Shares (on an as converted basis) then held by such Right Holder exercising co-sale rights pursuant to this Article 10A(2), divided by (ii) the total number of Class A Ordinary Shares held by the Selling Shareholder plus the total number of Class A Ordinary Shares then held by all Right Holders exercising co-sale rights pursuant to this Article 10A(2), on an as converted basis. As used in this definition as well as this Article 10A(2), the phrase "on an as converted basis" shall mean assuming conversion of all Preferred Shares and Class B Ordinary Shares but not assuming exercise or conversion of any other outstanding option, warrants, or other Convertible Securities.

(b) Procedures. Any Right Holder who does not exercise its respective rights of first refusal shall have the right, exercisable upon delivery of a written notice to the Selling Shareholder, with a copy to the Company, within twenty (20) Business Days after the date of the Transfer Notice (the "**First Co-Sale Period**"), to participate in the sale of any Transfer Shares to the extent of such Right Holder's Pro Rata Co-Sale Share at the same price and upon the same terms and conditions indicated in the Transfer Notice. A failure by any Right Holder to respond within such prescribed period shall constitute a decision by such Right Holder not to exercise its right of co-sale as provided herein. To the extent that any Right Holder does not exercise its right of co-sale to the full extent to sell such Right Holder's Pro Rata Co-Sale Share, the Selling

Shareholder shall deliver written notice thereof (the "**Second Co-Sale Notic**e"), within two (2) days after the expiration of the First Co-Sale Period, to each Right Holder that elected to the full extent to sell such Right Holder's Pro Rata Co-Sale Share (the "**Co-Sale Holder**"). Each Co-Sale Holder shall have ten (10) Business Days from the date of the Second Co-Sale Notice (the "**Second Co-Sale Period**") to notify the Selling Shareholder of its desire to participate in the sale for more than its Pro Rata Co-Sale Share, stating the number of the additional shares it proposes to co-sell. Such notice may be made by telephone if followed by a written confirmation within two (2) Business Days from the date of verbal notice. If as a result thereof, such over-allotment exceeds the total number of the remaining shares available for co-sale (for the avoidance of any doubt, the total number of the remaining shares available for co-sale shall mean the remaining Pro Rata Co-Sale Share of all the Investors after the First Co-Sale Period), the over-allotment Co-Sale Holders will be cut back or limited by the Selling Shareholder with respect to their over-allotment to that number of remaining shares equal to the lesser of (a) the number of the additional shares it proposes to co-sell; and (b) the product obtained by multiplying (i) the number of the remaining shares available for co-sale by (ii) a fraction the numerator of which is the number of Class A Ordinary Shares (on an as converted basis) held by each over-allotment Co-Sale Holder and the denominator of which is the total number of Class A Ordinary Shares held by the Selling Shareholder plus the total number of Class A Ordinary Shares (on an as converted basis) held by all the over-allotment Co-Sale Holders, on an as converted basis. To the extent one (1) or more of the Right Holders exercise such right of co-sale in accordance with the terms and conditions set forth below, the number of Transfer Shares that the Selling Shareholder may sell in the transaction shall be correspondingly reduced.

(c) Each Right Holder shall effect its participation in the sale by promptly delivering to the Selling Shareholder, with a copy to the Company, for transfer to the prospective purchaser share certificates in respect of all Shares to be sold by such Right Holder and a transfer form signed by such Right Holder, which indicates:

(i) the number of Ordinary Shares which such Right Holder elects to sell;

(ii) that number of Preferred Shares which is at such time convertible into the number of Ordinary Shares that such Right Holder elects to sell; or

(iii) any combination of the foregoing;

provided, however, that if the prospective purchaser objects to the delivery of Preferred Shares in lieu of Ordinary Shares, such Right Holder shall convert such Preferred Shares into Ordinary Shares and deliver Ordinary Shares. The Company agrees to make any such conversion concurrent with the actual transfer of such shares to the purchaser.

(d) Procedure at Closing. The share certificate or certificates that such Right Holder delivers to the Selling Shareholder pursuant to Article 10A(2) shall be transferred to the prospective purchaser and the Register of Members updated in consummation of the sale of the Transfer Shares pursuant to the terms and conditions specified in the Transfer Notice, and the Selling Shareholder shall concurrently therewith remit to such Right Holder that portion of the sale proceeds to which such Right Holder is entitled by reason of its participation in such sale. To the extent that any prospective purchaser or purchasers prohibit such assignment or otherwise refuse to purchase shares or other securities from a Right Holder exercising its rights of co-sale hereunder, the Selling

Shareholder shall not sell any Transfer Shares to such prospective purchaser or purchasers unless and until, simultaneously with such sales, the Selling Shareholder shall purchase such shares or other securities from such Right Holder. In selling their Shares pursuant to their co-sale right hereunder, the Right Holders shall not be required to give any representations or warranties with respect to their Shares to be sold except to confirm that they have not transferred or encumbered such Shares.

(e) Non-Exercise. Subject to Article 10A(1), to the extent the Right Holders do not elect to participate in the sale of Transfer Shares pursuant to the Transfer Notice, the Selling Shareholder may, not later than ninety (90) days following delivery of the Transfer Notice to each Right Holder, effect a transfer of the Transfer Shares covered by the Transfer Notice and not elected to be sold by the Right Holders. Any proposed transfer on terms and conditions more favorable than those described in the Transfer Notice, as well as any subsequent proposed transfer of any Shares by the Selling Shareholder, shall be subject to the procedures described in Article 10A.

(3) Prohibited Transfer.

(a) Prohibited Transfer. In the event a Selling Shareholder should sell any Transfer Shares in disregard or contravention of Articles 10A(1) or 10A(2) (a "**Prohibited Transfer**"), the Right Holders, in addition to such other remedies as may be available at law, in equity or hereunder, shall have the put option provided below, and such Selling Shareholder shall be bound by the applicable provisions of such option PROVIDED THAT the restriction on share transfers provided in Section 10.1 of the Shareholders Agreement and the right of first refusal and co-sale right under Articles 10A(1) or 10A(2) shall not apply to any sale or transfer of Shares to the Company pursuant to any repurchase right of the Company or any contractual put right of the holders of Ordinary Shares, if and only if applicable.

(b) Put Right. Without prejudice to any other rights and remedies available to any Right Holder, in the event of a Prohibited Transfer, each Right Holder shall have the right to sell to the Selling Shareholder the type and number of Ordinary Shares equal to the number of Shares such Right Holder would have been entitled

to transfer to the purchaser under Article 10A(2) hereof had the Prohibited Transfer been effected pursuant to and in compliance with the terms hereof. Such sale shall be made on the following terms and conditions:

(i) The price per share at which the Shares are to be sold to the Selling Shareholder shall be equal to the price per share paid by the purchaser to the Selling Shareholder in the Prohibited Transfer. The Selling Shareholder shall also reimburse each Right Holder for any and all reasonable fees and expenses, including legal fees and out-of-pocket expenses, incurred pursuant to the exercise or the attempted exercise of such Right Holder's rights under this Article 10A.

(ii) Each Right Holder shall, if exercising the option created hereby, deliver to the Selling Shareholder within ninety (90) days after the later of the dates on which the Right Holder (A) received notice of the Prohibited Transfer or (B) otherwise become aware of the Prohibited Transfer, a notice describing the type and the number of Shares to be transferred by the Right Holder.

(iii) The Selling Shareholder shall, promptly upon receipt of the notice described in Article 10A(b)(ii) above from the Right Holder(s) exercising the option created hereby, pay to the each such Right Holder the aggregate purchase price for the Shares to be sold by such Right Holder, and the amount of reimbursable fees and expenses, as specified in Article 10A(b)(i), in cash or by other means acceptable to the Right Holder.

(iii) Upon receipt of full payment of the amount due from the Selling Shareholder, the Right Holder shall deliver to the Selling Shareholder the certificate or certificates representing Shares to be sold, together with a transfer form signed by the Right Holder transferring such shares.

(iv) Notwithstanding the foregoing, any attempt by a Selling Shareholder to transfer any of the Transfer Shares in violation of Article 10A hereof shall be void, and the Company shall not effect such a transfer nor will treat any alleged transferee as the holder of such shares without the written consent of Majority Series A-1 Preferred Shareholders, Majority Series A-2 Preferred Shareholders, Majority Series B Preferred Shareholders (which shall include Apoletto), and Majority Series C Preferred Shareholders.

10B. Drag-Along.

(a) If at any time after March 13, 2017, there shall be:

(i) an offer by a Person that is not an Affiliate of any Member to purchase all or substantially all the Shares or voting rights in the Company;

(ii) a merger or consolidation of the Company with or into another corporation in which the Company is not the surviving entity but the Shares or voting rights of the Company outstanding immediately prior to the merger are converted by virtue of the merger into other property, whether in the form of securities, cash, or otherwise; or

(iii) a sale or transfer of all or substantially all the Company's properties and assets to any other person,

in each case, which is a transaction at arm's length for an equity valuation of the Company immediately prior to such transaction of not less than US$3,000,000,000 if the Majority Class A Ordinary Shareholders, Majority Series A-1 Preferred Shareholders,

Majority Series A-2 Preferred Shareholders, Majority Series B Preferred Shareholders (which shall include Apoletto), and Majority Series C Preferred Shareholders (collectively, the "**Drag Holders**") approve such transaction, at the request of the Drag Holders, then each remaining Member (each, a "**Dragged Holder**") shall sell, transfer, convey or assign its Shares (such sale, transfer, conveyance or assignment pursuant to this Article 10B, a "**Drag-Along Sale**") pursuant to, and so as to give effect to, such offer to purchase, merger or consolidation, sale or transfer, as the case may be. If any Dragged Holder does not elect to vote, or give its written consent to the Drag-Along Sale, such Dragged Holder shall be obligated to purchase all the shares held by the Drag Holders and other Dragged Holders who has consented to participate in the Drag-Along Sale at the price upon terms offered for the Drag-Along Sale. In such event, the Dragged Holders who do not wish to sell their shares shall make a matching offer to purchase from all other relevant shareholders the shares proposed to be sold by any other such shareholders on no less favorable terms than the bona fide offer within thirty (30) Business days of the request for a Drag-Along Notice issued by the Drag Holders. For the avoidance of doubt, in all cases any exercise of rights pursuant to this Article 10B shall constitute a Deemed Liquidation Event. If any Dragged Holder has unilateral veto right to veto against the Drag-Along Sale, it is entitled to exercise its veto right to disapprove the Drag-Along Sale. However, if such Dragged Holder selects not to exercise such veto right, it shall act in accordance with this Article 10B.

If the consideration offered is payable in securities or property other than cash (or evidence of cash indebtedness), the Board of Directors shall in good faith determine the fair market value of any such securities or property in cash, provided that any holder of Preferred Shares shall have the right to challenge any determination by the Board of Directors of fair market value made pursuant hereto, in which case the determination of fair market value shall be made by a valuer selected jointly by the Board of Directors and

the challenging parties. The valuer shall prepare a report setting forth the basis of its calculating such fair market value, and the determination of such fair market value by the valuer shall, in the absence of manifest error, be final and conclusive. Up to US$100,000 of the costs of appointing the valuer shall be borne solely by the challenging holder(s) of Preferred Shares, and any amount of such costs in excess of US$100,000 shall be borne equally by the challenging holder(s) of Preferred Shares and the Company. The valuer shall act as expert and not as an arbitrator. If the acquiring party is a privately-held entity and the holders of Preferred Shares and/or VAL receive in whole or in part non-publicly traded securities of such acquirer, then such non-publicly traded securities shall have liquidation preference(s), protective provision(s), voting right(s), dividend right(s), registration rights and preemptive rights that are substantially similar to those of the Preferred Shares, as applicable, as set forth in the M&A and the Shareholders Agreement.

(b) The restrictions on transfers of Shares set forth in Article 10A shall not apply in connection with a sale pursuant to this Article 10B, or anything in these Articles or the Shareholders Agreement to the contrary notwithstanding.

(c) Upon the approval of a Drag-Along Sale as described in this Article 10B, each Dragged Holder shall grant to the CEO, a power of attorney to transfer its Shares and to do and carry out all other necessary or advisable acts to complete the Drag-Along Sale, including, without limitation, executing any and all documents (including instruments of transfer) on behalf of such Dragged Holder. The CEO shall be authorized to transfer the Shares of each Dragged Holder and to do and carry out all other necessary or advisable acts to complete the Drag-Along Sale, including, without limitation, executing any and all documents (including instruments of transfers) on behalf of each Dragged Holder.

(d) In any Drag-Along Sale approved by the Drag Holders, each Drag Holder shall severally, not jointly, join on a pro rata basis (based on the relative proceeds received in such transaction) in any indemnification obligations that are part of the terms and conditions of such Drag-Along Sale but only up to the net proceeds paid to such Drag Holder. Without limiting the foregoing sentence, no such Drag Holder who is not an employee, officer or controlling shareholder of a Group Company shall be required to make any representations or warranties other than with respect to itself (including due authorization, title to shares and enforceability of applicable agreements).

REDEEMABLE SHARES

11. (a) Subject to the provisions of the Statute, these Articles, and the Memorandum of Association, shares may be issued on the terms that they are, or at the option of the Company or the holder are, to be redeemed on such terms and in such manner as the Company, before the issue of the shares, may by a Special Resolution determine.

(b) Subject to the provisions of the Statute, these Articles, and the Memorandum of Association, the Company may purchase its own shares (including fractions of a share), including any redeemable shares, provided that, except in the case of a purchase in accordance with Article 127(e), the manner of purchase has first been authorized by the Company in general meeting and may make payment therefor in any manner authorized by the Statute, including out of its capital.

VARIATION OF RIGHTS OF SHARES

12. Subject to Article 19, if at any time the share capital of the Company is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, whether or not the Company is being wound-up and except where these Articles or the Statute impose any stricter quorum, voting or procedural requirements in regard to the variation of rights attached to a specific class, be varied with the consent in writing of the holders representing at least two-thirds (2/3) of the issued shares of that class, or with the sanction of a Special Resolution passed at a general meeting of the holders of the shares of that class.

The provisions of these Articles relating to general meetings shall apply to every such general meeting of the holders of one class of shares except that the necessary quorum shall be one (1) person holding or representing by proxy at least one-third (1/3) of the issued shares of the class and that any holder of shares of the class present in person or by proxy may demand a poll.

13. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not be deemed to be varied by the creation or issue of further shares ranking pari passu therewith.

COMMISSION ON SALE OF SHARES

14. The Company may in so far as the Statute from time to time permits, pay a commission to any person in consideration of his subscribing or agreeing to subscribe whether absolutely or conditionally for any shares of the Company. Such commissions may be satisfied by the payment of cash or the lodgment of fully or partly paid-up shares or a combination of any of the foregoing. The Company may also on any issue of shares pay such brokerage as may be lawful.

CONVERSION OF SHARES

15. The holders of the Preferred Shares and Class B Ordinary Shares have the following conversion rights described below with respect to the conversion of the Preferred Shares and Class B Ordinary Shares into Class A Ordinary Shares. The number of

Class A Ordinary Shares to which a holder shall be entitled upon conversion of any Series A-1 Preferred Share and Class B Ordinary Share shall be the quotient of the Original Series A-1 Issue Price divided by the then-effective Series A-1 Conversion Price, the number of Class A Ordinary Shares to which a holder shall be entitled upon conversion of any Series A-2 Preferred Share shall be the quotient of the Original Series A-2 Issue Price divided by the then-effective Series A-2 Conversion Price, the number of Class A Ordinary Shares to which a holder shall be entitled upon conversion of any Series B-1 Preferred Share shall be the quotient of Original Series B-1 Issue Price divided by the then-effective Series B-1 Conversion Price, the number of Class A Ordinary Shares to which a holder shall be entitled upon conversion of any Series B-2 Preferred Share shall be the quotient of the Original Series B-2 Issue Price divided by the then-effective Series B-2 Conversion Price, the number of Class A Ordinary Shares to which a holder shall be entitled upon conversion of any Series C-1 Preferred Share shall be the quotient of Original Series C-1 Issue Price divided by the then-effective Series C-1 Conversion Price, and the number of Class A Ordinary Shares to which a holder shall be entitled upon conversion of any Series C-2 Preferred Share shall be the quotient of Original Series C-2 Issue Price divided by the then-effective Series C-2 Conversion Price. The "**Series A-1 Conversion Price**" shall initially equal the Original Series A-1 Issue Price, the "**Series A-2 Conversion Price**" shall initially equal the Original Series A-2 Issue Price, the "**Series B-1 Conversion Price**" shall initially equal the Original Series B-1 Issue Price, the "**Series B-2 Conversion Price**" shall initially equal the Original Series B-2 Issue Price, the "**Series C-1 Conversion Price**" shall initially equal the Original Series C-1 Issue Price, the "**Series C-2 Conversion Price**" shall initially equal the Original Series C-2 Issue Price, and each shall be adjusted from time to time as provided in Article 16 below (the "**Applicable Conversion Price**" and each a "**Conversion Price**"). For the avoidance of doubt, the initial conversion ratio for Series A-1 Preferred Shares and Class B Ordinary Shares to Class A Ordinary Shares shall be 1:1, the initial conversion ratio for Series A-2 Preferred Shares to Class A Ordinary Shares shall be 1:1, the initial conversion ratio for Series B-1 Preferred Shares to Class A Ordinary Shares shall be 1:1, the initial conversion ratio for Series B-2 Preferred Shares to Class A Ordinary Shares shall be 1:1, the initial conversion ratio for Series C-1 Preferred Shares to Class A Ordinary Shares shall be 1:1, and the initial conversion ratio for Series C-2 Preferred Shares to Class A Ordinary Shares shall be 1:1.

(a) Optional Conversion. Subject to and in compliance with the provisions of this Clause 15(a) and subject to complying with the requirements of the Statute, any Preferred Share and Class B Ordinary Share may, at the option of the holder thereof, be converted at any time into fully-paid and nonassessable Class A Ordinary Shares based on the then-effective Applicable Conversion Price.

(b) Automatic Conversion. Without any action being required by the holder of such share and whether or not the certificates representing such share are surrendered to the Company or its transfer agent, each Preferred Share and Class B Ordinary Share shall automatically be converted, based on the then-effective Applicable Conversion Price, into Class A Ordinary Shares upon the closing of a Qualified IPO. Any conversion pursuant to this Clause 15(b) shall be referred to as an "**Automatic Conversion**".

(c) Mechanics of Conversion. No fractional Class A Ordinary Share shall be issued upon conversion of the Preferred Shares and Class B Ordinary Shares. In lieu of any fractional shares to which the holder would otherwise be entitled, the Company shall pay cash equal to such fraction multiplied by the then-effective Applicable Conversion Price. Before any holder of Preferred Shares and Class B Ordinary Shares shall be entitled to convert the same into full Class A Ordinary Shares and to receive certificates therefor, the holder shall surrender the certificate or certificates for the applicable Preferred Shares and Class B Ordinary Shares, duly endorsed, at the principal office of the Company or of any transfer agent for the Preferred Shares and Class B Ordinary Shares to be converted and shall give written notice to the Company at such office that the holder elects to convert the same. The Company shall promptly issue and deliver at such office to such holder of the Preferred Shares and Class B Ordinary Shares a certificate or certificates for, a copy of the Company's register of Member showing such holder of the Preferred Shares and Class B Ordinary Shares as a holder of the number of Class A Ordinary Shares to which the holder shall be entitled as aforesaid certified by the Company's share registrar and a check payable to the holder in the amount of any cash amounts payable as the result of a conversion into fractional Class A Ordinary Shares. The Preferred Shares and Class B Ordinary Shares converted into Class A Ordinary Shares shall be cancelled and shall not be reissued. Such conversion shall be deemed to have been made immediately prior to the close of business on the date of such surrender of the certificate or certificates for the Preferred Shares and Class B Ordinary Shares to be converted, and the person or persons entitled to receive the Class A Ordinary Shares issuable upon such conversion shall be treated for all purposes as the record holder or holders of such Class A Ordinary Shares on such date. For the avoidance of doubt, no conversion shall prejudice the right of a holder of Preferred Shares and Class B Ordinary Shares to receive dividends and other distributions declared but not paid as at the date of conversion on the Preferred Shares and Class B Ordinary Shares being converted.

The Company may give effect to any conversion pursuant to the Articles by one or more of the following methods:

(i) If the total nominal par value of the Series A Preferred Shares, Series B Preferred Shares, Series C Preferred Shares and Class B Ordinary Shares being converted is equal to the total nominal par value of the Class A Ordinary Shares into which such Series A Preferred Shares, Series B Preferred Shares, Series C Preferred Shares and Class B Ordinary Shares convert such that each Series A Preferred Share, Series B Preferred Share, Series C Preferred Share and Class B Ordinary Share is convertible into one (1) Class A Ordinary Share and both the Series A Preferred Share/Series B Preferred Shares/Series C Preferred Shares/Class B Ordinary Shares and the Class A Ordinary Share have the same par value, the Company may, by Special Resolution, redesignate the Series A Preferred Shares, Series B Preferred Shares, Series C Preferred Shares and Class B Ordinary Shares to Class A Ordinary Shares. On re-designation, each Series A Preferred Share, Series B Preferred Share, Series C Preferred Shares and Class B Ordinary

Share to be converted shall become a Class A Ordinary Share with the rights, privileges, terms and obligations of the Class A Ordinary Shares and the converted Class A Ordinary Shares shall thenceforth form part of the class of the Class A Ordinary Shares (and shall cease to form part of the class of Series A Preferred Shares, Series B Preferred Shares, Series C Preferred Shares and Class B Ordinary Shares for all purposes).

(ii) The Board may by resolution resolve to redeem the Series A Preferred Shares, Series B Preferred Shares, Series C Preferred Shares and Class B Ordinary Shares for the purpose of this Article (and, for accounting and other purposes, may determine the value therefor) and in consideration therefor issue fully-paid Class A Ordinary Shares in relevant number.

(iii) The Board may by resolution adopt any other method permitted by Statute including capitalizing reserves to pay up new Class A Ordinary Shares, or by making a fresh issue of Class A Ordinary Shares, except that if conversion is capable of being effected in the manner described in paragraph (i) above, the conversion shall be effected in that manner in preference to any other method permitted by law or the Articles.

(d) Availability of Shares Issuable Upon Conversion. The Company shall at all times keep available out of its authorized but unissued Class A Ordinary Shares, free of liens of any kind, solely for the purpose of effecting the conversion of the Preferred Shares and Class B Ordinary Shares, such number of its Class A Ordinary Shares as shall from time to time be sufficient to effect the conversion of all outstanding Preferred Shares and Class B Ordinary Shares, and if at any time the number of authorized but unissued Class A Ordinary Shares shall not be sufficient to effect the conversion of all then outstanding Preferred Shares and Class B Ordinary Shares, in addition to such other remedies as shall be available to the holder of such Preferred Shares and Class B Ordinary Shares, the Company and the Shareholders shall take such corporate action as may, in accordance with the Articles and the Statute, be necessary to increase its authorized but unissued Class A Ordinary Shares to such number of shares as shall be sufficient for such purposes.

(e) Cessation of Certain Rights on Conversion. Subject to Article 15(c), on the date of conversion of any Preferred Shares and Class B Ordinary Shares to Class A Ordinary Shares, the holder of the Preferred Shares and Class B Ordinary Shares to be converted shall cease to be entitled to any rights in respect of such Preferred Shares and Class B Ordinary Shares, and accordingly his name shall be removed from the register of Members as the holder of such Preferred Shares and Class B Ordinary Shares, and shall correspondingly be inserted onto the register of Members as the holder of the number of Class A Ordinary Shares into which such Preferred Shares and Class B Ordinary Shares converts.

(f) Class A Ordinary Shares Resulting from Conversion. The Class A Ordinary Shares resulting from the conversion of the Preferred Shares and Class B Ordinary Shares:

(i) shall be credited as fully paid and non-assessable;

(ii) shall rank *pari passu* in all respects and form one class with the Class A Ordinary Shares then issued; and

(iii) shall entitle the holder to all dividends payable on the Class A Ordinary Shares by reference to a record date after the date of conversion.

ADJUSTMENTS TO CONVERSION PRICE

16. (a) Special Definitions. For purposes of this Article 16, the following definitions shall apply:

(i) "**Options**" mean rights, options or warrants to subscribe for, purchase or otherwise acquire either Ordinary Shares or Convertible Securities.

(ii) "**Convertible Securities**" shall mean any notes, debentures, preferred shares or other securities or rights which are ultimately convertible into or exchangeable for Ordinary Shares.

(iii) "**Additional Ordinary Shares**" (each an "**Additional Ordinary Share**") shall mean all Ordinary Shares (including reissued shares) issued (or, pursuant to Article 16(c), deemed to be issued) by the Company, other than:

(A) Class A Ordinary Shares issued upon conversion of Preferred Shares and Class B Ordinary Shares;

(B) in the aggregate up to 35,456,559 Class A Ordinary Shares (including any of such shares which are repurchased) issued or issuable to officers, directors, employees and consultants of the Company pursuant to any equity plan or incentive arrangement approved by the Directors and in accordance with Article 19 hereof;

(C) those issued as a dividend or distribution on Preferred Shares or Class B Ordinary Shares or any event for which adjustment is made pursuant to Article 16(f), 16(g) or 16(h) hereof; and

(D) Any shares issued to the existing shareholders of the Company with sole purpose of reflecting their equity interests in the PRC Companies in connection with termination of the VIE structure.

(b) No Adjustment of Conversion Price. No adjustment in any Conversion Price shall be made in respect of the issuance of Additional Ordinary Shares unless the consideration for any Additional Ordinary Share issued or deemed to be issued by the Company is less than such Conversion Price in effect on the date of any immediately prior to such issue.

(c) Deemed Issue of Additional Ordinary Shares. In the event the Company issues any Options or Convertible Securities or shall fix a record date for the determination of holders of any class of securities entitled to receive

any such Options or Convertible Securities, then the maximum number (as set forth in the instrument relating thereto without regard to any provisions contained therein for a subsequent adjustment of such number that would result in an adjustment pursuant to clause (ii) below) of Ordinary Shares issuable upon the exercise of such Options or, in the case of Convertible Securities and Options therefor, the conversion or exchange of such Convertible Securities, shall be deemed to be Additional Ordinary Shares issued as of the time of such issue or, in case such a record date shall have been fixed, as of the close of business on such record date, provided, that Additional Ordinary Shares shall not be deemed to have been issued unless the consideration per share (determined pursuant to Article 16(e) hereof) of such Additional Ordinary Shares would be less than the Applicable Conversion Price in effect on the date of and immediately prior to such issue, or such record date, as the case may be, and provided, further that in any such case in which Additional Ordinary Shares are deemed to be issued:

(i) no further adjustment in the Applicable Conversion Price shall be made upon the subsequent issue of Convertible Securities or Ordinary Shares upon the exercise of such Options or conversion or exchange of such Convertible Securities;

(ii) if such Options or Convertible Securities by their terms provide, with the passage of time or otherwise, for any increase or decrease in the consideration payable to the Company, or increase or decrease in the number of Ordinary Shares issuable, upon the exercise, conversion or exchange thereof, the Applicable Conversion Price computed upon the original issue thereof (or upon the occurrence of a record date with respect thereto), and any subsequent adjustments based thereon, shall, upon any such increase or decrease becoming effective, be recomputed to reflect such increase or decrease insofar as it affects such Options or the rights of conversion or exchange under such Convertible Securities;

(iii) upon the expiration of any such Options or any rights of conversion or exchange under such Convertible Securities which shall not have been exercised, the Applicable Conversion Price computed upon the original issue thereof (or upon the occurrence of a record date with respect thereto), and any subsequent adjustments based thereon, shall, upon such expiration, be recomputed as if:

(A) in the case of Convertible Securities or Options for Ordinary Shares, the only Additional Ordinary Shares issued were Ordinary Shares, if any, actually issued upon the exercise of such Options or the conversion or exchange of such Convertible Securities and the consideration received therefor was the consideration actually received by the Company for the issue of all such Options, whether or not exercised, plus the consideration actually received by the Company upon such exercise, or for the issue of all such Convertible Securities which were actually converted or exchanged, plus the additional consideration, if any, actually received by the Company upon such conversion or exchange; and

(B) in the case of Options for Convertible Securities, only the Convertible Securities, if any, actually issued upon the exercise thereof were issued at the time of issue of such Options, and the consideration received by the Company for the Additional Ordinary Shares deemed to have been then issued was the consideration actually received by the Company for the issue of all such Options, whether or not exercised, plus the consideration deemed to have been received by the Company upon the issue of the Convertible Securities with respect to which such Options were actually exercised;

(iv) no re-adjustment pursuant to clause (ii) or (iii) above shall have the effect of increasing the Applicable Conversion Price to an amount which exceeds the lower of (i) the Applicable Conversion Price on the original adjustment date, or (ii) the Applicable Conversion Price that would have resulted from any issuance of Additional Ordinary Shares between the original adjustment date and such re-adjustment date; and

(v) in the case of any Options which expire by their terms not more than thirty (30) days after the date of issue thereof, no adjustment of the Applicable Conversion Price shall be made until the expiration or exercise of all such Options, whereupon such adjustment shall be made in the manner provided in clause (iii) above.

(d) Adjustment of Conversion Price Upon Issuance of Additional Ordinary Shares. In the event that the Company shall issue Additional Ordinary Shares for a consideration per share received by the Company (net of any selling concessions, discounts or commissions) that is less than the Applicable Conversion Price in effect on the date of and immediately prior to such issue, then and in such event, the Applicable Conversion Price shall be reduced, concurrently with such issue, in accordance with the following formula:

CP2 = CP1 * (A + B) / (A + C)

For the purposes of the foregoing formula, the following definitions shall apply:

(i) "CP2" shall mean the applicable Conversion Price in effect immediately after such issuance;

(ii) "CP1" shall mean the applicable Conversion Price in effect immediately prior to such issuance;

(iii) "A" shall mean the number of Class A Ordinary Shares outstanding immediately prior to such issuance (assuming the conversion of all outstanding Convertible Securities and the exercise of all outstanding Options);

(iv) "B" shall mean the number of Class A Ordinary Shares that would have been issued or deemed issued if such issuance had been made at a price per share equal to CP1 (determined by dividing the aggregate consideration received by the Company in respect of such issuance by CP1); and

(v) "C" shall mean the number of Additional Ordinary Shares issued in such issuance.

In the event that the Company shall issue Additional Ordinary Shares for a consideration per share received by the Company (net of any selling concessions, discounts or commissions) representing a valuation of the Company exceeding US$851.5 million but less than US$936.65 million, the applicable Series C-1 Conversion Price or Series C-2 Conversion Price shall be adjusted so that the converted Class A Ordinary Shares issuable upon conversion of the Series C Preferred Shares shall represent 110% of the shareholding percentage of such Series C Preferred Shares immediately after the Closing as defined in the C-1 Preferred Share Purchase Agreements and the Series C-2 Preferred Share Purchase Agreement, on a fully-diluted and as-converted basis.

(e) Determination of Consideration. For purposes of this Article 16, the consideration received by the Company for the issue of any Additional Ordinary Shares shall be computed as follows:

(i) *Cash and Property.* Except as provided in clause (ii) below, such consideration shall:

(A) insofar as it consists of cash, be computed at the aggregate amount of cash received by the Company, excluding amounts paid or payable for accrued interest or accrued dividends;

(B) insofar as it consists of property other than cash, be computed at the fair value thereof at the time of such issue, as determined in good faith by the Directors; provided, however, that no value shall be attributed to any services performed by any employee, officer or director of the Company; and

(C) in the event Additional Ordinary Shares are issued together with other shares or securities or other assets of the Company for consideration which covers both, be the proportion of such consideration so received with respect to such Additional Ordinary Shares, computed as provided in clauses (A) and (B) above, as determined in good faith by the Directors.

(ii) *Options and Convertible Securities.* The consideration per share received by the Company for Additional Ordinary Shares deemed to have been issued pursuant to Article 16(c), relating to Options and Convertible Securities, shall be determined by dividing

(A) the total amount, if any, received or receivable by the Company (net of any selling concessions, discounts or commissions) as consideration for the issue of such Options or Convertible Securities, plus the minimum aggregate amount of additional consideration (as set forth in the instruments relating thereto, without regard to any provision contained therein for a subsequent adjustment of such consideration) payable to the Company upon the exercise of such Options or the conversion or exchange of such Convertible Securities, or in the case of Options for Convertible Securities, the exercise of such Options for Convertible Securities and the conversion or exchange of such Convertible Securities by

(B) the maximum number of Ordinary Shares (as set forth in the instruments relating thereto, without regard to any provision contained therein for a subsequent adjustment of such number) issuable upon the exercise of such Options or the conversion or exchange of such Convertible Securities.

(f) Adjustments for Shares Dividends, Subdivisions, Combinations or Consolidations of Ordinary Shares. In the event the outstanding Class A Ordinary Shares shall be subdivided (by share dividend, share split, or otherwise), into a greater number of Class A Ordinary Shares and the Conversion Price then in effect shall, concurrently with the effectiveness of such subdivision, be proportionately decreased. In the event the outstanding Class A Ordinary Shares shall be combined or consolidated, by reclassification or otherwise, into a lesser number of Class A Ordinary Shares, the Conversion Price then in effect shall, concurrently with the effectiveness of such combination or consolidation, be proportionately increased.

(g) Adjustments for Other Distributions. In the event the Company makes, or files a record date for the determination of holders of Class A Ordinary Shares entitled to receive any distribution payable in securities or assets of the Company other than Class A Ordinary Shares, then and in each such event, provision shall be made so that the holders of Preferred Shares and Class B Ordinary Shares shall receive upon conversion thereof, in addition to the number of Class A Ordinary Shares receivable thereupon, the amount of securities or assets of the Company which they would have received had their Preferred Shares and Class B Ordinary Shares been converted into Class A Ordinary Shares on the date of such event and had they thereafter, during the period from the date of such event to and including the date of conversion, retained such securities or assets receivable by them as aforesaid during such period, subject to all other adjustment called for during such period under this Article 16 with respect to the rights of the holders of the Preferred Shares and Class B Ordinary Shares.

(h) Adjustments for Reclassification, Exchange and Substitution. If the Class A Ordinary Shares issuable upon conversion of the Preferred Shares and Class B Ordinary Shares shall be changed into the same or a different number of shares of any other class or classes of shares, whether by capital reorganization, reclassification or otherwise (other than a subdivision or combination of shares provided for above), then and in each such event, the holder of each applicable Preferred Share and Class B Ordinary Share shall have the right thereafter to convert such share into the kind and amount of shares and other securities and property receivable upon such reorganization or reclassification or other change by holders of the number of Class A Ordinary Shares that would have been subject to receipt by the holders upon conversion of the applicable series of Preferred Shares and Class B Ordinary Shares immediately before that change, all subject to further adjustment as provided herein.

(i) No Impairment. The Company shall not, by amendment of these Articles or its Memorandum of Association or through any reorganization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms to be observed or performed hereunder by the Company but shall at all times in good faith assist in the carrying out of all the provisions of Article 16 and in the taking of all such action as may be necessary or appropriate in order to protect the rights of the Preferred Shares and Class B Ordinary Shares hereunder against impairment.

(j) Certificate as to Adjustments. Upon the occurrence of each adjustment or re-adjustment of the Conversion Price pursuant to this Article 16, the Company shall, at its expense, promptly compute such adjustment or re-adjustment in accordance with the terms hereof and furnish to each holder of Preferred Shares and Class B Ordinary Shares a certificate setting forth such adjustment or re-adjustment and showing in detail the facts upon which such adjustment or re-adjustment is based. The Company shall, upon the written request at any time of any holder of Preferred Shares and Class B Ordinary Shares, furnish or cause to be furnished to such holder a like certificate setting forth (i) such adjustments and re-adjustments, (ii) the Applicable Conversion Prices at the time in effect, and (iii) the number of Class A Ordinary Shares and the amount, if any, of other property which at the time would be received upon the conversion of each series of Preferred Shares and Class B Ordinary Shares.

(k) Miscellaneous.

(i) All calculations under this Article 16 shall be made to the nearest cent or to the nearest one hundredth (1/100) of a share, as the case may be. Upon conversion of such number of Preferred Shares and Class B Ordinary Shares, the resultant aggregate number of Class A Ordinary Shares to be issued to each holder of Preferred Shares and Class B Ordinary Shares if not a whole number (but part or fraction of a Class A Ordinary Share), shall be rounded up to the nearest multiple of one (1) Class A Ordinary Share such that the resultant aggregate number of Class A Ordinary Shares to be issued to such holder of Preferred Shares and Class B Ordinary Shares shall be a whole number.

(ii) Majority Series A-1 Preferred Shareholders, Majority Series A-2 Preferred Shareholders, Majority Series B Preferred Shareholders (which shall include Apoletto) and Majority Series C Preferred Shareholders shall have the right to challenge any determination by the Directors of fair value pursuant to this Article 16, in which case such determination of fair value shall be made by an independent appraiser selected jointly by the Directors and the challenging parties, the cost of such appraisal to be borne equally by the Company and the challenging parties.

(iii) No adjustment in the Applicable Conversion Price need be made if such adjustment would result in a change in such Conversion Price of less than US$0.005. Any adjustment of less than US$0.005 which is not made shall be carried forward and shall be made at the time of and together with any subsequent adjustment which, on a cumulative basis, amounts to an adjustment of US$0.005 or more in the Applicable Conversion Price.

NOTICES OF RECORD DATE

17. In the event that the Company shall propose at any time:

(a) to declare any dividend or distribution upon its Ordinary Shares, whether in cash, property, shares or other securities, whether or not a regular cash dividend and whether or not out of earnings or earned surplus;

(b) to offer for subscription to the holders of any class or series of its shares on a pro-rata basis, any additional shares of shares of any class or series or other rights;

(c) to effect any reclassification or recapitalization of its Ordinary Shares outstanding involving a change in the Ordinary Shares; or

(d) to merge or consolidate with or into any other corporation, or sell, lease or convey all or substantially all its property or business, or to liquidate, dissolve or wind up, then, in connection with each such event, the Company shall send to the holders of the Preferred Shares:

(i) at least twenty (20) days' prior written notice specifying the date on which a record shall be taken for such dividend, distribution or subscription rights (and specifying the date on which the holders of Ordinary Shares shall be entitled thereto) or for determining rights to vote in respect of the matters referred to in (c) and (d) above; and

(ii) in the case of the matters referred to in (c) and (d) above, at least twenty (20) days' prior written notice specifying the date when the same shall take place (and specifying the date on which the holders of Ordinary Shares shall be entitled to exchange their Ordinary Shares for securities or other property deliverable upon the occurrence of such event).

Each such written notice shall be delivered personally or given by first class mail, postage prepaid, addressed to the holders of the Preferred Shares at the address for each such holder as shown on the books of the Company.

REDEMPTION

18. (a) (i) At any time and from time to time commencing on the Redemption Start Date, if the Company has not completed a Qualified IPO or a Trade Sale, or (ii) there is a material breach by the Founder or any Group Company of their obligations under the Transaction Agreements (as defined in the Shareholders Agreement or Series B Preferred Share Purchase Agreement), subject to the Statute, at the option of each holder of Class B Ordinary Shares and/or Series A-1 Preferred Shares and/or Series A-2 Preferred Shares and/or Series B-1 Preferred Shares and/or Series B-2 Preferred Shares, and/or Series C Preferred Shareholders ("**Requesting Holder**"), the Company shall redeem that number of the outstanding Series A-1 Preferred Shares, Series A-2 Preferred Shares, Series B-1 Preferred Shares, Series B-2 Preferred Shares, Series C Preferred Shares and/or Class B Ordinary Shares, as the case may be, out of funds legally available therefor, in each case, in accordance with the following terms. Following receipt of the request for redemption from such Requesting Holders, the Company and the Founder shall within fifteen (15) business days give written notice (the "**Redemption Notice**") to each non-requesting holder of record of the Series A-1 Preferred Share and/or Series A-2 Preferred Share and/or Series B-1 Preferred Shares and/or Series B-2 Preferred Shares and/or Series C Preferred Shares and/or Class B Ordinary Shares, as the case may be, at the address last shown on the records of the Company for such non-requesting holder(s). Such notice shall indicate that the Requesting Holder have elected redemption of such number of Series A-1 Preferred Shares or Series A-2 Preferred Shares or Series B-1 Preferred Shares or Series B-2 Preferred Shares or Series C Preferred Shares or Class B Ordinary Shares pursuant to the provisions of this Article 18 and shall specify the redemption date ("**Redemption Date**"), Redemption Price, and mechanics of such redemption. Such non-requesting holders may provide notice to the Company within ten (10) days after the date of delivery of the Redemption Notice that such holder elects to participate in such redemption. Upon receipt of any such request, the Company shall promptly give written notice of such request to all holders of record of such Series A Preferred Shares, Series B Preferred Shares, Series C Preferred Shares and Class B Ordinary Shares of the existence of such request. The redemption price for Series A Preferred Shares, Class B Ordinary Shares and/or Series B Preferred Shares shall be the sum of, (x) the Original Issue Price of the applicable Series A-1 Preferred Shares, Class B Ordinary Shares, Series A-2 Preferred Shares, Series B-1 Preferred Shares, and Series B-2 Preferred Shares (for the purpose of this Article 18(a), the Original Issue Price of the Class B Ordinary Share shall be equal to the Original Series A-1 Issue Price); (y) all dividends declared and unpaid with respect thereto per such Shares then held by such holder through the date of receipt by the holder

thereof of the full redemption amount; and (z) annual interest calculated at ten percent (10%) per annum on the Original Issue Price, compounded annually calculated from the date of the issuance of such Shares and up to and including the date of receipt by the holder thereof of the full redemption amount (such higher amount, the "**Series A and B Redemption Price**"). The redemption price for Series C Preferred Shares shall be the sum of, (x) the applicable Original Issue Price of the applicable Series C-1 Preferred Shares and Series C-2 Preferred Shares; (y) all dividends declared and unpaid with respect thereto per such Shares then held by such holder through the date of receipt by the holder thereof of the full redemption amount; and (z) annual compound interest calculated at twelve percent (12%) per annum on the Original Issue Price, calculated from May 25, 2016 with respect to the Series C-1 Preferred Shares and May 3, 2016 with respect to the Series C-2 Preferred Shares and up to and including the date of receipt by the holder thereof of the full redemption amount, (the "**Series C Redemption Price**"). Notwithstanding anything to the contrary and in addition to any other provisions in these Articles, in case any Series C-1 Preferred Shareholder has not fully paid the purchase price for the Series C-1 Preferred Shares specified in the respective Series C-1 Preferred Share Purchase Agreements (the "**Series C-1 Purchase Price**"), then with respect to the payment of the Series C Redemption Price, the Company shall pay to such Series C-1 Preferred Shareholder an amount equal to the balance of the applicable Series C Redemption Price minus such Series C-1 Purchase Price not paid by such Series C-1 Preferred Shareholder, provided that in the event that any payment of such balance between the Series C Redemption Price and the Series C-1 Purchase Price in accordance with this Article has been made to the Series C-1 Preferred Shareholder, the domestic loan and the accrued interests (if any) stipulated in certain convertible loan agreement dated May 12, 2016 and the supplementary agreement dated October 21, 2017 among such Series C-1 Preferred Shareholder or its Affiliates and the other related parties thereunder shall be paid to the Series C-1 Preferred Shareholder or its Affiliates (with respect to Taikang, it shall be paid to TIG) within three (3) months following the date of deduction of the Series C-1 Purchase Price from the Series C-1 Redemption Price. When the Company makes payment of the Series C Redemption Price to Huasheng in US dollars according to this Article 18, the exchange rate for RMB-US dollars shall be calculated based on the central parity rate as published by the People's Bank of China on the actual remittance date the Company makes the payment.

The closing (the "**Redemption Closing**") of the redemption of any series of the Series A Preferred Shares, the Series B Preferred Shares, the Series C Preferred Shares and Class B Ordinary Shares pursuant to this Article 18(a) will take place within sixty (60) days of the date of the Redemption Notice at the offices of the Company, or such earlier date or other place as the Majority Series A-1 Preferred Shareholders, the Majority Series A-2 Preferred Shareholders, the Majority Series B Preferred Shareholders (which shall include Apoletto), or the Majority Series C Preferred Shareholders electing for redemption and the Company may mutually agree in writing. At the Redemption Closing, subject to applicable law, the Company will, from any source of assets or funds legally

available therefore, redeem the Series A-1 Preferred Shares, Series A-2 Preferred Shares, Series B-1 Preferred Shares, Series B-2 Preferred Shares, Series C Preferred Shares and/or Class B Ordinary Shares, as the case may be, held by each holder electing for such redemption, by paying in cash therefor the Redemption Price against surrender by such holder at the Company's principal office of the certificate representing such share. From and after the Redemption Closing, if the Company makes the Redemption Price available to a holder of Series A-1 Preferred Share, Series A-2 Preferred Share, Series B-1 Preferred Share, Series B-2 Preferred Share, Series C Preferred Share and/or Class B Ordinary Share, all rights of the holder of such Series A-1 Preferred Share, Series A-2 Preferred Share, Series B-1 Preferred Share, Series B-2 Preferred Share, Series C Preferred Share and Class B Ordinary Share (except the right to receive the Redemption Price

therefore) will cease with respect to such Series A-1 Preferred Share, Series A-2 Preferred Share, Series B-1 Preferred Share, Series B-2 Preferred Share, Series C Preferred Share and/or Class B Ordinary Share, and such Series A-1 Preferred Share, Series A-2 Preferred Share, Series B-1 Preferred Share, Series B-2 Preferred Share, Series C Preferred Share and/or Class B Ordinary Share will not thereafter be transferred on the books of the Company or be deemed outstanding for any purpose whatsoever.

(b) Insufficient Funds. If the Company's assets or funds which are legally available on the date that any redemption payment under this Article 18 is due are insufficient to pay in full all redemption payments to be paid at the Redemption Closing, those assets or funds which are legally available shall be first used to the extent permitted by applicable law to pay all redemption payments due on such date for Series C Preferred Shares electing for redemption under this Article 18. If the funds are insufficient to pay in full all redemption payments of Series C Preferred Shares, then, such payment shall be made in proportion to the full amounts to which the holders of Series C Preferred Shares to which such redemption payments are due would otherwise be respectively entitled thereon. After all redemption payments due for Series C Preferred Shares have been paid and there are still assets or fund legally available ("**Remaining Funds**"), such Remaining Funds shall be then used to the extent permitted by applicable law to pay all redemption payments due on such date ratably for Series B Preferred Shares electing for redemption under this Article, in proportion to the full amounts to which such holders of Series B Preferred Shares to which such redemption payments are due would otherwise be respectively entitled thereon. After all redemption payments due for Series C Preferred Shares and Series B Preferred Shares have been paid and there are still Remaining Funds, such Remaining Funds shall be then used to the extent permitted by applicable law to pay all redemption payments due on such date ratably for Series A-2 Preferred Shares electing for redemption under this Article, in proportion to the full amounts to which such holders of Series A-2 Preferred Shares to which such redemption payments are due would otherwise be respectively entitled thereon. After all redemption payments due for Series C Preferred Shares, Series B Preferred Shares and Series A-2 Preferred Shares have been paid and there are still Remaining Funds, such Remaining Funds shall be then used to the extent permitted by applicable law to pay all redemption payments due on such date ratably for Series A-1 Preferred Shares and Class B Ordinary Shares electing for redemption under this Article, in proportion to the full amounts to which such holders of Series A-1 Preferred Shares and Class B Ordinary Shares to which such redemption payments are due would otherwise be respectively entitled thereon.

(c) Other Limited Redemption. If the Company is otherwise prohibited by applicable law from redeeming all Series A-1 Preferred Shares, Series A-2 Preferred Shares, Series B-1 Preferred Shares, Series B-2 Preferred Shares, Series C Preferred Shares or Class B Ordinary Shares to be redeemed at the Redemption Closing, those assets or funds which are legally available shall be used to the extent permitted by applicable law to pay all redemption payments due on such date ratably in proportion to the full amounts to which the holders to which such redemption payments are due would otherwise be respectively entitled thereon. Thereafter, all assets or funds of the Company that become legally available for the redemption of shares shall immediately be used to pay the redemption payment which the Company did not pay on the date that such redemption payments were due.

(d) Un-redeemed Shares. If the Company does not have sufficient assets or funds legally available for redemption, each Requesting Holder, as the case may be, for which the redemption rights have been exercised in accordance with this Article 18 but for which the applicable Redemption Price has not been paid in full (such shares, the "**Unredeemed Shares**") shall have the right to elect, at its sole discretion, to (a) have the Company pay such holder, in addition to the applicable Redemption Price for each Unredeemed Share, interest on the applicable Redemption Price for such Unredeemed Share at the rate of eight percent (8%) per annum for the period between the Redemption Date and the date on which the Redemption Price is paid in full, in each case, for such Unredeemed Share (the applicable Redemption Price, together with any interest payable thereon, the "**Postponed Redemption Price**") or (b) have the Company redeem the Unredeemed Shares by issuing to such holder a promissory note with a principal amount equal to the product of the applicable Redemption Price for the Unredeemed Shares held by such holder plus an interest of eight percent (8%) per annum, which principal and accrued interest shall be due and payable on the date that is twenty-four (24) months after the applicable Redemption Date. In the event of (b) above, such holder shall surrender his or her share certificates to the Company and the Unredeemed Shares shall be cancelled.

PROTECTIVE PROVISIONS

19. Preferred Shareholders Protective Provisions

A Notwithstanding anything to the contrary and in addition to any other provisions in these Articles, so long as any Preferred Shares are outstanding, any action (whether by merger, consolidation, amalgamation, amendment of these Articles or otherwise, and whether in a single transaction or a series of related transactions) that effects or approves any of the following transactions involving the Company or any of the Group Company shall first require the approval of each of the Majority Series A-1 Preferred Shareholders, the Majority Series A-2 Preferred Shareholders, the holders of seventy-five percent (75%) of the Series B Preferred Shares (voting as a single class and on an as converted basis), and Majority Series C Preferred Shareholders (the "**Special Approval**"). For purposes of this provision, all references to the "Company" shall refer to each Group Company and their respective Subsidiaries.

(a) any amendment or change of the rights, preferences, privileges or powers of, or the restrictions provided for the benefit of, the Series A-1 Preferred Shares, Series A-2 Preferred Shares, Series B-1 Preferred Shares, Series B-2 Preferred Shares, or Series C Preferred Shares;

(b) declare or payment of any dividends on any class of shares;

(c) any increase or decrease of the authorized size of the board of directors of any Group Company, or amend the rules of appointing the directors as provided herein, or amend the power of any Director;

(d) the adoption of, or any amendment to, any employee stock option plan or any other employee equity incentive plans of any Group Company, or any changes to the number of Shares of Ordinary Shares reserved for issuance under the employee stock option plan or any other employee equity incentive plans of any Group Company;

(e) any increase in compensation of any employee of any Group Company with annual salary of at least RMB1,000,000 by more than twenty percent (20%) in a twelve (12) months period;

(f) any disposing of or licensing to any third party any patent, brand, copyright, trademark or any intellectual property of the Group Company, unless such transaction occurs in the ordinary course of business of the Group Company and on normal commercial terms and has been fully disclosed in writing to the Preferred Shareholders prior to the entering into of such transaction;

(g) outside the ordinary course of business of any Group Company, incurrence of debt or assumption of any loan, facility or other financial obligation from, or issue, assumption, provision of guarantee, charge, lien or indemnity warranty in favor of a third party, or creation of any liability (including without limitation any off-balance-sheet liability or contingent liability) by any Group Company in excess of RMB5,000,000, or on any patent, copy right, trademark, or any other intellectual property right of the Group Companies;

(h) any transaction between (i) any Group Company and (ii) any shareholder or the director, officer or employee of any Group Company or their associates and Affiliates; and any loan provided to any shareholder or the director, officer or employee of any Group Company or their associates and Affiliates or employees of any relative of the Founder with any Group Company not based on arms-length terms;

(i) cease to conduct or carry on the business of the Company substantially as now conducted or, in the case of a Subsidiary, as conducted at the time it became a Subsidiary of the Company, or change any part of its business activities;

(j) any appointment, replacement or removal of the auditor or any material alteration of the fiscal or auditing policy of any Group Company;

(k) the adoption of the annual budget of any Group company;

(l) any other event which may negatively affect the rights, preferences, privileges or powers of the Investors herein.

B Notwithstanding anything to the contrary and in addition to any other provisions in these Articles, so long as any Preferred Shares are outstanding, any action (whether by merger, consolidation, amalgamation, amendment of these Articles or otherwise, and whether in a single transaction or a series of related transactions) that effects or approves any of the following transactions involving the Company or any of the Group Company shall first require the approval of each of the Majority Series A-1 Preferred Shareholders, the Majority Series A-2 Preferred Shareholders, Majority Series B Preferred Shareholders (which shall include Apoletto), and Majority Series C Preferred Shareholders (the "**Majority Approval**"), provided that in case that any purchaser in the transaction specified in Article 19 B (e) hereof is ALIBABA GROUP HOLDING LIMITED or any of its Affiliates (including but not limited to Ant Financial Service Group (□□□□□□) and its Affiliates), such transaction shall not be conducted without first obtaining the Special Approval. For purposes of this provision, all references to the "Company" shall refer to each Group Company and their respective Subsidiaries.

(a) any action that authorizes, creates (by reclassification or otherwise) or issues any class of shares of the capital of the Company having preferences or priority senior to or on a parity with the Series A-1 Preferred Shares, Series A-2 Preferred Shares, Series B-1 Preferred Shares, Series B-2 Preferred Shares, Series C Preferred Shares or any new issuance of any securities of the Company;

(b) any increase or decrease in the number of authorized shares of Preferred Shares or Ordinary Shares;

(c) any amendment, modification or change to or of the Memorandum of Association and these Articles or other constitutional charter documents of any Group Company that would adversely affect the rights of the Preferred Shares;

(d) any merger, sale, acquisition, consolidation or reorganization of any Group Company with or into one or more corporations or any other entity(ies) (other than a merger or consolidation involving only the Company and its wholly owned subsidiary) or any other transaction or series of related transactions (such merger, sale, acquisition, consolidation, reorganization and transactions to be collectively referred to as "**Transaction**"), in which the relevant Group Company or its shareholders immediately prior to such Transaction will not, as a result of or subsequent to the Transaction, hold a majority of the voting power of the surviving or resulting entity;

(e) any sale of all or substantially of any of the Group Company's assets, or any material asset or undertaking of any Group Company;

(f) any action related to the dismantling or termination of the VIE structure among the Group Companies and their respective shareholders;

(g) any liquidation, dissolution or winding-up of any Group Company;

(h) the establishment or acquisition of any subsidiary or joint venture;

(i) enter into arrangements for any public offering of the Company's or any of its Subsidiaries' securities, including the selection of any underwriter, manager, arranger or counsel for such offering;

(j) dispose of or dilute the Company's interest, directly or indirectly, in any of its Subsidiaries.

C Notwithstanding anything to the contrary and in addition to any other provisions in these Articles, so long as any Preferred Shares are outstanding, any action (whether by merger, consolidation, amalgamation, amendment of these Articles or otherwise, and whether in a single transaction or a series of related transactions) that effects or approves any of the following transactions involving the Company or any of the Group Company shall first require the approval of the Board of Directors (which shall include all Preferred Shareholder Directors) (the "**Board Approval**").

(a) appoint chief executive officer.

D. The transactions listed as below shall obtain the CEO Approval (the "**CEO Approval**").

(a) any purchase of any real property less than RMB300,000 of any Group Company;

(b) any incurrence of material transaction outside the ordinary course of business of any Group Company less than RMB2,000,000 in any fiscal year;

(c) any expenditure outside the approval annual budget of any Group Company less than RMB1,000,000 per month individually or in the aggregate.

E. Notwithstanding anything to the contrary contained herein, where any act listed in this Article 19 A require a Special Resolution of the Members in accordance with the Statute, and if the Members vote in favour of such act but the Special Approval has not yet been obtained, the Majority Series A-1 Preferred Shareholders, the Majority Series A-2 Preferred Shareholders, the holders of seventy-five percent (75%) of the Series B Preferred Shares (voting as a single class and on an as converted basis) and the Majority Series C Preferred Shareholders who vote against such act at a meeting of the Members in aggregate shall have the voting rights equal to the aggregate voting power of all the Members who voted in favour of such act plus one (1).

Notwithstanding anything to the contrary contained herein, where any act listed in this Article 19 B require a Special Resolution of the Members in accordance with the Statute, and if the Members vote in favour of such act but the Majority Approval has not yet been obtained, the Majority Series A-1 Preferred Shareholders, the Majority Series A-2 Preferred Shareholders, and the Majority Series B Preferred Shareholders (which shall include Apoletto), and the Majority Series C Preferred Shareholders who vote against such act at a meeting of the Members in aggregate shall have the voting rights equal to the aggregate voting power of all the Members who voted in favour of such act plus one (1).

NON-RECOGNITION OF TRUSTS

20 No person shall be recognized by the Company as holding any share upon any trust and the Company shall not be bound by or be compelled in any way to recognize (even when having notice thereof) any equitable, contingent, future, or partial interest in any share, or any interest in any fractional part of a share, or (except only as is otherwise provided by these Articles or the Statute) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.

LIEN ON SHARES

21 The Company shall have a first and paramount lien and charge on all shares (whether fully paid-up or not) registered in the name of a Member (whether solely or jointly with others) for all debts, liabilities or engagements to or with the Company (whether presently payable or not) by such Member or his estate, either alone or jointly with any other person, whether a Member or not, but the Directors may at any time declare any share to be wholly or in part exempt from the provisions of this Article. The registration of a transfer of any such share shall operate as a waiver of the Company's lien (if any) thereon. The Company's lien (if any) on a share shall extend to all dividends or other monies payable in respect thereof.

22 The Company may sell, in such manner as the Directors think fit, any shares on which the Company has a lien, but no sale shall be made unless a sum in respect of which the lien exists is presently payable, nor until the expiration of fourteen (14) days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder or holders for the time being of the share, or the person, of which the Company has notice, entitled thereto by reason of his death or bankruptcy.

23 To give effect to any such sale, the Directors may authorize some person to transfer the shares sold to the purchaser thereof. The purchaser shall be registered as the holder of the shares comprised in any such transfer, and he shall not be bound by the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

24 The proceeds of such sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable and the residue, if any, shall (subject to a like lien for sums not presently payable as existed upon the shares before the sale) be paid to the person entitled to the shares at the date of the sale.

CALL ON SHARES

25 (a) The Directors may from time to time make calls upon the Members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium or otherwise) and not by the conditions of allotment thereof made payable at fixed terms, provided that no call shall be payable at less than one (1) month from the date fixed for the payment of the last preceding call, and each Member shall (subject to receiving at least fourteen (14) days' notice specifying the time or times of payment) pay to the Company at the specified time or times the amount called on the shares. A call may be revoked or postponed as the Directors may determine. A call may be made payable by installments.

(b) A call shall be deemed to have been made at the time when the resolution of the Directors authorizing such call was passed.

(c) The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

26 If a sum called in respect of a share is not paid before or on a day appointed for payment thereof, the persons from whom the sum is due shall pay interest on the sum from the day appointed for payment thereof to the time of actual payment at such rate not exceeding ten percent (10%) per annum as the Directors may determine, but the Directors shall be at liberty to waive payment of such interest either wholly or in part.

27 Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium or otherwise, shall for the purposes of these Articles be deemed to be a call duly made, notified and payable on the date on which by the terms of issue the same becomes payable, and in the case of non-payment, all the relevant provisions of these Articles as to payment of interest forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

28 The Directors may, on the issue of shares, differentiate between the holders as to the amount of calls or interest to be paid and the time of payment.

29 (a) The Directors may, if they think fit, receive from any Member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him, and upon all or any of the monies so advanced may (until the same would but for such advances, become payable) pay interest at such rate not exceeding (unless the Company in general meeting shall otherwise direct) seven percent (7%) per annum, as may be agreed upon between the Directors and the Member paying such sum in advance.

(b) No such sum paid in advance of calls shall entitle the Member paying such sum to any portion of a dividend declared in respect of any period prior to the date upon which such sum would, but for such payment, become presently payable.

FORFEITURE OF SHARES

30 (a) If a Member fails to pay any call or installment of a call or to make any payment required by the terms of issue on the day appointed for payment thereof, the Directors may, at any time thereafter during such time as any part of the call, installment or payment remains unpaid, give notice requiring payment of any part of the call, installment or payment that is unpaid, together with any interest which may have accrued and all expenses that have been incurred by the Company by reason of such non-payment. Such notice shall name a day (not earlier than the expiration of fourteen (14) days from the date of giving of the notice) on or before which the payment required by the notice is to be made, and shall state that, in the event of non-payment at or before the time appointed the shares in respect of which such notice was given will be liable to be forfeited.

(b) If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Directors to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited share and not actually paid before the forfeiture.

(c) A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Directors think fit, and at any time before a sale or disposition, the forfeiture may be cancelled on such terms as the Directors see fit.

31 A person whose shares have been forfeited shall cease to be a Member in respect of the forfeited shares, but shall, notwithstanding, remain liable to pay to the Company all monies which, at the date of forfeiture, were payable by him to the Company in respect of the shares together with interest thereon, but his liability shall cease if and when the Company shall have received payment in full of all monies whenever payable in respect of the shares.

32 A certificate in writing under the hand of one (1) Director or the Secretary of the Company that a share in the Company has been duly forfeited on a date stated in the declaration shall be conclusive evidence of the fact stated therein as against all persons claiming to be entitled to the share. The Company may receive the consideration given for the share on any sale or disposition thereof and may execute a transfer of the share in favor of the person to whom the share is sold or disposed of and he shall thereupon be registered as the holder of the share and shall not be bound by the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.

33 The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium as if the same had been payable by virtue of a call duly made and notified.

REGISTRATION OF EMPOWERING INSTRUMENTS

34 The Company shall be entitled to charge a fee not exceeding US$l.00 on the registration of every probate, letter of administration, certificate of death or marriage, power of attorney, notice in lieu of distringas, or other instrument.

TRANSMISSION OF SHARES

35 In case of the death of a Member, the survivor or survivors where the deceased was a joint holder, and the legal personal representatives of the deceased where he was the sole holder, shall be the only persons recognized by the Company as having any title to his interest in the shares, but nothing herein contained shall release the estate of any such deceased holder from any liability in respect of any shares which had been held by him solely or jointly with other persons.

36 (a) Any person becoming entitled to a share in consequence of the death or bankruptcy or liquidation or dissolution of a Member (or in any other way than by transfer) may, upon such evidence being produced as may from time to time be required by the Directors and subject as hereinafter provided, elect either to be registered himself as holder of the share or to make such transfer of the share to such other person nominated by him as the deceased or bankrupt person could have made and to have such person registered as the transferee thereof, but the Directors shall, in either case, have the same right to decline or suspend registration as they would have had in the case of a transfer of the share by that Member before his death or bankruptcy, as the case may be.

(b) If the person so becoming entitled shall elect to be registered himself as holder, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects.

37 A person becoming entitled to a share by reason of the death or bankruptcy or liquidation or dissolution of the holder (or in any other case than by transfer) shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a Member in respect of the share, be entitled to exercise any right conferred by membership in relation to meetings of the Company; provided, however, that the Directors may at any time give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety (90) days, the Directors may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share until the requirements of the notice have been complied with.

AMENDMENT OF MEMORANDUM OF ASSOCIATION, ALTERATION OF CAPITAL & CHANGE OF LOCATION OF REGISTERED OFFICE

38 (a) Subject to and in so far as permitted by the provisions of the Statute and these Articles in particular Article 19, the Company may from time to time by a Special Resolution alter or amend its Memorandum of Association with respect to any objects, powers or other matters specified therein provided always that the Company may by an ordinary resolution:

(i) increase the share capital by such sum to be divided into shares of such amount or without nominal or par value as the resolution shall prescribe and with such rights, priorities and privileges annexed thereto, as the Company in general meeting may determine;

(ii) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;

(iii) by subdivision of its existing shares or any of them divide the whole or any part of its share capital into shares of smaller amount than is fixed by the Memorandum of Association or into shares without nominal or par value; and

(iv) cancel any shares that at the date of the passing of the resolution have not been taken or agreed to be taken by any person.

(b) All new shares created hereunder shall be subject to the same provisions with reference to the payment of calls, liens, transfer, transmission, forfeiture and otherwise as the shares in the original share capital.

(c) Without prejudice to Article 11 hereof and subject to the provisions of the Statute and Article 19, the Company may by a Special Resolution reduce its share capital and any capital redemption reserve fund.

(d) Subject to the provisions of the Statute, the Company may by a resolution of the Directors change the location of its registered office.

CLOSING REGISTER OF MEMBERS OR FIXING RECORD DATE

39 For the purpose of determining Members entitled to notice of or to vote at any meeting of Members or any adjournment thereof, or Members entitled to receive payment of any dividend, or in order to make a determination of Members for any other proper purpose, the Directors may provide that the register of Members shall be closed for transfers for a stated period but not exceeding ten (10) days in any case. If the register of Members shall be so closed for the purpose of determining Members entitled to notice of or to vote at a meeting of Members, such register shall be so closed for at least ten (10) days immediately preceding such meeting and the record date for such determination shall be the date of the closure of the register of Members.

40 In lieu of or apart from closing the register of Members, the Directors may fix in advance a date as the record date for any such determination of Members entitled to notice of or to vote at a meeting of the Members and for the purpose of determining the Members entitled to receive payment of any dividend, the Directors may, at or within ninety (90) days prior to the date of declaration of such dividend fix a subsequent date as the record date for such determination.

41 If the register of Members is not so closed and no record date is fixed for the determination of Members entitled to notice of or to vote at a meeting of Members or Members entitled to receive payment of a dividend, the date on which notice of the meeting is mailed or the date on which the resolution of the Directors declaring such dividend is adopted, as the case may be, shall be the record date for such determination of Members. When a determination of Members entitled to vote at any meeting of Members has been made as provided in this section, such determination shall apply to any adjournment thereof.

GENERAL MEETING

42 (a) Subject to Article 42(c) hereof, the Company shall within one (1) year of its incorporation and in each year of its existence thereafter hold a general meeting as its annual general meeting and shall specify the meeting as such in the notices calling it. The annual general meeting of each year shall be held at such time and place as the Directors shall appoint.

(b) At these meetings, the report of the Directors (if any) shall be presented.

(c) If the Company is exempted as defined in the Statute, it may but shall not be obliged to hold an annual general meeting.

43 (a) The Directors may whenever they think fit, and they shall on the requisition of Members of the Company holding at the date of the deposit of the requisition not less than one-tenth (1/10) of the paid-up capital of the Company as at the date of the deposit carries the right of voting at general meetings of the Company, proceed to convene a general meeting of the Company.

(b) The requisition must state the objects of the meeting and must be signed by the requisitionists and deposited at the registered office of the Company and may consist of several documents in like form each signed by one or more requisitionists.

(c) If the Directors do not within twenty-one (21) days from the date of the deposit of the requisition duly proceed to convene a general meeting, the requisitionists, or any of them representing more than fifty percent (50%) of the total voting rights of all of them, may themselves convene a general meeting, but any meeting so convened shall not be held after the expiration of three (3) months after the expiration of the said twenty-one (21) days.

(d) A general meeting convened as aforesaid by requisitionists shall be convened in the same manner as the general meetings convened by Directors.

NOTICE OF GENERAL MEETINGS

44 At least twenty (20) days' notice shall be given for an annual general meeting or any other general meeting. Every notice shall be exclusive of the day on which it is given or deemed to be given and shall specify the place, the day and the hour of the meeting and the general nature of the business and shall be given in the manner hereinafter mentioned or in such other manner as may be prescribed by the Company PROVIDED that a general meeting of the Company shall, whether or not the notice specified in this Article has been given and whether or not the provisions of Article 43 have been complied with, be deemed to have been duly convened if it is so agreed:

(a) in the case of a general meeting called as an annual general meeting by all the Members entitled to attend and vote thereat or their proxies; and

(b) in the case of any other general meeting by a majority in number of the Members having a right to attend and vote at the meeting, being a majority together holding not less than eighty-five percent (85%) in nominal value or in the case of shares without nominal or par value eighty-five percent (85%) of the shares in issue, or their proxies.

45 The accidental omission to give notice of a general meeting to, or the non-receipt of notice of a meeting by any person entitled to receive notice shall not invalidate the proceedings of that meeting.

PROCEEDINGS AT GENERAL MEETINGS

46 (a) No business shall be transacted at any general meeting unless a quorum of Members is present at the time when the meeting proceeds to business; Members holding at least a majority of the Class A Ordinary Shares then outstanding (other than Ordinary Shares issued upon the conversion of any Preferred Shares and Class B Ordinary Shares), the Majority Series A-1 Preferred Shareholders, the Majority Series A-2 Preferred Shareholders, the Majority Series B Preferred Shareholders (which shall include Apoletto), and the Majority Series C Preferred Shareholders present in person or by proxy shall be a quorum provided always that if the Company has one (1) Member of record, the quorum shall be that one (1) Member present in person or by proxy.

(b) A person may participate at a general meeting by telephone conference or other communications equipment by means of which all the persons participating in the meeting can communicate with each other. Participation by a person in a general meeting in this manner is treated as presence in person at that meeting.

47 A resolution in writing (in one or more counterparts and, for the avoidance of doubt, including a Special Resolution) signed by all the Members which for the time are entitled to receive notice of and to attend and vote at general meetings (or being corporations by their duly authorized representatives), shall each be as valid and effective as if the same had been passed at a general meeting of the Company duly convened and held.

48 If within thirty (30) minutes from the time appointed for the meeting a quorum is not present, the meeting, if convened upon the requisition of Members, shall be dissolved and in any other case, it shall stand adjourned to the same day in the next week at the same time and place or to such other time or such other place as the Directors may determine and if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, the Members present shall be a quorum.

49 The Chairman, if any, of the Board of Directors shall preside as Chairman at every general meeting of the Company, or if there is no such Chairman, or if he shall not be present within fifteen (15) minutes after the time appointed for the holding of the meeting, or is unwilling to act, the Directors present shall elect one (1) of their number to be Chairman of the meeting.

50 If at any general meeting no Director is willing to act as Chairman or if no Director is present within fifteen (15) minutes after the time appointed for holding the meeting, the Members present shall choose one of their number to be Chairman of the meeting.

51 The Chairman may, with the consent of any general meeting duly constituted hereunder, and shall if so directed by the meeting, adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a general meeting is adjourned for thirty (30) days or more, notice of the adjourned meeting shall be given as in the case of an original meeting; save as aforesaid, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned general meeting.

52 At any general meeting, a resolution put to the vote of the meeting shall be decided on a poll.

53 Each poll shall be taken in such manner as the Chairman directs and the result of the poll shall be deemed to be the resolution of the general meeting.

54 The Chairman of the general meeting shall not be entitled to a second or casting vote under any circumstance.

VOTES OF MEMBERS

55 Except as otherwise required by law or as set forth herein, the holder of each Ordinary Share issued and outstanding shall have one (1) vote for each Ordinary Share held by such holder, and each holder of Preferred Shares shall be entitled to the number of votes equal to the number of Ordinary Shares into which such Preferred Shares could be converted at the record date for determination of the Members entitled to vote on such matters, or, if no such record date is established, at the date such vote is taken or any written consent of Members is solicited, such votes to be counted together with all other shares of the Company having general voting power and not counted separately as a class. Holders of the Ordinary Shares and Preferred Shares shall be entitled to notice of any Members' meeting in accordance with these Articles, and except as otherwise set forth in these Articles, shall vote together and not as separate classes.

56 In the case of joint holders of record, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose, seniority shall be determined by the order in which the names stand in the register of Members.

57 A Member of unsound mind, or in respect of whom an order has been made by any court, having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee, receiver, curator bonis, or other person in the nature of a committee, receiver or curator bonis appointed by that court, and any such committee, receiver, curator bonis or other persons may vote by proxy.

58 No Member shall be entitled to vote at any general meeting unless he is registered as a Member of the Company on the record date for such meeting nor unless all calls or other sums presently payable by him in respect of shares in the Company have been paid.

59 No objection shall be raised to the qualification of any voter except at the general meeting or adjourned general meeting at which the vote objected to is given or tendered and every vote not disallowed at such general meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the Chairman of the general meeting whose decision shall be final and conclusive.

60 Votes may be given either personally or by proxy.

PROXIES

61 The instrument appointing a proxy shall be in writing and shall be executed under the hand of the appointor or of his attorney duly authorized in writing, or, if the appointor is a corporation, under the hand of an officer or attorney duly authorized in its behalf. A proxy need not be a Member of the Company.

62 The instrument appointing a proxy shall be deposited at the registered office of the Company or at such other place as is specified for that purpose in the notice convening the meeting no later than the time for holding the meeting, or adjourned meeting, provided that the Chairman of the Meeting may at his discretion direct that an instrument of proxy shall be deemed to have been duly deposited upon receipt of facsimile or electronic mail confirmation from the appointor that the instrument of proxy duly signed is in the course of transmission to the Company.

63 The instrument appointing a proxy may be in any usual or common form and may be expressed to be for a particular meeting or any adjournment thereof or generally until revoked. An instrument appointing a proxy shall be deemed to include the power to demand or join or concur in demanding a poll.

64 A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal or revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the share in respect of which the proxy is given, provided that no intimation in writing of such death, insanity, revocation or transfer as aforesaid shall have been received by the Company at the registered office before the commencement of the general meeting, or adjourned meeting at which it is sought to use the proxy.

65 Any corporation which is a Member of record of the Company may in accordance with its articles of association or in the absence of such provision by resolution of its Directors or other governing body authorize such person as it thinks fit to act as its representative at any meeting of the Company or of any class of Members of the Company, and the person so authorized shall be entitled to exercise the same powers on behalf of the corporation which he represents as the corporation could exercise if it were an individual Member of record of the Company.

66 Shares of its own capital belonging to the Company or held by it in a fiduciary capacity shall not be voted, directly or indirectly, at any meeting and shall not be counted in determining the total number of outstanding shares at any given time.

67 Any Member may irrevocably appoint a proxy and in such case (i) such proxy shall be irrevocable in accordance with the terms of the instrument of appointment; (ii) the Member may not vote at any meeting at which the holder of such proxy votes; and (iii) the Company shall be obliged to recognize the holder of such proxy until such time as the Company is notified in writing that the proxy has been revoked in accordance with its terms.

DIRECTORS

68 The Board of Directors shall consist of four (4) Directors (exclusive of alternate Directors), unless otherwise approved by the Majority Class A Ordinary Shareholders, Majority Series A-1 Preferred Shareholders, Majority Series A-2 Preferred Shareholders, and the holders of seventy-five (75%) of the Series B Preferred Shares (voting as a single class and on an as converted basis) and Majority Series C Preferred Shareholders. For so long as K2 is the Majority Series A-1 Preferred Shareholder, K2 shall be entitled to designate one (1) Director ("**K2 Director**"); for so long as

Matrix is a holder of any Series A-2 Preferred Share, Matrix shall be entitled to designate one (1) Director ("**Matrix Director**"); for so long as Taikang is a holder of any Series C Preferred Share, Taikang shall be entitled to designate one (1) Director ("**Taikang Director**", collectively with K2 Director and Matrix Director, as "**Preferred Shareholder Directors**"). The other one (1) Director shall be designated by the Majority Class A Ordinary Shareholders ("**Ordinary Director**"). Notwithstanding anything to the contrary, each director of the Company shall have one (1) vote for each of the matters submitted to the Board, provided that Ordinary Director of the Company shall have four (4) votes for each of the matters submitted to the Board. Any vacancy on the Board occurring because of the death, resignation or removal of a Director shall be filled by the vote or written consent of the same shareholder or shareholders who nominated and elected such Director. So long as Taikang holds any Shares of Company, Taikang shall have the right to appoint one (1) observer of the Board and each committee thereof to attend Board or Board committee meetings of the Company or its affiliates in a non-voting observer capacity (the "**Taikang Observer**"). So long as Huasheng holds any Shares of Company, Huasheng shall have the right to appoint one (1) observer of the Board and each committee thereof to attend Board or Board committee meetings of the Company or its affiliates in a non-voting observer capacity (the "**Huasheng Observer**"). So long as JD holds any Shares of Company, JD shall have the right to appoint one (1) observer of the Board and each committee thereof to attend Board or Board committee meetings of the Company or its affiliates in a non-voting observer capacity (which shall be any staff of the strategic investment department of the Investor or its Affiliate, or Liu Qiangdong (□□□), the "**JD Observer**"). So long as Apoletto holds any Shares of Company, Apoletto shall have the right to appoint one (1) observer of the Board and each committee thereof to

attend Board or Board committee meetings of the Company or its affiliates in a non-voting observer capacity (the "**Apoletto Observer**"). So long as BAI holds any Shares of the Company, BAI shall have the right to appoint one (1) observer of the Board and each committee thereof to attend Board or Board committee meetings of the Company or its affiliates in a non-voting observer capacity (the "**BAI Observer**"). So long as Huaxing holds any Shares of the Company, Huaxing shall have the right to appoint one (1) observer of the Board and each committee thereof to attend Board or Board committee meetings of the Company or its affiliates in a non-voting observer capacity (the "**Huaxing Observer**"). So long as Matrix holds any Shares of Company, Matrix shall have the right to appoint one (1) observer of the Board and each committee thereof to attend board or board committee meetings of the Company or its affiliates in a non-voting observer capacity (the "**Matrix Observer**"). K2 shall also have the right to appoint one board observer (the "**K2 Observer**", and together with the Matrix Observer, the BAI Observer, the Huaxing Observer, the Apoletto Observer and the JD Observer, the Huasheng Observer and the Taikang Observer, the "**Preferred Shareholder Observers**"), in a nonvoting capacity, to the Board of Directors and each committee thereof to attend board or board committee meetings of the Company or its affiliates. The Company shall provide each such observer copies of all notices and materials at the same time and in the same manner as the same are provided to the Directors or committees. The Company shall hold Board meetings at least once a quarter unless otherwise determined by the Board (with the consent of the Preferred Shareholder Directors).

The Board shall procure that the board of HK Company consist of seven (7) members, of which one (1) shall be designated by Matrix, one (1) shall be designated by K2, one (1) shall be designated by Taikang and four (4) shall be designated by the Majority Class A Ordinary Shareholders. The Board shall also procure that the board of each Group Company other than the Company and HK Company, including but not limited to the WFOE, the Beijing Domestic Company, the Shenzhen Domestic Companies and the PRC Subsidiaries, shall be re-composed of the same members as the board of HK Company and at all times consist of all current Preferred Shareholder Directors and each Group Company shall only take actions that have been previously approved by the board of directors of each Group Company as established pursuant to this Article.

69 The remuneration to be paid to the Directors shall be such remuneration as the Directors shall determine. Such remuneration shall be deemed to accrue from day to day. The Company shall also reimburse Preferred Shareholder Directors and Preferred Shareholder Observers for all reasonable out-of-pocket expenses incurred in connection with Board duties and meetings including their reasonable traveling, hotel and other expenses properly incurred by them in going to, attending and returning from meetings of the Directors, or any committee of the Directors, or general meetings of the Company, or otherwise in connection with the business of the Company, or to receive a fixed allowance in respect thereof as may be determined by the Directors from time to time, or a combination partly of one such method and partly the other.

70 Subject to the prior written approval of the Members by Special Resolution, the Directors may by resolution award special remuneration to any Director of the Company undertaking any special work or services for, or undertaking any special mission on behalf of the Company other than his ordinary routine work as a Director. Any fees paid to a Director who is also counsel or solicitor to the Company, or otherwise serves it in a professional capacity, shall be in addition to his remuneration as a Director.

71 A Director or alternate Director may hold any other office or place of profit in the Company (other than the office of Auditor) in conjunction with his office of Director for such period and on such terms as to remuneration and otherwise as the Directors may determine.

72 A Director or alternate Director may act by himself or his firm in a professional capacity for the Company and he or his firm shall be entitled to remuneration for professional services as if he were not a Director or alternate Director.

73 A shareholding qualification for Directors may be fixed by the Company in general meeting, but unless and until so fixed, no shareholding qualification for Directors shall be required.

74 A Director or alternate Director of the Company may be or become a director or other officer of or otherwise interested in any company promoted by the Company or in which the Company may be interested as a shareholder or otherwise and no such Director or alternate Director shall be accountable to the Company for any remuneration or other benefits received by him as a director or officer of, or from his interest in, such other company.

75 No person shall be disqualified from the office of Director or alternate Director or prevented by such office from contracting with the Company, either as vendor, purchaser or otherwise, nor shall any such contract or any contract or transaction entered into by or on behalf of the Company in which any Director or alternate Director shall be in any way interested be or be liable to be avoided, nor shall any Director or alternate Director so contracting or being so interested be liable to account to the Company for any profit realized by any such contract or transaction by reason of such Director holding office or of the fiduciary relation thereby established. A Director (or his alternate Director in his absence) shall be at liberty to vote

in respect of any contract or transaction in which he is so interested as aforesaid; provided, however, that the nature of the interest of any Director or alternate Director in any such contract or transaction shall be disclosed by him or the alternate Director appointed by him at or prior to its consideration and any vote thereon.

76 A general notice or disclosure to the Directors or otherwise contained in the minutes of a Meeting or a written resolution of the Directors or any committee thereof that a Director or alternate Director is a Member of any specified firm or company and is to be regarded as interested in any transaction with such firm or company shall be sufficient disclosure under Article 75 and after such general notice it shall not be necessary to give special notice relating to any particular transaction.

ALTERNATE DIRECTORS

77 A Director who expects to be unable to attend Directors' Meetings because of absence, illness or otherwise may appoint any person to be an alternate Director to act in his stead and such appointee whilst he holds office as an alternate Director shall, in the event of absence therefrom of his appointor, be entitled to attend meetings of the Directors and to vote thereat and to do, in the place and stead of his appointor, any other act or thing which his appointor is permitted or required to do by virtue of his being a Director as if the alternate Director were the appointor, other than appointment of an alternate to himself, and he shall ipso facto vacate office if and when his appointor ceases to be a Director or removes the appointee from office. Any appointment or removal under this Article shall be effected by notice in writing under the hand of the Director making the same.

POWERS AND DUTIES OF DIRECTORS

78 The business of the Company shall be managed by the Directors (or a sole Director if only one is appointed). The Directors may pay all expenses incurred in promoting, registering and setting up the Company, and may exercise all such powers of the Company as are not, from time to time by the Statute, or by these Articles, or such regulations, as may be prescribed by the Company in a general meeting required to be exercised by the Company in general meetings PROVIDED, HOWEVER, that no regulations made by the Company in general meeting shall invalidate any prior act of the Directors which would have been valid if that regulation had not been made.

79 Subject to Article 19, all cheques, promissory notes, drafts, bills of exchange and other negotiable instruments and all receipts for monies paid to the Company shall be signed, drawn, accepted, endorsed or otherwise executed as the case may be in such manner as the Directors shall from time to time by resolution determine.

80 The Directors shall cause minutes to be made in books provided for the purpose:

(a) of all appointments of officers made by the Directors;

(b) of the names of the Directors (including those represented thereat by an alternate or by proxy) present at each meeting of the Directors and of any committee of the Directors; and

(c) of all resolutions and proceedings at all meetings of the Company and of the Directors and of committees of Directors.

The Company shall cause copies of all such minutes to be delivered to the holders of the Series A Preferred Shares within thirty (30) days after the relevant meeting.

81 The Directors on behalf of the Company may pay a gratuity or pension or allowance on retirement to any Director who has held any other salaried office or place of profit with the Company or to his widow or dependants and may make contributions to any fund and pay premiums for the purchase or provision of any such gratuity, pension or allowance.

82 Subject to Article 19, the Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property and uncalled capital or any part thereof and to issue debentures, debenture stock and other securities whether outright or as security for any debt, liability or obligation of the Company or of any third party.

MANAGEMENT

83 (a) The Directors may from time to time and at any time provide for the management of the affairs of the Company in such manner as they shall think fit and the provisions contained in the next three (3) paragraphs shall be without prejudice to the general powers conferred by this paragraph.

(b) The Directors may from time to time and at any time establish any committees, local boards or agencies for managing any of the affairs of the Company and may appoint any persons to be members of such committees or local boards or any managers or agents and may fix their remuneration.

(c) The Directors may from time to time and at any time delegate to any such committee, local board, manager or agent any of the powers, authorities and discretions for the time being vested in the Directors and may authorize the members for the time being of any such local board, or any of them to fill any vacancy therein and to act notwithstanding vacancies and any such appointment or delegation may be made on such terms and subject to such conditions as the Directors may think fit and the Directors may at any time remove any person so appointed and may annul or vary any such delegation, but no person dealing in good faith and without notice of any such annulment or variation shall be affected thereby.

(d) Any such delegate as aforesaid may be authorized by the Directors to sub-delegate all or any of the powers, authorities, and discretions for the time being vested in them.

MANAGING DIRECTORS

84 Subject to Article 19, the Directors may, from time to time, appoint one or more of their body (but not an alternate Director) to the office of a Managing Director for such term and at such remuneration (whether by way of salary, or commission, or participation in profits, or a combination of any of the foregoing) as they may think fit but his appointment shall be subject to determination ipso facto if he ceases for any cause to be a Director and no alternate Director appointed by him can act in his stead as a Director or a Managing Director.

85 The Directors may entrust to and confer upon a Managing Director any of the powers exercisable by them upon such terms and conditions and with such restrictions as they may think fit and either collaterally with or to the exclusion of their own powers and may from time to time revoke, withdraw, alter or vary all or any of such powers.

PROCEEDINGS OF DIRECTORS

86 Except as otherwise provided by these Articles, the Directors shall meet together for the despatch of business, convening, adjourning and otherwise regulating their meetings as they think fit, but no less frequent than once every quarter. Questions arising at any meeting shall be decided by a majority of votes of the Directors and alternate Directors present at a meeting at which there is a quorum, with each having one (1) vote, the vote of an alternate Director not being counted if his appointor be present at such meeting.

87 A Director or alternate Director may, and the Secretary on the requisition of a Director or alternate Director shall, at any time summon a meeting of the Directors by at least fourteen (14) Business Days' notice in writing to every Director and alternate Director, which notice shall set forth the general nature of the business to be considered unless notice is waived by all the Directors (or their alternates) either at, before or after the meeting is held and PROVIDED, FURTHER, if notice is given in person, by facsimile or electronic mail the same shall be deemed to have been given on the day it is delivered to the Directors or transmitting organization, as the case may be. The provisions of Article 44 shall apply mutatis mutandis with respect to notices of meetings of Directors.

88 The quorum (which shall exist at the time of the voting as well as the attendance of the Board meeting) necessary for the transaction of the business shall be the Directors separately or collectively having five (5) votes, including the presence, in person or by telephone, electronic or other means of communication, inclusive of at least Matrix Director, K2 Director and Taikang Director (or their respective alternate Director), provided, however, that if such quorum cannot be obtained for a Board meeting after two (2) consecutive notices of Board meetings have been sent by the Company with the first notice providing not less than fourteen (14) days' prior notice and the second notice providing not less than five (5) days' prior notice, then the attendance of any Directors, separately or collectively, having at least three (3) votes, including the presence, in person or by telephone, electronic or other means of communication, shall constitute a quorum. A Director and his appointed alternate Director shall be considered only one (1) person for the purpose of quorum, PROVIDED, ALWAYS, that if there shall at any time be only a sole Director, the quorum shall be one. For the purposes of this Article, an alternate Director or proxy appointed by a Director shall be counted in a quorum at a meeting at which the Director appointing him is not present.

89 The continuing Directors may act notwithstanding any vacancy in the Board of Directors, but if and so long as their number is reduced below the minimum number fixed by or pursuant to these Articles, the continuing Directors, notwithstanding that the number of Directors is reduced below the number fixed by or in accordance with these Articles as the quorum or that there is only one continuing Director, may act for the purpose of filling vacancies in the Board or of summoning a general meeting of the Company, but not for any other purpose.

90 The Directors may elect a Chairman of the Board of Directors and determine the period for which he is to hold office; but if no such Chairman is elected, or if at any meeting, the Chairman is not present within five (5) minutes after the time appointed for holding the same, the Directors present may choose one of their number to be the Chairman of the meeting.

91 The Directors may delegate any of their powers (subject to any limitations imposed on the Directors, if any) to committees consisting of such member or members of the Board of Directors (including Alternate Directors in the absence of their appointors) as they think fit; any committee so formed shall in the exercise of the powers so delegated conform to any regulations that may be imposed on it by the Directors. Each Preferred Shareholder Director shall have the right, but not the obligation, to be appointed as one (1) member to each committee which member shall be required to establish a quorum of any meeting or action to be taken by such committees.

92 A committee may meet and adjourn as it thinks proper. Subject to Article 19, questions arising at any meeting shall be determined by a majority of votes of the members present. Subject to this provision, if and when the Board deems necessary, the Company shall establish and maintain a compensation committee (the "**Compensation Committee**"), and the Preferred Shareholder Directors shall be members of such Compensation Committee and shall be required to establish a quorum for any meeting or action to be taken by such committee. Subject to Article 19, the Compensation Committee shall propose the terms of the Company's share incentive plans and all grants of awards thereunder (including the ESOP) to the Board for approval and adoption by the Shareholders and shall have the power and authority to (a) administer the Company's share incentive plans (including the ESOP) and to grant options thereunder, and (b) approve all management compensation levels and arrangements unless such rights are vested on Series A Preferred Shareholders, Series B Preferred Shareholders and Series C Preferred Shareholders under Article 19, and shall have such other powers and authorities as the Board shall delegate to it.

93 All acts done by any meeting of the Directors or of a committee of Directors (including any person acting as an alternate Director) shall, notwithstanding that it be afterwards discovered that there was some defect in the appointment of any Director or alternate Director, or that they or any of them were disqualified, be as valid as if every such person had been duly appointed and qualified to be a Director or alternate Director, as the case may be.

94 Members of the Board of Directors or of any committee thereof may participate in a meeting of the Board of Directors or of such committee by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other and participation in a meeting pursuant to this provision shall constitute presence in person at such meeting. A resolution in writing (in one or more counterparts), signed by all the Directors for the time being or all the members of a committee of Directors (an alternate Director being entitled to sign such resolution on behalf of his appointor) shall be as valid and effectual as if it had been passed at a meeting of the Directors or committee, as the case may be duly convened and held.

95 (a) A Director may be represented at any meetings of the Board of Directors by a proxy appointed by him in which event the presence or vote of the proxy shall for all purposes be deemed to be that of the Director.

(b) The provisions of Articles 61-64 shall mutatis mutandis apply to the appointment of proxies by Directors.

VACATION OF OFFICE OF DIRECTOR

96 The office of a Director shall be vacated:

(a) if he gives notice in writing to the Company that he resigns the office of Director;

(b) if he absents himself (without being represented by proxy or an alternate Director appointed by him) from three (3) consecutive meetings of the Board of Directors without special leave of absence from the Directors, and they pass a resolution that he has by reason of such absence vacated office;

(c) if he dies, becomes bankrupt or makes any arrangement or composition with his creditors generally;

(d) if he is found a lunatic or becomes of unsound mind; or

(e) if he is removed by a shareholder vote by the holders of the class of shares that originally appointed him, as set forth in Article 68.

APPOINTMENT AND REMOVAL OF DIRECTORS

97 The Directors of the Company may only be appointed as provided in Article 68. No Director designated or appointed pursuant to this Article may be removed from office unless (A) such removal is directed or approved by the Member which originally designated or appointed such Director, or (B) the Member(s) originally entitled to designate or appoint such Director pursuant to this Article is no longer so entitled to designate or appoint such Director. Any vacancy on the Board of Directors occurring because of the death, resignation or removal of a director shall be filled by the vote or written consent of the same Member or Members who nominated and elected such Director.

98 In the absence of reasonable cause, a Director of the Company shall only be removed by the Members who nominated and elected him as provided in Article 68.

PRESUMPTION OF ASSENT

99 A Director of the Company who is present at a meeting of the Board of Directors at which action on any Company matter is taken shall be presumed to have assented to the action taken unless his dissent shall be entered in the Minutes of the meeting or unless he shall file his written dissent from such action with the person acting as the Secretary of the meeting before the adjournment thereof or shall forward such dissent by registered mail to such person immediately after the adjournment of the meeting. Such right to dissent shall not apply to a Director who voted in favor of such action.

SEAL

100 (a) The Company may, if the Directors so determine, have a Seal which shall, subject to Article 100(c) below, only be used by the authority of the Directors or of a committee of the Directors authorized by the Directors in that behalf and every instrument to which the Seal has been affixed shall be signed by one (1) person who shall be either a Director or the Secretary or Secretary-Treasurer or some person appointed by the Directors for such purpose.

(b) The Company may have a duplicate Seal or Seals each of which shall be a facsimile of the Seal of the Company and, if the Directors so determine, with the addition on its face of the name of every place where it is to be used.

(c) A Director, Secretary or other officer or representative or attorney may without further authority of the Directors affix the Seal of the Company over his signature alone to any document of the Company required to be authenticated by him under Seal or to be filed with the Registrar of Companies in the Cayman Islands or elsewhere wheresoever.

OFFICERS

101 Subject to Article 19, the Company may have a chief executive officer, a president, a chief financial officer, a secretary or a secretary-treasurer appointed by the Directors who may also from time to time appoint such other officers as they consider necessary, all for such terms, at such remuneration and to perform such duties, and subject to such provisions as to disqualification and removal as the Directors from time to time prescribe.

102 (a) Subject to the Statute and these Articles, in particular Article 86, the Directors may from time to time declare dividends (including interim dividends) and distributions on shares of the Company outstanding and authorize payment of the same out of the funds of the Company lawfully available therefor and in accordance with the provisions of this Article 102.

(b) Subject to Article 102(c), each holder of the Series A Preferred Shares, Series B Preferred Shares, Series C Preferred Shares and Class B Ordinary Shares shall be entitled to receive dividends, out of any funds legally available therefor, (A) prior and in preference to any declaration or payment of any dividend on the Junior Shares (including but not limited to Class A Ordinary Shares), carried at the rate of eight percent (8%) per annum of the applicable Original Issue Price, for each such Share held by such holder (for the purpose of this Article 102(b), the Original Issue Price of the Class B Ordinary Share shall be equal to the Original Series A-1 Issue Price), for the Series C-1 Preferred Shareholders, the relevant dividends shall be calculated from May 25, 2016 and for the Series C-2 Preferred Shareholders, the relevant dividends shall be calculated from May 3, 2016. Such dividends shall be payable and accrue when, as and if declared by the Board and shall be non-cumulative; (B) participate in any subsequent distribution among the Members (including but not limited to Class A Ordinary Shares) pro rata based on the number of Ordinary Shares held by each Holder of Series A Preferred Shares, Series B Preferred Shares, Series C Preferred Shares, and Class B Ordinary Shares (calculated on an as-converted basis). Unless and until any dividends or other distributions in like amount have been paid in full on the Preferred Shares (on an as-converted basis) and Class B Ordinary Shares, the Company shall not declare, pay or set apart for payment, any dividend and other distributions on any Junior Shares or make any payment on account of, or set apart for payment, money for a sinking or other similar fund for, the purchase, redemption or other retirement of, any Junior Shares or any warrants, rights, calls or options exercisable or exchangeable for or convertible into any Junior Shares, or make any distribution in respect thereof, either directly or indirectly, and whether in cash, obligations or shares of the Company or other property.

(c) Dividends shall be paid on the Series C Preferred Shares, payable out of funds or assets when and as such funds or assets become legally available therefor on parity with each other, on an as-converted basis and prior and in preference to any dividend on the Series B Preferred Shares, Series A Preferred Shares, or the Junior Shares, provided that, (i) in the event the applicable Series C-1 Purchase Price shall not have been fully paid by such Series C-1 Preferred Shareholder in accordance with the respective Series C-1 Preferred Share Purchase Agreements, the relevant dividends (or the balance dividends after deducting the Series C-1 Purchase Price) entitled to the applicable Series C-1 Preferred Shareholder in accordance with this Article 102 shall not be paid to the Series C-1 Preferred Shareholder until all the applicable Series C-1 Purchase Price have been fully paid by such Series C-1 Preferred Shareholder or deemed fully paid through the deduction of the dividends entitled to the applicable Series C-1 Preferred Shareholder and (ii) in case that any payment of such balance between the dividends and the Series C-1 Purchase Price in accordance with this Article has been made to the Series C-1 Preferred Shareholder, the domestic loan and the accrued interests (if any) stipulated in certain convertible loan agreement dated May 12, 2016 and the supplementary agreement dated October 21, 2017 among such Series C-1 Preferred Shareholder or its Affiliates and the other related parties thereunder shall be paid to the Series C-1 Preferred Shareholder or its Affiliates (with respect to Taikang, it shall be paid to TIG) within three(3) months

following the date of the deduction of the Series C-1 Purchase Price from the dividends entitled to the applicable Series C-1 Preferred Shareholder and when the Company makes payment of the dividends to Huasheng in US dollars according to this Article 102, the exchange rate for RMB-US dollars shall be calculated based on the central parity rate as published by the People's Bank of China on the actual remittance date the Company makes the payment; after full payment or deduction of all dividends on the Series C Preferred Shares in accordance with this Article 102, dividends shall be paid on the Series B Preferred Shares, payable out of funds or assets when and as such funds or assets become legally available therefor on parity with each other, on an as-converted basis and prior and in preference to any dividend on the Series A Preferred Shares, or the Junior Shares; after full and unconditional payment of all dividends on the Series B Preferred Shares, dividends shall be paid on the Series A-2 Preferred Shares, payable out of funds or assets when and as such funds or assets become legally available therefor on parity with each other, on an as-converted basis and prior and in preference to any dividend on the Series A-1 Preferred Shares or the Junior Shares; after full and unconditional payment all dividends on the Series B Preferred Shares and Series A-2 Preferred Shares, dividends shall be paid on the Series A-1 Preferred Shares and Class B Ordinary Shares, payable out of funds or assets when and as such funds or assets become legally available therefor on parity with each other, on an as-converted basis and prior and in preference to any dividend on the Class A Ordinary Shares; provided that such dividends shall be payable only when, as, and if declared by the Board of Directors.

(d) No dividends (other than those payable solely in Class A Ordinary Shares) shall be declared or paid on any Class A Ordinary Shares during any previous or current fiscal year of the Company until all accrued dividends in the amounts set forth in subsections (b) and (c) above shall have been paid or declared and set apart during that fiscal year and unless and until a dividend in like amount as is declared or paid on such Class A Ordinary Share has been declared or paid on each outstanding Preferred Share (on an as-converted to Ordinary Share basis) and Class B Ordinary Share.

(e) For the avoidance of doubt, under this Article 102, the shareholder of Class B Ordinary Shares shall have the same rights, preference, privileges as that of Series A-1 Preferred Shares.

103 The Directors may, before declaring any dividends or distributions, set aside such sums as they think proper as a reserve or reserves which shall at the discretion of the Directors, be applicable for any purpose of the Company and pending such application may, at the like discretion, be employed in the business of the Company.

104 No dividend or distribution shall be payable except out of the profits of the Company, realized or unrealized, or out of the Share Premium Account or as otherwise permitted by the Statute.

105 Subject to the rights of persons, if any, entitled to shares with special rights as to dividends or distributions, if dividends or distributions are to be declared on a class of shares they shall be declared and paid according to the amounts paid or credited as paid on the shares of such class outstanding

on the record date for such dividend or distribution as determined in accordance with these Articles but no amount paid or credited as paid on a share in advance of calls shall be treated for the purpose of this Article as paid on the share.

106 The Directors may deduct from any dividend or distribution payable to any Member all sums of money (if any) presently payable by him to the Company on account of calls or otherwise.

107 The Directors may declare that any dividend or distribution be paid wholly or partly by the distribution of specific assets and in particular of paid up shares, debentures, or debenture stock of any other company or in any one or more of such ways and where any difficulty arises in regard to such distribution, the Directors may settle the same as they think expedient and in particular, may issue fractional certificates and fix the value for distribution of such specific assets or any part thereof and may determine that cash payments shall be made to any Members upon the footing of the value so fixed in order to adjust the rights of all Members and may vest any such specific assets in trustees as may seem expedient to the Directors.

108 Any dividend, distribution, interest or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the holder who is first named on the register of Members or to such person and to such address as such holder or joint holders may in writing direct. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent. Any one of two (2) or more joint holders may give effectual receipts for any dividends, bonuses, or other monies payable in respect of the share held by them as joint holders.

109 No dividend or distribution shall bear interest against the Company.

CAPITALIZATION

110 Subject to Article 19, the Company may upon the recommendation of the Directors by an ordinary resolution authorize the Directors to capitalize any sum standing to the credit of any of the Company's reserve accounts (including Share Premium Account and capital redemption reserve fund) or any sum standing to the credit of profit and loss account or otherwise available for distribution and to appropriate such sum to Members in the proportions in which such sum would have been divisible amongst them had the same been a distribution of profits by way of dividend and to apply such sum on their behalf in paying up in full unissued shares for allotment and distribution credited as fully paid up to and amongst them in the proportion aforesaid. In such event the Directors shall do all acts and things required to give effect to such capitalization, with full power to the Directors to make such provisions as they think fit for the case of shares becoming distributable in fractions (including provisions whereby the benefit of fractional entitlements accrue to the Company rather than to the Members concerned). The Directors may authorize any person to enter on behalf of all of the Members interested into an agreement with the Company providing for such capitalization and matters incidental thereto and any agreement made under such authority shall be effective and binding on all concerned.

BOOKS OF ACCOUNT

111 The Directors shall cause proper books of account to be kept with respect to:

(a) all sums of money received and expended by the Company and the matters in respect of which the receipt or expenditure takes place;

(b) all sales and purchases of goods by the Company; and

(c) the assets and liabilities of the Company.

Proper books shall not be deemed to be kept if such books of account are not kept as necessary to give a true and fair view of the state of the Company's affairs and to explain its transactions.

112 The Directors shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounts and books of the Company or any of them shall be open to the inspection of Members not being Directors and no Member (not being a Director) shall have any right of inspecting any account or book or document of the Company except as conferred by Statute or authorized by the Directors or by the Company in general meeting or agreed in the Shareholders Agreement.

113 The Directors may from time to time cause to be prepared and to be laid before the Company in general meeting profit and loss accounts, balance sheets, group accounts (if any) and such other reports and accounts as may be required by law.

AUDIT

114 The Directors shall deliver to the holders of the Preferred Shares or Class B Ordinary Shares (i) annual audited consolidated financial statements and management report within ninety (90) days after the end of each fiscal year; (ii) quarterly unaudited consolidated financial statements and management report within thirty (30) days after the end of each quarter; (iii) monthly unaudited consolidated financial statements, management report, condition of research, development and business and monthly bank statements of each Group Company within fifteen (15) days after the end of each month; and (iv) an annual consolidated budget and business plan within forty-five (45) days prior to the end of each fiscal year. All audits shall be performed in accordance with IAS or U.S. GAAP by a reputable accounting firm in China equivalent to "Big Four" approved by K2, Matrix and Taikang.

115 Any holder of the Preferred Shares or Class B Ordinary Shares or its appointee shall have the right of inspection (including the right of access, examine and copy all books of account of the Company and/or any of its Subsidiaries). Such holder shall bear its own costs associated with the inspection and this right of inspection shall terminate upon the closing of a Qualified IPO of the Company.

116 For so long as any holder of the Preferred Shares or Class B Ordinary Shares continues to hold the Preferred Shares or Class B Ordinary Shares (or Class A Ordinary Shares received upon conversion of the above shares), the Company shall provide each such holder with copies of (i) promptly after filing, all of the Company's annual and periodic reports made available to its Members as well as all public reports (including any periodic, interim, or extraordinary reports) filed with the Securities and Futures Commission of the Hong Kong Special Administrative Region, the China Securities and Regulatory Commission of the People's Republic of China , the U.S. Securities and Exchange Commission, or any other stock exchange or securities regulatory authority; and (ii) promptly upon request, current versions of investment documents and all documents relating to any subsequent financings by the Company, or otherwise affecting the Preferred Shares, Class B Ordinary Shares, or the holders of the Preferred Shares or Class B Ordinary Shares, in each case with all amendments and restatements as well as an updated capitalization table reflecting any such subsequent financings. This right shall survive the closing of a Qualified IPO of the Company.

117 Subject to Article 19, the Company may at any annual general meeting appoint an Auditor or Auditors of the Company who shall hold office until the next annual general meeting and may fix his or their remuneration.

118 Subject to Article 19, the Directors may before the first annual general meeting appoint an Auditor or Auditors of the Company who shall hold office until the first annual general meeting unless previously removed by an ordinary resolution of the Members in general meeting in which case the Members at that meeting may appoint Auditors. The Directors may fill any casual vacancy in the office of Auditor but while any such vacancy continues, the surviving or continuing Auditor or Auditors, if any, may act. The remuneration of any Auditor appointed by the Directors under this Article may be fixed by the Directors.

119 Every Auditor of the Company shall have a right of access at all times to the books and accounts and vouchers of the Company and shall be entitled to require from the Directors and Officers of the Company such information and explanation as may be necessary for the performance of the duties of the auditors.

120 Auditors shall at the next annual general meeting following their appointment and at any other time during their term of office, upon request of the Directors or any general meeting of the Members, make a report on the accounts of the Company in general meeting during their tenure of office.

NOTICES

121 Notices shall be in writing and may be given by the Company to any Member either personally or by sending it by overnight or international courier, facsimile or electronic mail to him or to his address as shown in the register of Members.

122 (a) Where a notice is sent by overnight or international courier service, service of the notice shall be deemed to be effected by properly addressing, pre-paying and posting through an internationally-recognized courier a letter containing the notice, with a confirmation of delivery, and to have been effected at the expiration of sixty (60) hours after the letter containing the same is sent by overnight or international courier as aforesaid.

(b) Where a notice is sent by facsimile or electronic mail, service of the notice shall be deemed to be effected on the day the same is sent as aforesaid.

123 A notice may be given by the Company to the joint holders of record of a share by giving the notice to the joint holder first named on the register of Members in respect of the share.

124 A notice may be given by the Company to the person or persons which the Company has been advised are entitled to a share or shares in consequence of the death or bankruptcy of a Member by sending it through overnight or international courier as aforesaid in a pre-paid letter addressed to them by name, or by the title of representatives of the deceased, or trustee of the bankrupt, or by any like description at the address supplied for that purpose by the persons claiming to be so entitled, or at the option of the Company by giving the notice in any manner in which the same might have been given if the death or bankruptcy had not occurred.

125 Notice of every general meeting shall be given in any manner hereinbefore authorized to:

(a) every person shown as a Member in the register of Members as of the record date for such meeting except that in the case of joint holders the notice shall be sufficient if given to the joint holder first named in the register of Members; and

(b) every person upon whom the ownership of a share devolves by reason of his being a legal personal representative or a trustee in bankruptcy of a Member of record where the Member of record but for his death or bankruptcy would be entitled to receive notice of the meeting.

No other person shall be entitled to receive notices of general meetings.

WINDING UP

126 Subject to these Articles, if the Company shall be wound up, the liquidator may, with the sanction of a Special Resolution of the Company and any other sanction required by the Statute, divide amongst the Members in specie or kind the whole or any part of the assets of the Company (whether they shall consist of property of the same kind or not) and may for such purpose set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the Members or different classes of Members. The liquidator may with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories as the liquidator, with the like sanction, shall think fit, but so that no Member shall be compelled to accept any shares or other securities whereon there is any liability.

LIQUIDATION PREFERENCE

127 Upon any liquidation, dissolution or winding up of the Company or any Group Company, either voluntary or involuntary (each a "**Liquidation Event**"), distributions to the Members of the Company shall be made in the following manner:

(a) Before any distribution or payment shall be made to the holders of any Series B Preferred Shares, Series A Preferred Shares, Class B Ordinary Shares or Junior Shares, each holder of Series C Preferred Shares shall be entitled to receive, on parity with each other, an amount equal to (i) one hundred percent (100%) of the applicable Original Issue Price (in each case as adjusted for any share splits, share dividends, combinations, recapitalizations and similar transactions) with respect to each Series C Preferred Share, plus (ii) all dividends declared and unpaid with respect thereto (as adjusted for any share splits, share dividends, combinations, recapitalizations and similar transactions) per Series C Preferred Share, then held by such holder, plus (iii) simple annual interest calculated at eight percent (8%) per annum on the Original Issue Price with respect to each Series C Preferred Share, annually calculated from May 25, 2016 with respect to the Series C-1 Preferred Shares and May 3, 2016 with respect to the Series C-2 Preferred Shares and up to and including the date of Liquidation Event (the "**Series C Preferred Shares Liquidation Preference**"). If, upon any such liquidation, dissolution, or winding up, the assets of the Company shall be insufficient to make payment of the foregoing amounts in full on all Series C Preferred Shares, then such assets shall be distributed among the holders of Series C Preferred Shares ratably in proportion to the full amounts to which they would otherwise be respectively entitled thereon.

Notwithstanding anything to the contrary and in addition to any other provisions in these Articles, in case any Series C-1 Preferred Shareholder has not fully paid the Series C-1 Purchase Price in accordance with the respective Series C-1 Preferred Share Purchase Agreements, with respect to the payment of Series C Preferred Shares Liquidation Preference, (x) the Company shall pay to such Series C-1 Preferred Shareholder an amount equal to the balance of the applicable Series C Preferred Shares Liquidation Preference minus the Series C-1 Purchase Price not paid by such Series C-1 Preferred Shareholder; or (y) in the event that the Series C-1 Preferred Shareholders have received the relevant consideration directly upon a Deemed Liquidation Event stipulated in Article127(g)(1) or (2), an amount equal to the balance of the applicable Series C Preferred Shares Liquidation Preference minus the Series C-1 Purchase Price not paid by such Series C-1 Preferred Shareholder shall be kept by such Series C-1 Preferred Shareholder, and the remaining consideration received by such Series C-1 Preferred Shareholder shall be paid to the Company upon the receipt of such consideration. In addition, the domestic loan and the accrued interests (if any) stipulated in certain convertible loan agreement dated May 12, 2016 and the supplementary agreement dated October 21, 2017 among such Series C-1 Preferred Shareholder or its Affiliates and the other related parties

thereunder shall be paid to the Series C-1 Preferred Shareholder or its Affiliates (with respect to Taikang, it shall be paid to TIG) within three(3) months following the date of (x) the deduction of the Series C-1 Purchase Price from Series C Preferred Shares Liquidation Preference for such Series C-1 Preferred Shareholder, or (y) the payment of such consideration by the Series C-1 Preferred Shareholder to the Company.

When the Company makes payment of Series C Preferred Shares Liquidation Preference to Huasheng in US dollars according to this Article 127, the exchange rate for RMB-US dollars shall be calculated based on the central parity rate as published by the People's Bank of China on the actual remittance date the Company makes the payment.

(b) After the distribution or payment has been made to holders of Series C Preferred Shares as provided in paragraph (a), and before any distribution or payment shall be made to the holders of any Series A Preferred Shares, Class B Ordinary Shares or Junior Shares, each holder of Series B Preferred Shares shall be entitled to receive, on parity with each other, an amount equal to one hundred percent (100%) of the Original Issue Price (in each case as adjusted for any share splits, share dividends, combinations, recapitalizations and similar transactions), plus all dividends declared and unpaid with respect thereto (as adjusted for any share splits, share dividends, combinations, recapitalizations and similar transactions) per Series B Preferred Share, then held by such holder (the "**Series B Preferred Shares Liquidation Preference**"). If, upon any such liquidation, dissolution, or winding up, the assets of the Company shall be insufficient to make payment of the foregoing amounts in full on all Series B Preferred Shares, then such assets shall be distributed among the holders of Series B Preferred Shares ratably in proportion to the full amounts to which they would otherwise be respectively entitled thereon.

(c) After the distribution or payment has been made to holders of Series C Preferred Shares and Series B Preferred Shares as provided in paragraph (a) and (b), and before any distribution or payment shall be made to the holders of any Series A-1 Preferred Shares, Class B Ordinary Shares or Junior Shares, each holder of Series A-2 Preferred Shares shall be entitled to receive, on parity with each other, an amount equal to one hundred percent (100%) of the Original Series A-2 Issue Price (in each case as adjusted for any share splits, share dividends, combinations, recapitalizations and similar transactions), plus all dividends declared and unpaid with respect thereto (as adjusted for any share splits, share dividends, combinations, recapitalizations and similar transactions) per Series A-2 Preferred Share, then held by such holder (the "**Series A-2 Preferred Shares Liquidation Preference**"). If, upon any such liquidation, dissolution, or winding up, the assets of the Company shall be insufficient to make payment of the foregoing amounts in full on all Series A-2 Preferred Shares, then such assets shall be distributed among the holders of Series A-2 Preferred Shares ratably in proportion to the full amounts to which they would otherwise be respectively entitled thereon.

(d) After the distribution or payment has been made to holders of Series C Preferred Shares, Series B Preferred Shares and Series A-2 Preferred Shares as provided in paragraphs (a), (b) and (c), respectively, and before any distribution

or payment shall be made to the holders of any Class A Ordinary Shares, an amount shall be paid with respect to each Series A-1 Preferred Share and Class B Ordinary Shares equal to one hundred percent (100%) of the Original Series A-1 Issue Price (in each case as adjusted for

any share splits, share dividends, combinations, recapitalizations and similar transactions), plus all dividends declared and unpaid with respect thereto (as adjusted for any share splits, share dividends, combinations, recapitalizations and similar transactions) per Series A-1 Preferred Share and Class B Ordinary Share, then held by such holder (the "**Series A-1 Preferred Shares Liquidation Preference**"). If, upon any liquidation, dissolution, or winding up and after distribution or payment to holders of Series A-1 Preferred Shares and Class B Ordinary Shares has been made, the assets of the Company are insufficient to make payment in full on all Series A-1 Preferred Shares and Class B Ordinary Shares, then such assets shall be distributed among the holders of Series A-1 Preferred Shares and Class B Ordinary Shares, ratably in proportion to the full amounts to which they would otherwise be respectively entitled thereon.

(e) After distribution or payment in full of the amount distributable or payable on the Series C Preferred Shares, Series B Preferred Shares, Series A Preferred Shares and Class B Ordinary Shares pursuant to paragraphs (a), (b), (c) and (d) of this Article 127, the remaining assets of the Company available for distribution to members shall be distributed ratably among the holders of outstanding Ordinary Shares and the holders of outstanding Preferred Shares in proportion to the number of outstanding Ordinary Shares held by them (on an as-if-converted basis).

(f) Reserved.

(g) Liquidation on Sale or Merger. The following events shall be treated as a liquidation under this Article 127 unless waived by the Majority Series A-1 Preferred Shareholders, the Majority Series A-2 Preferred Shareholders, the Majority Series B Preferred Shareholders (which shall include Apoletto) and the Majority Series C Preferred Shareholders (each, a "**Deemed Liquidation Event**"):

(1) any consolidation, amalgamation or merger of the Company or Group Company with or into any other Person or other corporate reorganization or scheme of arrangement, in which the members of the Company or shareholders of such Group Company immediately prior to such consolidation, amalgamation, merger or reorganization, own less than fifty percent (50%) of the voting power of Company or any other Group Company immediately after such consolidation, merger, amalgamation or reorganization, or any transaction or series of related transactions to which the Company is a party in which in excess of fifty percent (50%) of the Company's or Group Company's voting power is transferred, but excluding any transaction effected solely for tax purposes or to change the Company's domicile or any other Group Company's domicile;

(2) the sale, exchange, transfer or other disposition, in one or a series of related transactions, of a majority of the outstanding share capital of the Group Company to one Person or a group of Persons acting in concert,

under circumstances in which the holders of a majority in voting power of the outstanding share capital of the Company or Group Company immediately prior to such transaction beneficially own less than a majority in voting power of the outstanding share capital of the surviving entity or the entity controlling the surviving entity or the acquiring Person immediately following such transaction;

(3) a sale, lease, transfer or other disposition, in a single transaction or series of related transactions, by any Group Company of all or substantially all of the assets of such Group Company, the effect of which is the disposition of all or substantially all of the Group Companies' assets taken as a whole; or

(4) the exclusive licensing of all or substantially all of the Group Company's intellectual property to a third party, and upon any such event, any proceeds resulting to the shareholders of the Company therefrom shall be distributed in accordance with the terms of paragraph (a) through (c) of this Article 127.

(h) In the event the Company proposes to distribute assets other than cash in connection with any liquidation, dissolution or winding up of the Company, the value of the assets to be distributed to the holder of the Preferred Shares and Ordinary Shares shall be determined in good faith by the Board of Directors, or by a liquidator if one is appointed. Any securities not subject to investment letter or similar restrictions on free marketability shall be valued as follows:

(i) if traded on a securities exchange, the value shall be deemed to be the average of the security's closing prices on such exchange over the thirty (30) day period ending one (1) day prior to the distribution;

(ii) if traded over-the-counter, the value shall be deemed to be the average of the closing bid prices over the thirty (30) day period ending three (3) days prior to the distribution; and

(iii) if there is no active public market, the value shall be the fair market value thereof as determined in good faith by the Board of Directors.

The method of valuation of securities subject to investment letter or other restrictions on free marketability shall be adjusted to make an appropriate discount from the market value determined as above in clause (i), (ii) or (iii) to reflect the fair market value thereof as determined in good faith by the Board of Directors, or by a liquidator if one is appointed. The Majority Series A-1 Preferred Shareholders, the Majority Series A-2 Preferred Shareholders, the Majority Series B Preferred Shareholders (which shall include Apoletto) and the Majority Series C Preferred Shareholders shall have the right to challenge any determination by the Board of Directors of fair market value pursuant to this Article 127(e), in which case the determination of fair market value shall be made by an independent appraiser selected jointly by the Board of Directors and the challenging parties, the cost of such appraisal to be borne equally by the Company and the challenging parties.

INDEMNITY

128 To the maximum extent permitted by applicable law, the Directors and officers for the time being of the Company and any trustee for the time being acting in relation to any of the affairs of the Company and their respective heirs, executors, administrators and personal representatives shall be indemnified out of the assets of the Company from and against all actions, proceedings, costs, charges, losses, damages and expenses which they or any of them shall or may incur or sustain by reason of any act done or omitted in or about the execution of their duty in their respective offices or trusts, except such (if any) as they shall incur or sustain by or through their own willful neglect or default and no such Director, officer or trustee shall be answerable for the acts, receipts, neglects or defaults of any other Director, officer or trustee or for joining in any receipt for the sake of conformity or for the solvency or honesty of any banker or other persons with whom any monies or effects belonging to the Company may be lodged or deposited for safe custody or for any insufficiency of any security upon which any monies of the Company may be invested or for any other loss or damage due to any such cause as aforesaid or which may happen in or about the execution of his office or trust unless the same shall happen through the willful neglect or default of such Director, officer or trustee.

To the maximum extent permitted by applicable law, the Directors and officers for the time being of the Company and any trustee for the time being acting in relation to any of the affairs of the Company and their heirs, executors, administrators and personal representatives respectively shall not be personally liable to the Company or its Members for monetary damages for breach of their duty in their respective offices, except such (if any) as they shall incur or sustain by or through their own gross negligence or willful misconduct.

FINANCIAL YEAR

129 Unless the Directors otherwise prescribe, the financial year of the Company shall end on December 31 in each year and, following the year of incorporation, shall begin on January 1 in each year.

AMENDMENTS OF ARTICLES

130 Subject to the Statute and to any quorum, voting or procedural requirements expressly imposed by these Articles in regard to the variation of rights attached to a specific class of shares of the Company, the Company may at any time and from time to time by a Special Resolution, change the name of the Company or alter or amend these Articles or the Memorandum of Association, in whole or in part.

TRANSFER BY WAY OF CONTINUATION

131 If the Company is exempted as defined in the Statute, it shall, subject to the provisions of the Statute and with the approval of a Special Resolution, have the power to register by way of continuation as a body corporate under the laws of any jurisdiction outside the Cayman Islands and to be deregistered in the Cayman Islands.

NO PUBLIC DOCUMENT

132 None of the documents of the Company, including its Memorandum of Association, these Articles, or any register of Members, Directors, transfers or changes, will be exhibited as a public document in the Cayman Islands.

PREEMPTIVE RIGHTS

133 Each of the Preferred Shareholders, VAL and their respective Affiliates to which rights under this Article 133 have been duly assigned in accordance with the Shareholders Agreement (each of the Preferred Shareholders, VAL and their assignees being hereinafter referred to as a "**Participation Rights Holder**") shall have a right of first refusal to purchase such a Pro Rata Share of all or any part of the New Securities that the Company may from time to time issue after the date hereof (the "**Right of Participation**").

A Participation Rights Holder's "**Pro Rata Share**" is the ratio of (a) the number of Registrable Securities then held by such Participation Rights Holder, to (b) the total number of Class A Ordinary Shares (assuming full conversion of all convertible securities and full exercise of all options and convertible loans then outstanding, including the conversion of all Preferred Shares) then outstanding immediately prior to the issuance of New Securities giving rise to the Right of Participation.

"**New Securities**" shall mean any Preferred Shares, Ordinary Shares or other shares of the Company, whether now authorized or not, and rights, options or warrants to purchase such Preferred Shares, Ordinary Shares and securities of any type whatsoever that are, or may become, convertible or exchangeable into such Preferred Shares, Ordinary Shares or other shares, provided, however, that the term "**New Securities**" shall not include:

(a) any Series A Preferred Shares issued under the Series A Preferred Share Purchase Agreement, any Series B Preferred Shares issued under the Series B Preferred Share Purchase Agreement and Series B-2 Preferred Share Purchase Agreement, the Series C-1 Preferred Shares issued under the Series C-1 Preferred Share Purchase Agreements, the Series C-2 Preferred Shares issued under the Series C-2 Preferred Share Purchase Agreement, or any Conversion Shares;

(b) any securities issued in connection with any share split, share dividend or other similar event in which all Participation Rights Holders are entitled to participate on a pro rata basis;

(c) in the aggregate up to 35,456,559 Class A Ordinary Shares issued or issuable to officers, directors, employees and consultants of the Company pursuant to any equity plan or incentive arrangement approved in accordance with Article 19;

(d) those issued as a dividend or distribution on the Preferred Shares;

(e) any securities issued pursuant to the acquisition of another corporation or entity by the Company by consolidation, merger, purchase of assets, or other reorganization in which the Company acquires, in a single transaction or series of related transactions, a majority of the assets, voting power or equity ownership of such other corporation or entity, as duly approved in accordance with Article 19;

(f) any securities offered in an underwritten registered public offering by the Company, as duly approved in accordance with Article 19;

134 Procedures for Exercising Preemptive Right.

(a) First Participation Notice. In the event that the Company proposes to undertake an issuance of New Securities in a single transaction or a series of related transactions, it shall give to each Participation Rights Holder a written notice of its intention to issue New Securities (the "**First Participation Notice**"), describing the amount, the type and the price of New Securities and the general terms upon which the Company proposes to issue such New Securities. Each Participation Rights Holder shall be entitled to purchase such Participation Rights Holder's Pro Rata Share of such New Securities at the price and upon the terms and conditions specified in the First Participation Notice by giving a written notice to the Company and stating therein the number of New Securities to be purchased (such number shall not exceed such Participation Rights Holder's Pro Rata Share) within fifteen (15) Business Days from the date of such First Participation Notice. If any Participation Rights Holder fails to send such written notice within the prescribed time period or declines to exercise fully its Right of Participation, then the right of such Participation Rights Holder to purchase its Pro Rata Share hereunder shall be forfeited.

(b) Second Participation Notice; Oversubscription. If any Participation Rights Holder fails or declines to exercise fully its Right of Participation in accordance with subsection (a) above, the Company shall promptly give a written notice (the "**Second Participation Notice**") to the Participation Rights Holders who agreed to exercise their Right of Participation (the "**Rights Participants**") in accordance with subsection (a) above. Each Rights Participant shall have five (5) Business Days from the date of the Second Participation Notice (the "**Second Participation Period**") to notify the Company of its desire to purchase more than its Pro Rata Share of the New Securities, stating the number of the additional New Securities it proposes to purchase. Such notice may be made by telephone if followed by a written confirmation within two (2) Business Days from the date of verbal notice. If as a result thereof, such oversubscription exceeds the total number of the remaining New Securities available for purchase, the oversubscribing Rights Participants will be cut back by the Company with respect to their oversubscriptions to that number of remaining New Securities equal to the lesser of (a) the number of the additional New Securities it proposes to purchase; and (b) the product obtained by multiplying (i) the number of the remaining New Securities available for subscription by (ii) a fraction the numerator of which is the number of Registrable Securities held by each oversubscribing Rights Participant and the denominator of which is the total number of Registrable Securities held by all the oversubscribing Rights

Participants. Each oversubscribing Rights Participant shall be obligated to purchase such number of additional New Securities as determined by the Company pursuant to this subsection (b) and the Company shall so notify the Rights Participants within fifteen (15) Business Days from the date of the Second Participation Notice.

(c) Closing. If any Participation Rights Holder elects to purchase its Pro Rata Share of the New Securities, then payment for such New Securities shall be made by wire transfer in immediately available funds, against delivery of such New Securities, at a place and time agreed to by the Company and the Participation Rights Holders that have elected to purchase a majority of the New Securities to be purchased; provided that the scheduled time for closing shall not be later than fifteen (15) Business Days following the expiration of the last period during which any Participation Rights Holder may elect to purchase any New Securities (including the New Securities offered under a Second Participation Notice), which may be extended for an additional sixty (60) Business Days in the event any regulatory or governmental approval is required to effect such transaction.

135 Failure to Exercise. (i) In the event that none of the Participation Rights Holders exercise the Right of Participation with respect to any New Securities described in the First Participation Notice, after twenty (20) days following the date of the First Participation Notice, or (ii) upon the expiration of the Second Participation Period, the Company shall have a period of ninety (90) days thereafter to sell to other third parties the New Securities described in the First Participation Notice (with respect to which the Right of Participation was not fully exercised) at the same price and upon the same terms as specified in the First Participation Notice. In the event that the Company has not issued and sold such New Securities within such prescribed period, then the Company shall not thereafter issue or sell any New Securities without first offering such New Securities to the Participation Rights Holders pursuant to this Article 133, 134 and 135.

136 Corporate Opportunity. The Company renounces any interest or expectancy of the Company in, or in being offered an opportunity to participate in, any Excluded Opportunity. An "**Excluded Opportunity**" is any matter, transaction or interest that is presented to, or acquired, created or developed by, or which otherwise comes into the possession of, (i) any director of the Company who is not an employee of the Company or any of its subsidiaries, or (ii) any holder of Preferred Shares or any partner, member, director, stockholder, employee or agent of any such holder, other than someone who is an employee of the Company or any of its subsidiaries (collectively, "**Covered Persons**"), unless such matter, transaction or interest is presented to, or acquired, created or developed by, or otherwise comes into the possession of, a Covered Person expressly and solely in such Covered Person's capacity as a director of the Company.

THE COMPANIES LAW (2016 REVISION)
OF THE CAYMAN ISLANDS
COMPANY LIMITED BY SHARES
SIXTH AMENDED AND RESTATED
MEMORANDUM OF ASSOCIATION
OF
LEXINFINTECH HOLDINGS LTD.

□□□□□□□□

(Adopted by special resolution passed on October 30, 2017 and effective immediately prior to the completion of the initial public offering of the Company's American Depositary Shares representing its Class A Ordinary Shares)

1. The name of the Company is **LexinFintech Holdings Ltd.** □□□□□□□□.

2. The Registered Office of the Company will be situated at the offices of Osiris International Cayman Limited, Suite#4-210, Governors Square, 23 Lime Three Bay Avenue, PO Box 32311, Grand Cayman, KY1-1209, Cayman Islands, or at such other location within the Cayman Islands as the Directors may from time to time determine.

3. The objects for which the Company is established are unrestricted and the Company shall have full power and authority to carry out any object not prohibited by the Companies Law or any other law of the Cayman Islands.

4. The Company shall have and be capable of exercising all the functions of a natural person of full capacity irrespective of any question of corporate benefit as provided by the Companies Law.

5. The Company will not trade in the Cayman Islands with any person, firm or corporation except in furtherance of the business of the Company carried on outside the Cayman Islands; provided that nothing in this section shall be construed as to prevent the Company effecting and concluding contracts in the Cayman Islands, and exercising in the Cayman Islands all of its powers necessary for the carrying on of its business outside the Cayman Islands.

6. The liability of each Shareholder is limited to the amount, if any, unpaid on the Shares held by such Shareholder.

7. The authorised share capital of the Company is US$500,000.00 divided into 5,000,000,000 shares comprising of (i) 1,889,352,801 Class A Ordinary Shares of a par value of US$0.0001 each, (ii) 110,647,199 Class B Ordinary Shares of a par value of US$0.0001 each and (iii) 3,000,000,000 shares of a par value of US$0.0001 each of such class or classes (however designated) as the board of directors may determine in accordance with Article 9 of the Articles. Subject to the Companies Law and the Articles, the Company shall have power to redeem or purchase any of its Shares and to increase or reduce its authorised share capital and to sub-divide or consolidate the said Shares or any of them and to issue all or any part of its capital whether original, redeemed, increased or reduced with or without any preference, priority, special privilege or other rights or subject to any postponement of rights or to any conditions or restrictions whatsoever and so that unless the conditions of issue shall otherwise expressly provide every issue of shares whether stated to be ordinary, preference or otherwise shall be subject to the powers on the part of the Company hereinbefore provided.

8. The Company has the power contained in the Companies Law to deregister in the Cayman Islands and be registered by way of continuation in some other jurisdiction.

9. Capitalised terms that are not defined in this Memorandum of Association bear the same meanings as those given in the Articles of Association of the Company.

THE COMPANIES LAW (2016 REVISION)
OF THE CAYMAN ISLANDS
COMPANY LIMITED BY SHARES
SIXTH AMENDED AND RESTATED
ARTICLES OF ASSOCIATION
OF
LEXINFINTECH HOLDINGS LTD.

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(Adopted by special resolution passed on October 30, 2017 and effective immediately prior to the completion of the initial public offering of the Company's American Depositary Shares representing its Class A Ordinary Shares)

TABLE A

The regulations contained or incorporated in Table 'A' in the First Schedule of the Companies Law shall not apply to the Company and the following Articles shall comprise the Articles of Association of the Company.

INTERPRETATION

1. In these Articles the following defined terms will have the meanings ascribed to them, if not inconsistent with the subject or context:

"ADS"	means an American Depositary Share representing Class A Ordinary Shares;
"Affiliate"	means in respect of a Person, any other Person that, directly or indirectly, through (1) one or more intermediaries, controls, is controlled by, or is under common control with, such Person, and (i) in the case of a natural person, shall include, without limitation, such person's spouse, parents, children, siblings, mother-in-law, father-in-law, brothers-in-law and sisters-in-law, a trust for the benefit of any of the foregoing, and a corporation, partnership or any other entity wholly or jointly owned by any of the foregoing, and (ii) in the case of an entity, shall include a partnership, a corporation or any other entity or any natural person which directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, such entity. The term "control" shall mean the ownership, directly or indirectly, of shares possessing more than fifty per cent (50%) of the voting power of the corporation, partnership or other entity (other than, in the case of a corporation, securities having such power only by reason of the happening of a contingency), or having the power to control the management or elect a majority of members to the board of directors or equivalent decision-making body of such corporation, partnership or other entity;

"Articles"	means these articles of association of the Company, as amended or substituted from time to time;
"Board" and **"Board of Directors"** and **"Directors"**	means the directors of the Company for the time being, or as the case may be, the directors assembled as a board or as a committee thereof;
"Chairman"	means the chairman of the Board of Directors;
"Class" or "Classes"	means any class or classes of Shares as may from time to time be issued by the Company;
"Class A Ordinary Share"	means an Ordinary Share of a par value of US$0.0001 in the capital of the Company, designated as a Class A Ordinary Shares and having the rights provided for in these Articles;
"Class B Ordinary Share"	means an Ordinary Share of a par value of US$0.0001 in the capital of the Company, designated as a Class B Ordinary Share and having the rights provided for in these Articles;
"Commission"	means the Securities and Exchange Commission of the United States of America or any other federal agency for the time being administering the Securities Act;
"Company"	means LexinFintech Holdings Ltd. □□□□□□□□, a Cayman Islands exempted company;
"Companies Law"	means the Companies Law (2016 revision) of the Cayman Islands and any statutory amendment or re-enactment thereof;
"Company's Website"	means the main corporate/investor relations website of the Company, the address or domain name of which has been disclosed in any registration statement filed by the Company with the Commission in connection with its initial public offering of ADSs, or which has otherwise been notified to Shareholders;
"Designated Stock Exchange"	means the stock exchange in the United States on which any Shares and ADSs are listed for trading;
"Designated Stock Exchange Rules"	means the relevant code, rules and regulations, as amended, from time to time, applicable as a result of the original and continued listing of any Shares or ADSs on the Designated Stock Exchange;
"electronic"	has the meaning given to it in the Electronic Transactions Law and any amendment thereto or re-enactments thereof for the time being in force and includes every other law incorporated therewith or substituted therefor;
"electronic communication"	means electronic posting to the Company's Website, transmission to any number, address or internet website or other electronic delivery methods as otherwise decided and approved by not less than two-thirds of the vote of the Board;
"Electronic	means the Electronic Transactions Law (2003 Revision) of the Cayman

Transactions Law"	Islands and any statutory amendment or re-enactment thereof;
"Founder"	means Mr. Jay Wenjie Xiao.
"electronic record"	has the meaning given to it in the Electronic Transactions Law and any amendment thereto or re-enactments thereof for the time being in force and includes every other law incorporated therewith or substituted therefor;
"Memorandum of Association"	means the memorandum of association of the Company, as amended or substituted from time to time;

"Ordinary Resolution"	means a resolution: (a) passed by a simple majority of the votes cast by such Shareholders as, being entitled to do so, vote in person or, where proxies are allowed, by proxy or, in the case of corporations, by their duly authorised representatives, at a general meeting of the Company held in accordance with these Articles; or (b) approved in writing by all of the Shareholders entitled to vote at a general meeting of the Company in one or more instruments each signed by one or more of the Shareholders and the effective date of the resolution so adopted shall be the date on which the instrument, or the last of such instruments, if more than one, is executed;
"Ordinary Share"	means a Class A Ordinary Share or a Class B Ordinary Share;
"paid up"	means paid up as to the par value in respect of the issue of any Shares and includes credited as paid up;
"Person"	means any natural person, firm, company, joint venture, partnership, corporation, association or other entity (whether or not having a separate legal personality) or any of them as the context so requires;
"Register"	means the register of Members of the Company maintained in accordance with the Companies Law;
"Registered Office"	means the registered office of the Company as required by the Companies Law;
"Seal"	means the common seal of the Company (if adopted) including any facsimile thereof;
"Secretary"	means any Person appointed by the Directors to perform any of the duties of the secretary of the Company;
"Securities Act"	means the Securities Act of 1933 of the United States of America, as amended, or any similar federal statute and the rules and regulations of the Commission thereunder, all as the same shall be in effect at the time;
"Share"	means a share in the capital of the Company. All references to "Shares" herein shall be deemed to be Shares of any or all Classes as the context may require. For the avoidance of doubt in these Articles the expression "Share" shall include a fraction of a Share;

"Shareholder" or "Member"	means a Person who is registered as the holder of one or more Shares in the Register;
"Share Premium Account"	means the share premium account established in accordance with these Articles and the Companies Law;
"signed"	means bearing a signature or representation of a signature affixed by mechanical means or an electronic symbol or process attached to or logically associated with an electronic communication and executed or adopted by a person with the intent to sign the electronic communication;
"Special Resolution"	means a special resolution of the Company passed in accordance with the Companies Law, being a resolution: (a) passed by not less than two-thirds of the votes cast by such Shareholders as, being entitled to do so, vote in person or, where proxies are allowed, by proxy or, in the case of corporations, by their duly authorised representatives, at a general meeting of the Company of which notice specifying the intention to propose the resolution as a special resolution has been duly given; or (b) approved in writing by all of the Shareholders entitled to vote at a general meeting of the Company in one or more instruments each signed by one or more of the Shareholders and the effective date of the special resolution so adopted shall be the date on which the instrument or the last of such instruments, if more than one, is executed;
"Treasury Share"	means a Share held in the name of the Company as a treasury share in accordance with the Companies Law; and
"United States"	means the United States of America, its territories, its possessions and all areas subject to its jurisdiction.

2. In these Articles, save where the context requires otherwise:

(a) words importing the singular number shall include the plural number and vice versa;

(b) words importing the masculine gender only shall include the feminine gender and any Person as the context may require;

(c) the word "may" shall be construed as permissive and the word "shall" shall be construed as imperative;

(d) reference to a dollar or dollars (or US$) and to a cent or cents is reference to dollars and cents of the United States of America;

(e) reference to a statutory enactment shall include reference to any amendment or re-enactment thereof for the time being in force;

(f) reference to any determination by the Directors shall be construed as a determination by the Directors in their sole and absolute discretion and shall be applicable either generally or in any particular case;

(g) reference to "in writing" shall be construed as written or represented by any means reproducible in writing, including any form of print, lithograph, email, facsimile, photograph or telex or represented by any other substitute or format for storage or transmission for writing including in the form of an electronic record or partly one and partly another;

(h) any requirements as to delivery under the Articles include delivery in the form of an electronic record or an electronic communication;

(i) any requirements as to execution or signature under the Articles, including the execution of the Articles themselves, can be satisfied in the form of an electronic signature as defined in the Electronic Transaction Law; and

(j) Sections 8 and 19(3) of the Electronic Transactions Law shall not apply.

3. Subject to the last two preceding Articles, any words defined in the Companies Law shall, if not inconsistent with the subject or context, bear the same meaning in these Articles.

PRELIMINARY

4. The business of the Company may be conducted as the Directors see fit.

5. The Registered Office shall be at such address in the Cayman Islands as the Directors may from time to time determine. The Company may in addition establish and maintain such other offices and places of business and agencies in such places as the Directors may from time to time determine.

6. The expenses incurred in the formation of the Company and in connection with the offer for subscription and issue of Shares shall be paid by the Company. Such expenses may be amortised over such period as the Directors may determine and the amount so paid shall be charged against income and/or capital in the accounts of the Company as the Directors shall determine.

7. The Directors shall keep, or cause to be kept, the Register at such place as the Directors may from time to time determine and, in the absence of any such determination, the Register shall be kept at the Registered Office.

SHARES

8. Subject to these Articles, all Shares for the time being unissued shall be under the control of the Directors who may, in their absolute discretion and without the approval of the Members, cause the Company to:

(a) issue, allot and dispose of Shares (including, without limitation, preferred shares) (whether in certificated form or non-certificated form) to such Persons, in such manner, on such terms and having such rights and being subject to such restrictions as they may from time to time determine;

(b) grant rights over Shares or other securities to be issued in one or more classes or series as they deem necessary or appropriate and determine the designations, powers, preferences, privileges and other rights attaching to such Shares

or securities, including dividend rights, voting rights, conversion rights, terms of redemption and liquidation preferences, any or all of which may be greater than the powers, preferences, privileges and rights associated with the then issued and outstanding Shares, at such times and on such other terms as they think proper; and

(c) grant options with respect to Shares and issue warrants or similar instruments with respect thereto.

9. The Directors may authorise the division of Shares into any number of Classes and the different Classes shall be authorised, established and designated (or re-designated as the case may be) and the variations in the relative rights (including, without limitation, voting, dividend and redemption rights), restrictions, preferences, privileges and payment obligations as between the different Classes (if any) may be fixed and determined by the Directors or by a Special Resolution. The Directors may issue Shares with such preferred or other rights, all or any of which may be greater than the rights of Ordinary Shares, at such time and on such terms as they may think appropriate. Notwithstanding Article 17, the Directors may issue from time to time, out of the authorised share capital of the Company (other than the authorised but unissued Ordinary Shares), series of preferred shares in their absolute discretion and without approval of the Members; provided, however, before any preferred shares of any such series are issued, the Directors shall by resolution of Directors determine, with respect to any series of preferred shares, the terms and rights of that series, including:

(a) the designation of such series, the number of preferred shares to constitute such series and the subscription price thereof if different from the par value thereof;

(b) whether the preferred shares of such series shall have voting rights, in addition to any voting rights provided by law, and, if so, the terms of such voting rights, which may be general or limited;

(c) the dividends, if any, payable on such series, whether any such dividends shall be cumulative, and, if so, from what dates, the conditions and dates upon which such dividends shall be payable, and the preference or relation which such dividends shall bear to the dividends payable on any shares of any other class or any other series of shares;

(d) whether the preferred shares of such series shall be subject to redemption by the Company, and, if so, the times, prices and other conditions of such redemption;

(e) whether the preferred shares of such series shall have any rights to receive any part of the assets available for distribution amongst the Members upon the liquidation of the Company, and, if so, the terms of such liquidation preference, and the relation which such liquidation preference shall bear to the entitlements of the holders of shares of any other class or any other series of shares;

(f) whether the preferred shares of such series shall be subject to the operation of a retirement or sinking fund and, if so, the extent to and manner in which any such retirement or sinking fund shall be applied to the purchase or redemption of the preferred shares of such series for retirement or other corporate purposes and the terms and provisions relative to the operation thereof;

(g) whether the preferred shares of such series shall be convertible into, or exchangeable for, shares of any other class or any other series of preferred shares or any other securities and, if so, the price or prices or the rate or rates of conversion or exchange and the method, if any, of adjusting the same, and any other terms and conditions of conversion or exchange;

(h) the limitations and restrictions, if any, to be effective while any preferred shares of such series are outstanding upon the payment of dividends or the making of other distributions on, and upon the purchase, redemption or other acquisition by the Company of, the existing shares or shares of any other class of shares or any other series of preferred shares;

(i) the conditions or restrictions, if any, upon the creation of indebtedness of the Company or upon the issue of any additional shares, including additional shares of such series or of any other class of shares or any other series of preferred shares; and

(j) any other powers, preferences and relative, participating, optional and other special rights, and any qualifications, limitations and restrictions thereof;

and, for such purposes, the Directors may reserve an appropriate number of Shares for the time being unissued. The Company shall not issue Shares to bearer.

10. The Company may insofar as may be permitted by law, pay a commission to any Person in consideration of his subscribing or agreeing to subscribe whether absolutely or conditionally for any Shares. Such commissions may be satisfied by the payment of cash or the lodgement of fully or partly paid-up Shares or partly in one way and partly in the other. The Company may also pay such brokerage as may be lawful on any issue of Shares.

11. The Directors may refuse to accept any application for Shares, and may accept any application in whole or in part, for any reason or for no reason.

CLASS A ORDINARY SHARES AND CLASS B ORDINARY SHARES

12. Holders of Class A Ordinary Shares and Class B Ordinary Shares shall at all times vote together as one class on all resolutions submitted to a vote by the Members. Each Class A Ordinary Share shall entitle the holder thereof to one (1) vote on all matters subject to vote at general meetings of the Company, and each Class B ordinary share shall entitle the holder thereof to ten (10) votes on all matters subject to vote at general meetings of the Company.

13. Each Class B Ordinary Share is convertible into one (1) Class A Ordinary Share at any time at the option of the holder thereof. The right to convert shall be exercisable by the holder of the Class B Ordinary Share delivering a written notice to the Company that such holder elects to convert a specified number of Class B Ordinary Shares into Class A Ordinary Shares. In no event shall Class A Ordinary Shares be convertible into Class B Ordinary Shares. Each Class B Ordinary Share shall automatically be re-designated into one Class A Ordinary Share without any action being required by the holders of Class B Ordinary Shares and whether or not the certificates representing such shares are surrendered to the Company or its transfer agent, if at any time the Founder and his affiliates collectively hold less than five per cent (5%) of the issued Shares in the capital of the Company, and no Class B Ordinary Shares shall be issued by the Company thereafter.

14. Any conversion of Class B Ordinary Shares into Class A Ordinary Shares pursuant to these Articles shall be effected by means of the re-designation of each relevant Class B Ordinary Share as a Class A Ordinary Share. Such conversion shall become effective forthwith upon entries being made in the Register to record the re-designation of the relevant Class B Ordinary Shares as Class A Ordinary Shares.

15. Upon any sale, transfer, assignment or disposition of any Class B Ordinary Share by a Shareholder to any person who is not an Affiliate of such Shareholder, or upon a change of control of any Class B Ordinary Share to any Person who is not an Affiliate of the registered shareholder of such Share, such Class B Ordinary Share shall be automatically and immediately

converted into one Class A Ordinary Share. For the avoidance of doubt, (i) a sale, transfer, assignment or disposition shall be effective upon the Company's registration of such sale, transfer, assignment or disposition in its Register; and (ii) the creation of any pledge, charge, encumbrance or other third party right of whatever description on any Class B Ordinary Shares to secure a holder's contractual or legal obligations shall not be deemed as a sale, transfer, assignment or disposition unless and until any such pledge, charge, encumbrance or other third party right is enforced and results in the third party holding legal title to the relevant Class B Ordinary Shares, in which case all the related Class B Ordinary Shares shall be automatically converted into the same number of Class A Ordinary Shares.

16. Save and except for voting rights and conversion rights as set out in Articles 12 to 16 (inclusive), the Class A Ordinary Shares and the Class B Ordinary Shares shall rank *pari passu* with one another and shall have the same rights, preferences, privileges and restrictions.

MODIFICATION OF RIGHTS

17. Whenever the capital of the Company is divided into different Classes the rights attached to any such Class may, subject to any rights or restrictions for the time being attached to any Class, only be materially adversely varied with the consent in writing of the holders of all of the issued Shares of that Class or with the sanction of an Ordinary Resolution passed at a separate meeting of the holders of the Shares of that Class. To every such separate meeting all the provisions of these Articles relating to general meetings of the Company or to the proceedings thereat shall, mutatis mutandis, apply, except that the necessary quorum shall be one or more Persons holding or representing by proxy at least one-third in nominal or par value amount of the issued Shares of the relevant Class (but so that if at any adjourned meeting of such holders a quorum as above defined is not present, those Shareholders who are present shall form a quorum). For the purposes of this Article the Directors may treat all the Classes or any two or more Classes as forming one Class if they consider that all such Classes would be affected in the same way by the proposals under consideration, but in any other case shall treat them as separate Classes.

18. The rights conferred upon the holders of the Shares of any Class issued with preferred or other rights shall not, subject to any rights or restrictions for the time being attached to the Shares of that Class, be deemed to be materially adversely varied by, inter alia, the creation, allotment or issue of further Shares ranking *pari passu* with or subsequent to them or the redemption or purchase of any Shares of any Class by the Company. The rights of the holders of Shares shall not be deemed to be materially adversely varied by the creation or issue of Shares with preferred or other rights including, without limitation, the creation of Shares with enhanced or weighted voting rights.

CERTIFICATES

19. Every Person whose name is entered as a Member in the Register may, without payment and upon its written request, request a certificate within two calendar months after allotment or lodgement of transfer (or within such other period as the conditions of issue shall provide) in the form determined by the Directors. All certificates shall specify the Share or Shares held by that Person, provided that in respect of a Share or Shares held jointly by several persons the Company shall not be bound to issue more than one certificate, and delivery of a certificate for a Share to one of several joint holders shall be sufficient delivery to all. All certificates for Shares shall be delivered personally or sent through the post addressed to the Member entitled thereto at the Member's registered address as appearing in the Register.

20. Every share certificate of the Company shall bear legends required under the applicable laws, including the Securities Act.

21. Any two or more certificates representing Shares of any one Class held by any Member may at the Member's request be cancelled and a single new certificate for such Shares issued in lieu on payment (if the Directors shall so require) of one dollar (US$1.00) or such smaller sum as the Directors shall determine.

22. If a share certificate shall be damaged or defaced or alleged to have been lost, stolen or destroyed, a new certificate representing the same Shares may be issued to the relevant Member upon request, subject to delivery up of the old certificate or (if alleged to have been lost, stolen or destroyed) compliance with such conditions as to evidence and indemnity and the payment of out-of-pocket expenses of the Company in connection with the request as the Directors may think fit.

23. In the event that Shares are held jointly by several persons, any request may be made by any one of the joint holders and if so made shall be binding on all of the joint holders.

FRACTIONAL SHARES

24. The Directors may issue fractions of a Share and, if so issued, a fraction of a Share shall be subject to and carry the corresponding fraction of liabilities (whether with respect to nominal or par value, premium, contributions, calls or otherwise), limitations, preferences, privileges, qualifications, restrictions, rights (including, without prejudice to the generality of the foregoing, voting and participation rights) and other attributes of a whole Share. If more than one fraction of a Share of the same Class is issued to or acquired by the same Shareholder such fractions shall be accumulated.

LIEN

25. The Company has a first and paramount lien on every Share (whether or not fully paid) for all amounts (whether presently payable or not) payable at a fixed time or called in respect of that Share. The Company also has a first and paramount lien on every Share registered in the name of a Person indebted or under liability to the Company (whether he is the sole registered holder of a Share or one of two or more joint holders) for all amounts owing by him or his estate to the Company (whether or not presently payable). The Directors may at any time declare a Share to be wholly or in part exempt from the provisions of this Article. The Company's lien on a Share extends to any amount payable in respect of it, including but not limited to dividends.

26. The Company may sell, in such manner as the Directors in their absolute discretion think fit, any Share on which the Company has a lien, but no sale shall be made unless an amount in respect of which the lien exists is presently payable nor until the expiration of fourteen calendar days after a notice in writing, demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the Share, or the Persons entitled thereto by reason of his death or bankruptcy.

27. For giving effect to any such sale the Directors may authorise a Person to transfer the Shares sold to the purchaser thereof. The purchaser shall be registered as the holder of the Shares comprised in any such transfer and he shall not be bound to see to the application of the purchase money, nor shall his title to the Shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

28. The proceeds of the sale after deduction of expenses, fees and commission incurred by the Company shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable, and the residue shall (subject to a like lien for sums not presently payable as existed upon the Shares prior to the sale) be paid to the Person entitled to the Shares immediately prior to the sale.

CALLS ON SHARES

29. Subject to the terms of the allotment, the Directors may from time to time make calls upon the Shareholders in respect of any moneys unpaid on their Shares, and each Shareholder shall (subject to receiving at least fourteen calendar days' notice specifying the time or times of payment) pay to the Company at the time or times so specified the amount called on such Shares. A call shall be deemed to have been made at the time when the resolution of the Directors authorising such call was passed.

30. The joint holders of a Share shall be jointly and severally liable to pay calls in respect thereof.

31. If a sum called in respect of a Share is not paid before or on the day appointed for payment thereof, the Person from whom the sum is due shall pay interest upon the sum at the rate of eight percent per annum from the day appointed for the payment thereof to the time of the actual payment, but the Directors shall be at liberty to waive payment of that interest wholly or in part.

32. The provisions of these Articles as to the liability of joint holders and as to payment of interest shall apply in the case of non-payment of any sum which, by the terms of issue of a Share, becomes payable at a fixed time, whether on account of the amount of the Share, or by way of premium, as if the same had become payable by virtue of a call duly made and notified.

33. The Directors may make arrangements with respect to the issue of partly paid Shares for a difference between the Shareholders, or the particular Shares, in the amount of calls to be paid and in the times of payment.

34. The Directors may, if they think fit, receive from any Shareholder willing to advance the same all or any part of the moneys uncalled and unpaid upon any partly paid Shares held by him, and upon all or any of the moneys so advanced may (until the same would, but for such advance, become presently payable) pay interest at such rate (not exceeding without the sanction of an Ordinary Resolution, eight percent per annum) as may be agreed upon between the Shareholder paying the sum in advance and the Directors. No such sum paid in advance of calls shall entitle the Member paying such sum to any portion of a dividend declared in respect of any period prior to the date upon which such sum would, but for such payment, become presently payable.

FORFEITURE OF SHARES

35. If a Shareholder fails to pay any call or instalment of a call in respect of partly paid Shares on the day appointed for payment, the Directors may, at any time thereafter during such time as any part of such call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued.

36. The notice shall name a further day (not earlier than the expiration of fourteen calendar days from the date of the notice) on or before which the payment required by the notice is to be made, and shall state that in the event of non-payment at or before the time appointed, the Shares in respect of which the call was made will be liable to be forfeited.

37. If the requirements of any such notice as aforesaid are not complied with, any Share in respect of which the notice has been given may at any time thereafter, before the payment required by notice has been made, be forfeited by a resolution of the Directors to that effect.

38. A forfeited Share may be sold or otherwise disposed of on such terms and in such manner as the Directors think fit, and at any time before a sale or disposition the forfeiture may be cancelled on such terms as the Directors think fit.

39. A Person whose Shares have been forfeited shall cease to be a Shareholder in respect of the forfeited Shares, but shall, notwithstanding, remain liable to pay to the Company all moneys which at the date of forfeiture were payable by him to the Company in respect of the Shares forfeited, but his liability shall cease if and when the Company receives payment in full of the amount unpaid on the Shares forfeited.

40. A certificate in writing under the hand of a Director that a Share has been duly forfeited on a date stated in the certificate shall be conclusive evidence of the facts in the declaration as against all Persons claiming to be entitled to the Share.

41. The Company may receive the consideration, if any, given for a Share on any sale or disposition thereof pursuant to the provisions of these Articles as to forfeiture and may execute a transfer of the Share in favour of the Person to whom the Share is sold or disposed of and that Person shall be registered as the holder of the Share and shall not be bound to see to the application of the purchase money, if any, nor shall his title to the Shares be affected by any irregularity or invalidity in the proceedings in reference to the disposition or sale.

42. The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which by the terms of issue of a Share becomes due and payable, whether on account of the amount of the Share, or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

TRANSFER OF SHARES

43. The instrument of transfer of any Share shall be in writing and in any usual or common form or such other form as the Directors may, in their absolute discretion, approve and be executed by or on behalf of the transferor and if in respect of a nil or partly paid up Share, or if so required by the Directors, shall also be executed on behalf of the transferee and shall be accompanied by the certificate (if any) of the Shares to which it relates and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer. The transferor shall be deemed to remain a Shareholder until the name of the transferee is entered in the Register in respect of the relevant Shares.

44. (a) The Directors may in their absolute discretion decline to register any transfer of Shares which is not fully paid up or on which the Company has a lien.

(b) The Directors may also decline to register any transfer of any Share unless:

(i) the instrument of transfer is lodged with the Company, accompanied by the certificate for the Shares to which it relates and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer;

(ii) the instrument of transfer is in respect of only one Class of Shares;

(iii) the instrument of transfer is properly stamped, if required;

(iv) in the case of a transfer to joint holders, the number of joint holders to whom the Share is to be transferred does not exceed four; and

(v) a fee of such maximum sum as the Designated Stock Exchange may determine to be payable, or such lesser sum as the Board of Directors may from time to time require, is paid to the Company in respect thereof.

45. The registration of transfers may, on ten calendar days' notice being given by advertisement in such one or more newspapers, by electronic means or by any other means in accordance with the Designated Stock Exchange Rules, be suspended and the Register closed at such times and for such periods as the Directors may, in their absolute discretion, from time to time determine, provided always that such registration of transfer shall not be suspended nor the Register closed for more than thirty calendar days in any calendar year.

46. All instruments of transfer that are registered shall be retained by the Company. If the Directors refuse to register a transfer of any Shares, they shall within three calendar months after the date on which the transfer was lodged with the Company send notice of the refusal to each of the transferor and the transferee.

TRANSMISSION OF SHARES

47. The legal personal representative of a deceased sole holder of a Share shall be the only Person recognised by the Company as having any title to the Share. In the case of a Share registered in the name of two or more holders, the survivors or survivor, or the legal personal representatives of the deceased survivor, shall be the only Person recognised by the Company as having any title to the Share.

48. Any Person becoming entitled to a Share in consequence of the death or bankruptcy of a Shareholder shall, upon such evidence being produced as may from time to time be required by the Directors, have the right either to be registered as a Shareholder in respect of the Share or, instead of being registered himself, to make such transfer of the Share as the deceased or bankrupt Person could have made; but the Directors shall, in either case, have the same right to decline or suspend registration as they would have had in the case of a transfer of the Share by the deceased or bankrupt Person before the death or bankruptcy.

49. A Person becoming entitled to a Share by reason of the death or bankruptcy of a Shareholder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered Shareholder, except that he shall not, before being registered as a Shareholder in respect of the Share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company, provided however, that the Directors may at any time give notice requiring any such person to elect either to be registered himself or to transfer the Share, and if the notice is not complied with within ninety calendar days, the Directors may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the Share until the requirements of the notice have been complied with.

REGISTRATION OF EMPOWERING INSTRUMENTS

50. The Company shall be entitled to charge a fee not exceeding one dollar (US$1.00) on the registration of every probate, letters of administration, certificate of death or marriage, power of attorney, notice in lieu of distringas, or other instrument.

ALTERATION OF SHARE CAPITAL

51. The Company may from time to time by Ordinary Resolution increase the share capital by such sum, to be divided into Shares of such Classes and amount, as the resolution shall prescribe.

52. The Company may by Ordinary Resolution:

(a) increase its share capital by new Shares of such amount as it thinks expedient;

(b) consolidate and divide all or any of its share capital into Shares of a larger amount than its existing Shares;

(c) subdivide its Shares, or any of them, into Shares of an amount smaller than that fixed by the Memorandum, provided that in the subdivision the proportion between the amount paid and the amount, if any, unpaid on each reduced Share shall be the same as it was in case of the Share from which the reduced Share is derived; and

(d) cancel any Shares that, at the date of the passing of the resolution, have not been taken or agreed to be taken by any Person and diminish the amount of its share capital by the amount of the Shares so cancelled.

53. The Company may by Special Resolution reduce its share capital and any capital redemption reserve in any manner authorised by law.

REDEMPTION, PURCHASE AND SURRENDER OF SHARES

54. Subject to the provisions of the Companies Law and these Articles, the Company may:

(a) issue Shares that are to be redeemed or are liable to be redeemed at the option of the Shareholder or the Company. The redemption of Shares shall be effected in such manner and upon such terms as may be determined, before the issue of such Shares, by either the Board or by the Shareholders by Special Resolution;

(b) purchase its own Shares (including any redeemable Shares) on such terms and in such manner and terms as have been approved by the Board or by the Members by Ordinary Resolution, or are otherwise authorised by these Articles; and

(c) make a payment in respect of the redemption or purchase of its own Shares in any manner permitted by the Companies Law, including out of capital.

55. The purchase of any Share shall not oblige the Company to purchase any other Share other than as may be required pursuant to applicable law and any other contractual obligations of the Company.

56. The holder of the Shares being purchased shall be bound to deliver up to the Company the certificate(s) (if any) thereof for cancellation and thereupon the Company shall pay to him the purchase or redemption monies or consideration in respect thereof.

57. The Directors may accept the surrender for no consideration of any fully paid Share.

TREASURY SHARES

58. The Directors may, prior to the purchase, redemption or surrender of any Share, determine that such Share shall be held as a Treasury Share.

59. The Directors may determine to cancel a Treasury Share or transfer a Treasury Share on such terms as they think proper (including, without limitation, for nil consideration).

GENERAL MEETINGS

60. All general meetings other than annual general meetings shall be called extraordinary general meetings.

61. (a) The Company may (but shall not be obliged to) in each calendar year hold a general meeting as its annual general meeting and shall specify the meeting as such in the notices calling it. The annual general meeting shall be held at such time and place as may be determined by the Directors.

(b) At these meetings the report of the Directors (if any) shall be presented.

62. (a) The Chairman or a majority of the Directors may call general meetings, and they shall on a Shareholders' requisition forthwith proceed to convene an extraordinary general meeting of the Company.

(b) A Shareholders' requisition is a requisition of Members holding at the date of deposit of the requisition Shares which carry in aggregate not less than one-third (1/3) of all votes attaching to all issued and outstanding Shares of the Company that as at the date of the deposit carry the right to vote at general meetings of the Company.

(c) The requisition must state the objects of the meeting and must be signed by the requisitionists and deposited at the Registered Office, and may consist of several documents in like form each signed by one or more requisitionists.

(d) If there are no Directors as at the date of the deposit of the Shareholders' requisition, or if the Directors do not within twenty-one calendar days from the date of the deposit of the requisition duly proceed to convene a general meeting to be held within a further twenty-one calendar days, the requisitionists, or any of them representing more than one-half of the total voting rights of all of them, may themselves convene a general meeting, but any meeting so convened shall not be held after the expiration of three calendar months after the expiration of the said twenty-one calendar days.

(e) A general meeting convened as aforesaid by requisitionists shall be convened in the same manner as nearly as possible as that in which general meetings are to be convened by Directors.

NOTICE OF GENERAL MEETINGS

63. At least seven (7) calendar days' notice shall be given for any general meeting. Every notice shall be exclusive of the day on which it is given or deemed to be given and of the day for which it is given and shall specify the place, the day and the hour of the meeting and the general nature of the business and shall be given in the manner hereinafter mentioned or in such other manner if any as may be prescribed by the Company, provided that a general meeting of the Company shall, whether or not the notice specified in this Article has been given and whether or not the provisions of these Articles regarding general meetings have been complied with, be deemed to have been duly convened if it is so agreed:

(a) in the case of an annual general meeting, by all the Shareholders (or their proxies) entitled to attend and vote thereat; and

(b) in the case of an extraordinary general meeting, by two-thirds (2/3rd) of the Shareholders having a right to attend and vote at the meeting, present in person or by proxy or, in the case of a corporation or other non-natural person, by its duly authorised representative or proxy.

64. The accidental omission to give notice of a meeting to or the non-receipt of a notice of a meeting by any Shareholder shall not invalidate the proceedings at any meeting.

PROCEEDINGS AT GENERAL MEETINGS

65. No business except for the appointment of a chairman for the meeting shall be transacted at any general meeting unless a quorum of Shareholders is present at the time when the meeting proceeds to business. One or more Shareholders holding Shares which carry in aggregate (or representing by proxy) not less than one-third of all votes attaching to all Shares in issue and entitled to vote at such general meeting, present in person or by proxy or, if a corporation or other non-natural person, by its duly authorised representative, shall be a quorum for all purposes.

66. If within half an hour from the time appointed for the meeting a quorum is not present, the meeting shall be dissolved.

67. If the Directors wish to make this facility available for a specific general meeting or all general meetings of the Company, participation in any general meeting of the Company may be by means of a telephone or similar communication equipment by way of which all Persons participating in such meeting can communicate with each other and such participation shall be deemed to constitute presence in person at the meeting.

68. The Chairman, if any, of the Board of Directors shall preside as chairman at every general meeting of the Company.

69. If there is no such Chairman of the Board of Directors, or if at any general meeting he is not present within fifteen minutes after the time appointed for holding the meeting or is unwilling to act as chairman of the meeting, any Director or Person nominated by the Directors shall preside as chairman of that meeting, failing which the Shareholders present in person or by proxy shall choose any Person present to be chairman of that meeting.

70. The chairman may with the consent of any general meeting at which a quorum is present (and shall if so directed by the meeting) adjourn a meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting, or adjourned meeting, is adjourned for fourteen calendar days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

71. The Directors may cancel or postpone any duly convened general meeting at any time prior to such meeting, except for general meetings requisitioned by the Shareholders in accordance with these Articles, for any reason or for no reason, upon notice in writing to Shareholders. A postponement may be for a stated period of any length or indefinitely as the Directors may determine.

72. At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands, unless a poll is (before or on the declaration of the result of the show of hands) demanded by the chairman of the meeting or any Shareholder holding not less than ten per cent (10%) of the votes attaching to the Shares present in person or by proxy, and unless a poll is

so demanded, a declaration by the chairman of the meeting that a resolution has, on a show of hands, been carried, or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the book of the proceedings of the Company, shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favour of, or against, that resolution.

73. If a poll is duly demanded it shall be taken in such manner as the chairman of the meeting directs, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.

74. All questions submitted to a meeting shall be decided by an Ordinary Resolution except where a greater majority is required by these Articles or by the Companies Law. In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting at which the show of hands takes place or at which the poll is demanded, shall be entitled to a second or casting vote.

75. A poll demanded on the election of a chairman of the meeting or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken at such time as the chairman of the meeting directs.

VOTES OF SHAREHOLDERS

76. Subject to any rights and restrictions for the time being attached to any Share, on a show of hands every Shareholder present in person or by proxy (or, if a corporation or other non-natural person, by its duly authorised representative or proxy) shall, at a general meeting of the Company, each have one vote and on a poll every Shareholder present in person or by proxy (or, if a corporation or other non-natural person, by its duly authorised representative or proxy) shall have one (1) vote for each Class A Ordinary Share and ten (10) votes for each Class B Ordinary Share of which he is the holder.

77. In the case of joint holders the vote of the senior who tenders a vote whether in person or by proxy (or, if a corporation or other non-natural person, by its duly authorised representative or proxy) shall be accepted to the exclusion of the votes of the other joint holders and for this purpose seniority shall be determined by the order in which the names stand in the Register.

78. Shares carrying the right to vote that are held by a Shareholder of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may be voted, whether on a show of hands or on a poll, by his committee, or other Person in the nature of a committee appointed by that court, and any such committee or other Person may vote in respect of such Shares by proxy.

79. No Shareholder shall be entitled to vote at any general meeting of the Company unless all calls, if any, or other sums presently payable by him in respect of Shares carrying the right to vote held by him have been paid.

80. On a poll votes may be given either personally or by proxy.

81. Each Shareholder, other than a recognised clearing house (or its nominee(s)) or depositary (or its nominee(s)), may only appoint one proxy on a show of hand. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under Seal or under the hand of an officer or attorney duly authorised. A proxy need not be a Shareholder.

82. An instrument appointing a proxy may be in any usual or common form or such other form as the Directors may approve.

83. The instrument appointing a proxy shall be deposited at the Registered Office or at such other place as is specified for that purpose in the notice convening the meeting, or in any instrument of proxy sent out by the Company:

(a) not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote; or

(b) in the case of a poll taken more than 48 hours after it is demanded, be deposited as aforesaid after the poll has been demanded and not less than 24 hours before the time appointed for the taking of the poll; or

(c) where the poll is not taken forthwith but is taken not more than 48 hours after it was demanded be delivered at the meeting at which the poll was demanded to the chairman or to the secretary or to any director;

provided that the Directors may in the notice convening the meeting, or in an instrument of proxy sent out by the Company, direct that the instrument appointing a proxy may be deposited at such other time (no later than the time for holding the meeting or adjourned meeting) at the Registered Office or at such other place as is specified for that purpose in the notice convening the meeting, or in any instrument of proxy sent out by the Company. The Chairman may in any event at his discretion direct that an instrument of proxy shall be deemed to have been duly deposited. An instrument of proxy that is not deposited in the manner permitted shall be invalid.

84. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.

85. A resolution in writing signed by all the Shareholders for the time being entitled to receive notice of and to attend and vote at general meetings of the Company (or being corporations by their duly authorised representatives) shall be as valid and effective as if the same had been passed at a general meeting of the Company duly convened and held.

CORPORATIONS ACTING BY REPRESENTATIVES AT MEETINGS

86. Any corporation which is a Shareholder or a Director may by resolution of its directors or other governing body authorise such Person as it thinks fit to act as its representative at any meeting of the Company or of any meeting of holders of a Class or of the Directors or of a committee of Directors, and the Person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual Shareholder or Director.

DEPOSITARY AND CLEARING HOUSES

87. If a recognised clearing house (or its nominee(s)) or depositary (or its nominee(s)) is a Member of the Company it may, by resolution of its directors or other governing body or by power of attorney, authorise such Person(s) as it thinks fit to act as its representative(s) at any general meeting of the Company or of any Class of Shareholders provided that, if more than one Person is so authorised, the authorisation shall specify the number and Class of Shares in respect of which each such Person is so authorised. A Person so authorised pursuant to this Article shall be entitled to exercise the same powers on behalf of the recognised clearing house (or its nominee(s)) or depositary (or its nominee(s)) which he represents as that recognised clearing house (or its nominee(s)) or depositary (or its nominee(s)) could exercise if it were an individual Member holding the number and Class of Shares specified in such authorisation, including the right to vote individually on a show of hands.

DIRECTORS

88. (a) Unless otherwise determined by the Company in general meeting, the number of Directors shall not be less than three (3) Directors, the exact number of Directors to be determined from time to time by the Board of Directors.

(b) The Board of Directors shall have a Chairman elected and appointed by a majority of the Directors then in office. The period for which the Chairman will hold office will also be determined by a majority of all of the Directors then in office. The Chairman shall preside as chairman at every meeting of the Board of Directors. To the extent the Chairman is not present at a meeting of the Board of Directors within fifteen minutes after the time appointed for holding the same, the attending Directors may choose one of their number to be the chairman of the meeting.

(c) The Company may by Ordinary Resolution appoint any person to be a Director.

(d) The Board may, by the affirmative vote of a simple majority of the Directors present and voting at a Board meeting, appoint any person as a Director, to fill a vacancy on the Board arising from the office of any Director being vacated in any of the circumstances described in Article 109, as an addition to the existing Board.

(e) An appointment of a Director may be on terms that the Director shall automatically retire from office (unless he has sooner vacated office) at the next or a subsequent annual general meeting or upon any specified event or after any specified period in a written agreement between

the Company and the Director, if any; but no such term shall be implied in the absence of express provision. Each Director whose term of office expires shall be eligible for re-election at a meeting of the Shareholders or re-appointment by the Board.

89. A Director may be removed from office by Ordinary Resolution of the Company, notwithstanding anything in these Articles or in any agreement between the Company and such Director (but without prejudice to any claim for damages under such agreement). A vacancy on the Board created by the removal of a Director under the previous sentence may be filled by Ordinary Resolution or by the affirmative vote of a simple majority of the remaining Directors present and voting at a Board meeting. The notice of any meeting at which a resolution to remove a Director shall be proposed or voted upon must contain a statement of the intention to remove that Director and such notice must be served on that Director not less than ten (10) calendar days before the meeting. Such Director is entitled to attend the meeting and be heard on the motion for his removal.

90. The Board may, from time to time, and except as required by applicable law or Designated Stock Exchange Rules, adopt, institute, amend, modify or revoke the corporate governance policies or initiatives of the Company and determine on various corporate governance related matters of the Company as the Board shall determine by resolution of Directors from time to time.

91. A Director shall not be required to hold any Shares in the Company by way of qualification. A Director who is not a Member of the Company shall nevertheless be entitled to attend and speak at general meetings.

92. The remuneration of the Directors may be determined by the Directors or by Ordinary Resolution.

93. The Directors shall be entitled to be paid their travelling, hotel and other expenses properly incurred by them in going to, attending and returning from meetings of the Directors, or any committee of the Directors, or general meetings of the

Company, or otherwise in connection with the business of the Company, or to receive such fixed allowance in respect thereof as may be determined by the Directors from time to time, or a combination partly of one such method and partly the other.

ALTERNATE DIRECTOR OR PROXY

94. Any Director may in writing appoint another Person to be his alternate and, save to the extent provided otherwise in the form of appointment, such alternate shall have authority to sign written resolutions on behalf of the appointing Director, but shall not be required to sign such written resolutions where they have been signed by the appointing director, and to act in such Director's place at any meeting of the Directors at which the appointing Director is unable to be present. Every such alternate shall be entitled to attend and vote at meetings of the Directors as a Director when the Director appointing him is not personally present and where he is a Director to have a separate vote on behalf of the Director he is representing in addition to his own vote. A Director may at any time in writing revoke the appointment of an alternate appointed by him. Such alternate shall be deemed for all purposes to be a Director of the Company and shall not be deemed to be the agent of the Director appointing him. The remuneration of such alternate shall be payable out of the remuneration of the Director appointing him and the proportion thereof shall be agreed between them.

95. Any Director may appoint any Person, whether or not a Director, to be the proxy of that Director to attend and vote on his behalf, in accordance with instructions given by that Director, or in the absence of such instructions at the discretion of the proxy, at a meeting or meetings of the Directors which that Director is unable to attend personally. The instrument appointing the proxy shall be in writing under the hand of the appointing Director and shall be in any usual or common form or such other form as the Directors may approve, and must be lodged with the chairman of the meeting of the Directors at which such proxy is to be used, or first used, prior to the commencement of the meeting.

POWERS AND DUTIES OF DIRECTORS

96. Subject to the Companies Law, these Articles and to any resolutions passed in a general meeting, the business of the Company shall be managed by the Directors, who may pay all expenses incurred in setting up and registering the Company and may exercise all powers of the Company. No resolution passed by the Company in general meeting shall invalidate any prior act of the Directors that would have been valid if that resolution had not been passed.

97. Subject to these Articles, the Directors may from time to time appoint any natural person or corporation, whether or not a Director to hold such office in the Company as the Directors may think necessary for the administration of the Company, including but not limited to, chief executive officer, one or more other executive officers, president, one or more vice-presidents, treasurer, assistant treasurer, manager or controller, and for such term and at such remuneration (whether by way of salary or commission or participation in profits or partly in one way and partly in another), and with such powers and duties as the Directors may think fit. Any natural person or corporation so appointed by the Directors may be removed by the Directors. The Directors may also appoint one or more of their number to the office of managing director upon like terms, but any such appointment shall ipso facto terminate if any managing director ceases for any cause to be a Director, or if the Company by Ordinary Resolution resolves that his tenure of office be terminated.

98. The Directors may appoint any natural person or corporation to be a Secretary (and if need be an assistant Secretary or assistant Secretaries) who shall hold office for such term, at such remuneration and upon such conditions and with such powers as they think fit. Any Secretary or assistant Secretary so appointed by the Directors may be removed by the Directors or by the Company by Ordinary Resolution.

99. The Directors may delegate any of their powers to committees consisting of such member or members of their body as they think fit; any committee so formed shall in the exercise of the powers so delegated conform to any regulations that may be imposed on it by the Directors.

100. The Directors may from time to time and at any time by power of attorney (whether under Seal or under hand) or otherwise appoint any company, firm or Person or body of Persons, whether nominated directly or indirectly by the Directors, to be the attorney or attorneys or authorised signatory (any such person being an "Attorney" or "Authorised Signatory", respectively) of the Company for such purposes and with such powers, authorities

and discretion (not exceeding those vested in or exercisable by the Directors under these Articles) and for such period and subject to such conditions as they may think fit, and any such power of attorney or other appointment may contain such provisions for the protection and convenience of Persons dealing with any such Attorney or Authorised Signatory as the Directors may think fit, and may also authorise any such Attorney or Authorised Signatory to delegate all or any of the powers, authorities and discretion vested in him.

101. The Directors may from time to time provide for the management of the affairs of the Company in such manner as they shall think fit and the provisions contained in the three next following Articles shall not limit the general powers conferred by this Article.

102. The Directors from time to time and at any time may establish any committees, local boards or agencies for managing any of the affairs of the Company and may appoint any natural person or corporation to be a member of such committees or local boards and may appoint any managers or agents of the Company and may fix the remuneration of any such natural person or corporation.

103. The Directors from time to time and at any time may delegate to any such committee, local board, manager or agent any of the powers, authorities and discretions for the time being vested in the Directors and may authorise the members for the time being of any such local board, or any of them to fill any vacancies therein and to act notwithstanding vacancies and any such appointment or delegation may be made on such terms and subject to such conditions as the Directors may think fit and the Directors may at any time remove any natural person or corporation so appointed and may annul or vary any such delegation, but no Person dealing in good faith and without notice of any such annulment or variation shall be affected thereby.

104. Any such delegates as aforesaid may be authorised by the Directors to sub-delegate all or any of the powers, authorities, and discretion for the time being vested in them.

BORROWING POWERS OF DIRECTORS

105. The Directors may from time to time at their discretion exercise all the powers of the Company to raise or borrow money and to mortgage or charge its undertaking, property and assets (present and future) and uncalled capital or any part thereof, to issue debentures, debenture stock, bonds and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

THE SEAL

106. The Seal shall not be affixed to any instrument except by the authority of a resolution of the Directors provided always that such authority may be given prior to or after the affixing of the Seal and if given after may be in general form confirming a number of affixings of the Seal.

The Seal shall be affixed in the presence of a Director or a Secretary (or an assistant Secretary) or in the presence of any one or more Persons as the Directors may appoint for the purpose and every Person as aforesaid shall sign every instrument to which the Seal is so affixed in their presence.

107. The Company may maintain a facsimile of the Seal in such countries or places as the Directors may appoint and such facsimile Seal shall not be affixed to any instrument except by the authority of a resolution of the Directors provided always that such authority may be given prior to or after the affixing of such facsimile Seal and if given after may be in general form confirming a number of affixings of such facsimile Seal. The facsimile Seal shall be affixed in the presence of such Person or Persons as the Directors shall for this purpose appoint and such Person or Persons as aforesaid shall sign every instrument to which the facsimile Seal is so affixed in their presence and such affixing of the facsimile Seal and signing as aforesaid shall have the same meaning and effect as if the Seal had been affixed in the presence of and the instrument signed by a Director or a Secretary (or an assistant Secretary) or in the presence of any one or more Persons as the Directors may appoint for the purpose.

108. Notwithstanding the foregoing, a Secretary or any assistant Secretary shall have the authority to affix the Seal, or the facsimile Seal, to any instrument for the purposes of attesting authenticity of the matter contained therein but which does not create any obligation binding on the Company.

DISQUALIFICATION OF DIRECTORS

109. The office of Director shall be vacated, if the Director:

(a) becomes bankrupt or makes any arrangement or composition with his creditors;

(b) dies or is found to be or becomes of unsound mind;

(c) resigns his office by notice in writing to the Company;

(d) without special leave of absence from the Board, is absent from meetings of the Board for three consecutive meetings and the Board resolves that his office be vacated; or

(e) is removed from office pursuant to any other provision of these Articles.

PROCEEDINGS OF DIRECTORS

110. The Directors may meet together (either within or without the Cayman Islands) for the despatch of business, adjourn, and otherwise regulate their meetings and proceedings as they think fit. Questions arising at any meeting shall be decided by a majority of votes. At any meeting of the Directors, each Director present in person or represented by his proxy or alternate shall be entitled to one vote. In case of an equality of votes the Chairman shall have a second or casting vote. A Director may, and a Secretary or assistant Secretary on the requisition of a Director shall, at any time summon a meeting of the Directors.

111. A Director may participate in any meeting of the Directors, or of any committee appointed by the Directors of which such Director is a member, by means of telephone or similar communication equipment by way of which all Persons participating in such meeting can communicate with each other and such participation shall be deemed to constitute presence in person at the meeting.

112. The quorum necessary for the transaction of the business of the Board may be fixed by the Directors, and unless so fixed, the quorum shall be a majority of Directors then in office. A Director represented by proxy or by an alternate Director at any meeting shall be deemed to be present for the purposes of determining whether or not a quorum is present.

113. A Director who is in any way, whether directly or indirectly, interested in a contract or transaction or proposed contract or transaction with the Company shall declare the nature of his interest at a meeting of the Directors. A general notice given to the Directors by any Director to the effect that he is a member of any specified company or firm and is to be regarded as interested in any contract or transaction which may thereafter be made with that company or firm shall be deemed a sufficient declaration of interest in regard to any contract so made or transaction so consummated. A Director may vote in respect of any contract or transaction or proposed contract or transaction notwithstanding that he may be interested therein and if he does so his vote shall be counted and he may be counted in the quorum at any meeting of the Directors at which any such contract or transaction or proposed contract or transaction shall come before the meeting for consideration.

114. A Director may hold any other office or place of profit under the Company (other than the office of auditor) in conjunction with his office of Director for such period and on such terms (as to remuneration and otherwise) as the Directors may determine and no Director or intending Director shall be disqualified by his office from contracting with the Company either with regard to his tenure of any such other office or place of profit or as vendor, purchaser or otherwise, nor shall any such contract or arrangement entered into by or on behalf of the Company in which any Director is in any way interested be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relation thereby established. A Director, notwithstanding his interest, may be counted in the quorum present at any meeting of the Directors whereat he or any other Director is appointed to hold any such office or place of profit under the Company or whereat the terms of any such appointment are arranged and he may vote on any such appointment or arrangement.

115. Any Director may act by himself or through his firm in a professional capacity for the Company, and he or his firm shall be entitled to remuneration for professional services as if he were not a Director; provided that nothing herein contained shall authorise a Director or his firm to act as auditor to the Company.

116. The Directors shall cause minutes to be made for the purpose of recording:

(a) all appointments of officers made by the Directors;

(b) the names of the Directors present at each meeting of the Directors and of any committee of the Directors; and

(c) all resolutions and proceedings at all meetings of the Company, and of the Directors and of committees of Directors.

117. When the chairman of a meeting of the Directors signs the minutes of such meeting the same shall be deemed to have been duly held notwithstanding that all the Directors have not actually come together or that there may have been a technical defect in the proceedings.

118. A resolution in writing signed by all the Directors or all the members of a committee of Directors entitled to receive notice of a meeting of Directors or committee of Directors, as the case may be (an alternate Director, subject as provided otherwise in the terms of appointment of the alternate Director, being entitled to sign such a resolution on behalf of his appointer), shall be

as valid and effectual as if it had been passed at a duly called and constituted meeting of Directors or committee of Directors, as the case may be. When signed a resolution may consist of several documents each signed by one or more of the Directors or his duly appointed alternate.

119. The continuing Directors may act notwithstanding any vacancy in their body but if and for so long as their number is reduced below the number fixed by or pursuant to these Articles as the necessary quorum of Directors, the continuing Directors may act for the purpose of increasing the number, or of summoning a general meeting of the Company, but for no other purpose.

120. Subject to any regulations imposed on it by the Directors, a committee appointed by the Directors may elect a chairman of its meetings. If no such chairman is elected, or if at any meeting the chairman is not present within fifteen minutes after the time appointed for holding the meeting, the committee members present may choose one of their number to be chairman of the meeting.

121. A committee appointed by the Directors may meet and adjourn as it thinks proper. Subject to any regulations imposed on it by the Directors, questions arising at any meeting shall be determined by a majority of votes of the committee members present and in case of an equality of votes the chairman shall have a second or casting vote.

122. All acts done by any meeting of the Directors or of a committee of Directors, or by any Person acting as a Director, shall notwithstanding that it be afterwards discovered that there was some defect in the appointment of any such Director or Person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such Person had been duly appointed and was qualified to be a Director.

PRESUMPTION OF ASSENT

123. A Director who is present at a meeting of the Board of Directors at which an action on any Company matter is taken shall be presumed to have assented to the action taken unless his dissent shall be entered in the minutes of the meeting or unless he shall file his written dissent from such

action with the person acting as the chairman or secretary of the meeting before the adjournment thereof or shall forward such dissent by registered post to such person immediately after the adjournment of the meeting. Such right to dissent shall not apply to a Director who voted in favour of such action.

DIVIDENDS

124. Subject to any rights and restrictions for the time being attached to any Shares, the Directors may from time to time declare dividends (including interim dividends) and other distributions on Shares in issue and authorise payment of the same out of the funds of the Company lawfully available therefor.

125. Subject to any rights and restrictions for the time being attached to any Shares, the Company by Ordinary Resolution may declare dividends, but no dividend shall exceed the amount recommended by the Directors.

126. The Directors may, before recommending or declaring any dividend, set aside out of the funds legally available for distribution such sums as they think proper as a reserve or reserves which shall, in the absolute discretion of the Directors, be applicable for meeting contingencies or for equalising dividends or for any other purpose to which those funds may be properly applied, and pending such application may in the absolute discretion of the Directors, either be employed in the business of the Company or be invested in such investments (other than Shares of the Company) as the Directors may from time to time think fit.

127. Any dividend payable in cash to the holder of Shares may be paid in any manner determined by the Directors. If paid by cheque it will be sent by mail addressed to the holder at his address in the Register, or addressed to such person and at such addresses as the holder may direct. Every such cheque or warrant shall, unless the holder or joint holders otherwise direct, be made payable to the order of the holder or, in the case of joint holders, to the order of the holder whose name stands first on the Register in respect of such Shares, and shall be sent at his or their risk and payment of the cheque or warrant by the bank on which it is drawn shall constitute a good discharge to the Company.

128. The Directors may determine that a dividend shall be paid wholly or partly by the distribution of specific assets (which may consist of the shares or securities of any other company) and may settle all questions concerning such distribution. Without limiting the generality of the foregoing, the Directors may fix the value of such specific assets, may determine that cash payment shall be made to some Shareholders in lieu of specific assets and may vest any such specific assets in trustees on such terms as the Directors think fit.

129. Subject to any rights and restrictions for the time being attached to any Shares, all dividends shall be declared and paid according to the amounts paid up on the Shares, but if and for so long as nothing is paid up on any of the Shares dividends may be declared and paid according to the par value of the Shares. No amount paid on a Share in advance of calls shall, while carrying interest, be treated for the purposes of this Article as paid on the Share.

130. If several Persons are registered as joint holders of any Share, any of them may give effective receipts for any dividend or other moneys payable on or in respect of the Share.

131. No dividend shall bear interest against the Company.

132. Any dividend unclaimed after a period of six calendar years from the date of declaration of such dividend may be forfeited by the Board of Directors and, if so forfeited, shall revert to the Company.

ACCOUNTS, AUDIT AND ANNUAL RETURN AND DECLARATION

133. The books of account relating to the Company’s affairs shall be kept in such manner as may be determined from time to time by the Directors.

134. The books of account shall be kept at the Registered Office, or at such other place or places as the Directors think fit, and shall always be open to the inspection of the Directors.

135. The Directors may from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounts and books of the Company or any of them shall be open to the inspection of Shareholders not being Directors, and no Shareholder (not being a Director) shall have any right to inspect any account or book or document of the Company except as conferred by law or authorised by the Directors or by Ordinary Resolution.

136. The accounts relating to the Company’s affairs shall be audited in such manner and with such financial year end as may be determined from time to time by the Directors or failing any determination as aforesaid shall not be audited.

137. The Directors may appoint an auditor of the Company who shall hold office until removed from office by a resolution of the Directors and may fix his or their remuneration.

138. Every auditor of the Company shall have a right of access at all times to the books and accounts and vouchers of the Company and shall be entitled to require from the Directors and officers of the Company such information and explanation as may be necessary for the performance of the duties of the auditors.

139. The auditors shall, if so required by the Directors, make a report on the accounts of the Company during their tenure of office at the next annual general meeting following their appointment, and at any time during their term of office, upon request of the Directors or any general meeting of the Members.

140. The Directors in each calendar year shall prepare, or cause to be prepared, an annual return and declaration setting forth the particulars required by the Companies Law and deliver a copy thereof to the Registrar of Companies in the Cayman Islands.

CAPITALISATION OF RESERVES

141. Subject to the Companies Law, the Directors may:

(a) resolve to capitalise an amount standing to the credit of reserves (including a Share Premium Account, capital redemption reserve and profit and loss account), which is available for distribution;

(b) appropriate the sum resolved to be capitalised to the Shareholders in proportion to the nominal amount of Shares (whether or not fully paid) held by them respectively and apply that sum on their behalf in or towards:

(i) paying up the amounts (if any) for the time being unpaid on Shares held by them respectively, or

(ii) paying up in full unissued Shares or debentures of a nominal amount equal to that sum,

and allot the Shares or debentures, credited as fully paid, to the Shareholders (or as they may direct) in those proportions, or partly in one way and partly in the other, but the Share Premium Account, the capital redemption reserve and profits which are not available for distribution may, for the purposes of this Article, only be applied in paying up unissued Shares to be allotted to Shareholders credited as fully paid;

(c) make any arrangements they think fit to resolve a difficulty arising in the distribution of a capitalised reserve and in particular, without limitation, where Shares or debentures become distributable in fractions the Directors may deal with the fractions as they think fit;

(d) authorise a Person to enter (on behalf of all the Shareholders concerned) into an agreement with the Company providing for either:

(i) the allotment to the Shareholders respectively, credited as fully paid, of Shares or debentures to which they may be entitled on the capitalisation, or

(ii) the payment by the Company on behalf of the Shareholders (by the application of their respective proportions of the reserves resolved to be capitalised) of the amounts or part of the amounts remaining unpaid on their existing Shares,

and any such agreement made under this authority being effective and binding on all those Shareholders; and

(e) generally do all acts and things required to give effect to the resolution.

142. Notwithstanding any provisions in these Articles, the Directors may resolve to capitalise an amount standing to the credit of reserves (including the share premium account, capital redemption reserve and profit and loss account) or otherwise available for distribution by applying such sum in paying up in full unissued Shares to be allotted and issued to:

(a) employees (including Directors) or service providers of the Company or its Affiliates upon exercise or vesting of any options or awards granted under any share incentive scheme or employee benefit scheme or other arrangement which relates to such persons that has been adopted or approved by the Directors or the Members;

(b) any trustee of any trust or administrator of any share incentive scheme or employee benefit scheme to whom shares are to be allotted and issued by the Company in connection with the operation of any share incentive scheme or employee benefit scheme or other arrangement which relates to such persons that has been adopted or approved by the Directors or Members; or

(c) any depositary of the Company for the purposes of the issue, allotment and delivery by the depositary of ADSs to employees (including Directors) or service providers of the Company or its Affiliates upon exercise or vesting of any options or awards granted under any share incentive scheme or employee benefit scheme or other arrangement which relates to such persons that has been adopted or approved by the Directors or the Members.

SHARE PREMIUM ACCOUNT

143. The Directors shall in accordance with the Companies Law establish a Share Premium Account and shall carry to the credit of such account from time to time a sum equal to the amount or value of the premium paid on the issue of any Share.

144. There shall be debited to any Share Premium Account on the redemption or purchase of a Share the difference between the nominal value of such Share and the redemption or purchase price provided always that at the discretion of the Directors such sum may be paid out of the profits of the Company or, if permitted by the Companies Law, out of capital.

NOTICES

145. Except as otherwise provided in these Articles, any notice or document may be served by the Company or by the Person entitled to give notice to any Shareholder either personally, or by posting it by airmail or a recognised courier service in a prepaid letter addressed to such Shareholder at his address as appearing in the Register, or by electronic mail to any electronic mail address such Shareholder may have specified in writing for the purpose of such service of notices, or by facsimile to any facsimile number such Shareholder may have specified in writing for the purpose of such service of notices, or by placing it on the Company's Website should the Directors deem it appropriate. In the case of joint holders of a Share, all notices shall be given to that one of the joint holders whose name stands first in the Register in respect of the joint holding, and notice so given shall be sufficient notice to all the joint holders.

146. Notices sent from one country to another shall be sent or forwarded by prepaid airmail or a recognized courier service.

147. Any Shareholder present, either personally or by proxy, at any meeting of the Company shall for all purposes be deemed to have received due notice of such meeting and, where requisite, of the purposes for which such meeting was convened.

148. Any notice or other document, if served by:

(a) post, shall be deemed to have been served five calendar days after the time when the letter containing the same is posted;

(b) facsimile, shall be deemed to have been served upon production by the transmitting facsimile machine of a report confirming transmission of the facsimile in full to the facsimile number of the recipient;

(c) recognised courier service, shall be deemed to have been served 48 hours after the time when the letter containing the same is delivered to the courier service; or

(d) electronic mail, (i) shall be deemed to have been served immediately upon the time of the transmission to the electronic mail address supplied by the Shareholder to the Company or (ii) upon the time of its placement on the Company's Website.

In proving service by post or courier service it shall be sufficient to prove that the letter containing the notice or documents was properly addressed and duly posted or delivered to the courier service.

149. Any notice or document delivered or sent by post to or left at the registered address of any Shareholder in accordance with the terms of these Articles shall notwithstanding that such Shareholder be then dead or bankrupt, and whether or not the Company has notice of his death or bankruptcy, be deemed to have been duly served in respect of any Share registered in the name of such Shareholder as sole or joint holder, unless his name shall at the time of the service of the notice or document have been removed from the Register as the holder of the Share, and such service shall for all purposes be deemed a sufficient service of such notice or document on all Persons interested (whether jointly with or as claiming through or under him) in the Share.

150. Notice of every general meeting of the Company shall be given to:

(a) all Shareholders holding Shares with the right to receive notice and who have supplied to the Company an address for the giving of notices to them; and

(b) every Person entitled to a Share in consequence of the death or bankruptcy of a Shareholder, who but for his death or bankruptcy would be entitled to receive notice of the meeting.

No other Person shall be entitled to receive notices of general meetings.

INFORMATION

151. No Member shall be entitled to require discovery of any information in respect of any detail of the Company's trading or any information which is or may be in the nature of a trade secret or secret process which may relate to the conduct of the business of the Company and which in the opinion of the Board would not be in the interests of the Members of the Company to communicate to the public.

152. The Board shall be entitled to release or disclose any information in its possession, custody or control regarding the Company or its affairs to any of its Members including, without limitation, information contained in the Register and transfer books of the Company.

INDEMNITY

153. Every Director (including for the purposes of this Article any alternate Director appointed pursuant to the provisions of these Articles), Secretary, assistant Secretary, or other officer for the time being and from time to time of the Company (but not including the Company's auditors) and the personal representatives of the same (each an "Indemnified Person") shall be indemnified and secured harmless against all actions, proceedings, costs, charges, expenses, losses, damages or liabilities incurred or sustained by such Indemnified Person, other than by reason of such Indemnified Person's own dishonesty, wilful default or fraud, in or about the conduct of the Company's business or affairs (including as a result of any mistake of judgment) or in the execution or discharge of his duties, powers, authorities or discretions, including without prejudice to the generality of the foregoing, any costs, expenses, losses or liabilities incurred by such Indemnified Person in defending (whether successfully or otherwise) any civil proceedings concerning the Company or its affairs in any court whether in the Cayman Islands or elsewhere.

154. No Indemnified Person shall be liable:

(a) for the acts, receipts, neglects, defaults or omissions of any other Director or officer or agent of the Company; or

(b) for any loss on account of defect of title to any property of the Company; or

(c) on account of the insufficiency of any security in or upon which any money of the Company shall be invested; or

(d) for any loss incurred through any bank, broker or other similar Person; or

(e) for any loss occasioned by any negligence, default, breach of duty, breach of trust, error of judgement or oversight on such Indemnified Person's part; or

(f) for any loss, damage or misfortune whatsoever which may happen in or arise from the execution or discharge of the duties, powers, authorities, or discretions of such Indemnified Person's office or in relation thereto;

unless the same shall happen through such Indemnified Person's own dishonesty, willful default or fraud.

FINANCIAL YEAR

155. Unless the Directors otherwise prescribe, the financial year of the Company shall end on December 31st in each calendar year and shall begin on January 1st in each calendar year.

NON-RECOGNITION OF TRUSTS

156. No Person shall be recognised by the Company as holding any Share upon any trust and the Company shall not, unless required by law, be bound by or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any Share or (except only as otherwise provided by these Articles or as the Companies Law requires) any other right in respect of any Share except an absolute right to the entirety thereof in each Shareholder registered in the Register.

WINDING UP

157. If the Company shall be wound up the liquidator may, with the sanction of a Special Resolution of the Company and any other sanction required by the Companies Law, divide amongst the Members in species or in kind the whole or any part of the assets of the Company (whether they shall consist of property of the same kind or not) and may for that purpose value any assets and determine how the division shall be carried out as between the Members or different classes of Members. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the Members as the liquidator, with the like sanction, shall think fit, but so that no Member shall be compelled to accept any asset upon which there is a liability.

158. If the Company shall be wound up, and the assets available for distribution amongst the Members shall be insufficient to repay the whole of the share capital, such assets shall be distributed so that, as nearly as may be, the losses shall be borne by the Members in proportion to the par value of the Shares held by them. If in a winding up the assets available for distribution amongst the Members shall be more than sufficient to repay the whole of the share capital at the commencement of the winding up, the surplus shall be distributed amongst the Members in proportion to the par value of the Shares held by them at the commencement of the winding up subject to a deduction from those Shares in respect of which there are monies due, of all monies payable to the Company for unpaid calls or otherwise. This Article is without prejudice to the rights of the holders of Shares issued upon special terms and conditions.

AMENDMENT OF ARTICLES OF ASSOCIATION

159. Subject to the Companies Law, the Company may at any time and from time to time by Special Resolution alter or amend these Articles in whole or in part.

CLOSING OF REGISTER OR FIXING RECORD DATE

160. For the purpose of determining those Shareholders that are entitled to receive notice of, attend or vote at any meeting of Shareholders or any adjournment thereof, or those Shareholders that are entitled to receive payment of any dividend, or in order to make a determination as to who is a Shareholder for any other purpose, the Directors may provide that the Register shall be closed for transfers for a stated period which shall not exceed in any case thirty calendar days in any calendar year.

161. In lieu of or apart from closing the Register, the Directors may fix in advance a date as the record date for any such determination of those Shareholders that are entitled to receive notice of, attend or vote at a meeting of the Shareholders and for the purpose of determining those Shareholders that are entitled to receive payment of any dividend the Directors may, at or within ninety calendar days prior to the date of declaration of such dividend, fix a subsequent date as the record date for such determination.

162. If the Register is not so closed and no record date is fixed for the determination of those Shareholders entitled to receive notice of, attend or vote at a meeting of Shareholders or those Shareholders that are entitled to receive payment of a dividend, the date on which notice of the meeting is posted or the date on which the resolution of the Directors declaring such dividend is adopted, as the case may be, shall be the record date for such determination of Shareholders. When a determination of those Shareholders that are entitled to receive notice of, attend or vote at a meeting of Shareholders has been made as provided in this Article, such determination shall apply to any adjournment thereof.

REGISTRATION BY WAY OF CONTINUATION

163. The Company may by Special Resolution resolve to be registered by way of continuation in a jurisdiction outside the Cayman Islands or such other jurisdiction in which it is for the time being incorporated, registered or existing. In furtherance of a resolution adopted pursuant to this Article, the Directors may cause an application to be made to the Registrar of Companies to deregister the Company in the Cayman Islands or such other jurisdiction in which it is for the time being incorporated, registered or existing and may cause all such further steps as they consider appropriate to be taken to effect the transfer by way of continuation of the Company.

DISCLOSURE

164. The Directors, or any service providers (including the officers, the Secretary and the registered office agent of the Company) specifically authorised by the Directors, shall be entitled to disclose to any regulatory or judicial authority any information regarding the affairs of the Company including without limitation information contained in the Register and books of the Company.

FOURTH AMENDED AND RESTATED SHAREHOLDERS AGREEMENT

by and among

SERIES A-1 INVESTORS

and

SERIES A-2 INVESTORS

and

SERIES B-1 INVESTORS

and

SERIES B-2 INVESTORS

and

SERIES C INVESTORS

and

LEXINFINTECH HOLDINGS LTD. (□□□□□□□□)

and

THE OTHER PARTIES NAMED HEREIN

FOURTH AMENDED AND RESTATED SHAREHOLDERS AGREEMENT

This FOURTH AMENDED AND RESTATED SHAREHOLDERS AGREEMENT (this "**Agreement**") is entered into on October 21, 2017, by and among:

A. **LexinFintech Holdings Ltd. (□□□□□□□□)** (Formerly known as Staging Finance Holding Ltd.), a Cayman Islands exempted company (the "**Company**") whose registered address is Suite #4-210, Governors Square, 23 Lime Tree Bay Avenue, PO Box 32311, Grand Cayman KY1 -1209, Cayman Islands;

B. **Installment (HK) Investment Limited (□□□□□□□□□),** a company duly incorporated and validly existing under the laws of Hong Kong (the "**HK Company**") with its registered address is Unit 806, 8/F, Tower II Cheung Sha Wan Plaza, 833 Cheung Sha Wan Road, Kowloon, Hong Kong;

C. **Beijing Shijitong Technology Co., Ltd. (□□□□□□□□□□□)**, a wholly-foreign owned enterprise established under the laws of the PRC (the "**WFOE**") whose Unified Social Credit Code is 91110108397827646N;

D. **Shenzhen Fenqile Network Technology Co., Ltd. (□□□□□□□□□□□□□□□)**, a company established under the laws of the PRC ("**Shenzhen Fenqile**"), whose Unified Social Credit Code is 914403000758305191;

E. **Shenzhen Xinjie Investment Co., Ltd. (□□□□□□□□□□□)**, a company established under the laws of the PRC ("**Shenzhen Xinjie**"), whose Unified Social Credit Code is 91440300359619977T;

F. **Shenzhen Qianhai Dingsheng Asset Management Co., Ltd. (□□□□□□□□□□□□□□□□)**, a company established under the laws of the PRC ("**Shenzhen Qianhai Dingsheng**", together with Shenzhen Fenqile and Shenzhen Xinjie, the "**Shenzhen Domestic Companies**", and each, a "**Shenzhen Domestic Company**"), whose Unified Social Credit Code is 91440300359876420H;

G. **Beijing Lejiaxin Network Technology Co., Ltd. (□□□□□□□□□□□□□)**, a company established under the laws of the PRC ("**Beijing Domestic Company**"), whose Unified Social Credit Code is 91110105080484040M;

H. **Shanghai Lexiao Network Technology Co., Ltd. (□□□□□□□□□□□□)**, a company established under the laws of the PRC ("**Shanghai Lexiao**"), whose Unified Social Credit Code is 91310115MA1H76Q47H;

I. **Shenzhen Tiqianle Network Technology Co., Ltd. (□□□□□□□□□□□□□□□)**, a company established under the laws of the PRC ("**Shenzhen Tiqianle**"), whose Unified Social Credit Code is 91440300359884543U;

J. **Shenzhen Qianhai Juzi Information Technology Co., Ltd.** (□□□□□□□□□□□□□□□), a company established under the laws of the PRC ("**Shenzhen Qianhai Juzi**", together with the Shanghai Lexiao and Shenzhen Tiqianle, the "**PRC Subsidiaries**"; and the WFOE, Shenzhen Domestic Companies, Beijing Domestic Company and PRC Subsidiaries are referred to herein collectively as the "**PRC Companies**", and each, a "**PRC Company**"), whose Unified Social Credit Code is 91440300398462589C;

K. **Wenjie Xiao**, PRC Identity Card No. ********* ("**Founder**");

L. **Installment Payment Investment Inc.**, a British Virgin Islands exempted company ("**Founder Hold Co"**) whose registered address is Start Chambers, Wickham's Cay II, P.O. Box 2221, Road Town, Tortola, British Virgin Islands;

M. **Various Ample Limited**, a British Virgin Islands exempted company with the registered office is P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands ("**VAL**");

N. the Series A-1 Investors set forth on Annex B-1 (the "**Series A-1 Investors**" and each a "**Series A-1 Investor**");

O. the Series A-2 Investors set forth on Annex B-2 (the "**Series A-2 Investors**", together with Series A-1 Investors, the "**Series A Investors**" and each a "**Series A Investor**");

P. the Series B-1 Investors set forth on Annex B-3 (the "**Series B-1 Investors**" and each a "**Series B-1 Investor**");

Q. the Series B-2 Investors set forth on Annex B-4 (the "**Series B-2 Investors**" and each a "**Series B-2 Investor**", together with the Series B-1 Investors, the "**Series B Investors**" and each a "**Series B Investor**");

R. the Series C-1 Investors set forth on Annex B-5 (the "**Series C-1 Investors**" and each a "**Series C-1 Investor**") and

S. the Series C-2 Investors set forth on Annex B-6 (the "**Series C-2 Investors**" and each a "**Series C-2 Investor**", together with the Series C-1 Investors, the "**Series C Investors**", together with the Series B Investors, the Series A Investors and VAL, the "**Investors**" and each an "**Investor**").

The Company, the HK Company, the PRC Companies, the Founder, the Founder Hold Co, and the Investors are hereinafter collectively referred to as the "**Parties**" and individually referred to as a "**Party**".

RECITALS

WHEREAS, the Company, the HK Company, the PRC Companies, the Founder, the Founder Hold Co, VAL, the Series A Investors, the Series B Investors and certain Series C Investors entered into a Third Amended and Restated Shareholders Agreement dated on May 12, 2016 (the "**Prior SHA**").

WHEREAS, (i) the Company has issued and sold certain number of Series A Preferred Shares to Series A Investors in accordance with the Series A Preferred Share Purchase Agreement dated July 18, 2014 (the **"Series A Share Purchase Agreement**"), (ii) the Company has issued and sold certain number of Series B Preferred Shares to Series B Investors other than JD (as defined in the Series B-2 Share Purchase Agreement) in accordance with the Series B Preferred Share Purchase Agreement dated November 4, 2014 (the **"Series B Share Purchase Agreement**"); (iii) the Company has issued and sold certain number of Series B Preferred Shares to JD in accordance with the Series B-2 Preferred Share Purchase Agreement dated March 13, 2015 (the **"Series B-2 Share Purchase Agreement**"); and (iv) the Company has issued and sold certain number of Series C Preferred Shares to MAGIC PEAK INVESTMENTS LIMITED (□□□□□□□□) and CR High Growth I, L.P. in accordance with the Series C Preferred Share Purchase Agreement dated May 12, 2016 (the **"Series C Share Purchase Agreement**").

WHEREAS, (i) MAGIC PEAK INVESTMENTS LIMITED (□□□□□□□□) has agreed to purchase from the Company, and the Company has agreed to sell to the MAGIC PEAK INVESTMENTS LIMITED (□□□□□□□□) certain number of Series C-1 Preferred Shares of the Company on the terms and conditions set forth in the Series C-1 Preferred Share Purchase Agreement of MAGIC PEAK INVESTMENTS LIMITED (□□□□□□□□) dated October 21, 2017 (the "**Series C-1 Share Purchase Agreement of MAGIC PEAK INVESTMENTS LIMITED (□□□□□□□□)**"); (ii) Huasheng has agreed to purchase from the Company, and the Company has agreed to sell to the Huasheng certain number of Series C-1 Preferred Shares of the Company on the terms and conditions set forth in the Series C-1 Preferred Share Purchase Agreement of Shanghai Huasheng Lingfei Equity Investment (Limited Partnership) (□□□□□□ □□□□□□□□□□□□□□□) dated June 7, 2017 (the "**Series C-1 Share Purchase Agreement of Huasheng**, together with the Series C-1 Share Purchase Agreement of MAGIC PEAK INVESTMENTS LIMITED (□□□□□□□□), the **"Series C-1 Share Purchase Agreements**"); and (iii) the Series C-2 Investors have agreed to purchase from the Company, and the Company has agreed to sell to the Series C-2 Investors certain number of Series C-2 Preferred Shares of the Company on the terms and conditions set forth in the Series C-2 Preferred Share Purchase Agreement dated October 21, 2017 (the **"Series C-2 Share Purchase Agreement**"), by and among, the Company, the Founder and the Series C-2 Investors.

WHEREAS, it is a condition precedent of the closing under the Series C-1 Preferred Share Purchase Agreements and the Series C-2 Purchase Agreement that the Parties enter into this Agreement to amend and restate the Prior SHA in its entirety.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual promises hereinafter set forth, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

1. GENERAL MATTERS.

1.1 Definitions. Capitalized terms used herein without definition have the meanings assigned to them in Annex A attached to this Agreement. The use of any term defined in Annex A in its uncapitalized form indicates that the words have their normal and general meaning.

1.2 Pledge. The Company, Founder and each Class A Ordinary Shareholder shall cause all the Parties other than the Investors to perform their obligations under this Agreement.

2. INFORMATION AND INSPECTION RIGHTS.

2.1 Information and Inspection Rights Prior to a Qualified IPO.

(a) Information Rights. The Company covenants and agrees that, commencing on the date of this Agreement, and for so long as any Investor holds any Series A Preferred Shares, Series B Preferred Shares, Series C Preferred Shares or Class B Ordinary Shares of the Company, the Company will and will cause the Group Companies to, deliver to such Investor the following with respect to the Company and its Subsidiaries:

(i) annual audited consolidated financial statements and management report within ninety (90) days after the end of each fiscal year, audited in accordance with IAS or U.S. GAAP by a reputable accounting firm in China equivalent to "Big Four" approved by K2, Matrix, Apoletto, JD and Taikang;

(ii) monthly bank statements, management report, condition of research, development and business of each Group Company and monthly unaudited consolidated financial statements within fifteen (15) days after the end of each month;

(iii) quarterly unaudited consolidated financial statements and management report within thirty (30) days after the end of each quarter;

(iv) an annual consolidated budget and business plan for the following fiscal year within forty-five (45) days prior to the end of each fiscal year;

(v) a fully diluted capitalization table of the Company and its Subsidiaries within fifteen (15) days after the end of each quarter and promptly upon any material change thereof; and

(vi) promptly upon request from such Investor, current versions of this Agreement and other related investment documents and all documents relating to any subsequent financings by the Company, the management of the Company or otherwise affecting the Preferred Shares or shares issued upon conversion of the Preferred Shares, bearing the signatures of all parties and of the Company's Memorandum and Articles of Association bearing the file stamp of the appropriate government authority, in each case with all amendments and restatements; the copies of the documents to be provided under this Section 2.1 may be delivered in either hardcopy or in Portable Document Format (PDF);

(vii) meeting minutes and resolutions of any board or shareholders meeting of any Group Company within ten (10) days after such board or shareholders meeting is convened;

(viii) promptly upon the occurrence of any material litigation or any condition which may lead to material litigation of any Group Company, such information in relation to the material litigation or the condition which may lead to material litigation;

(ix) copies of any document or material, which involves or may involve any shareholder right, delivered to any other shareholder(s) by any Group Company or any shareholder thereof;

(x) copies of any report, document or material delivered by any Group Company to any stock exchange, competent governing authority or governmental authority; and

(xi) upon the request by such Investor, such other information as such Investor shall reasonably request.

All financial statements to be provided to the Investors pursuant to this Section 2.1 and pursuant to any other Transaction Agreement, including the Revised M&A, shall be prepared in the English language in accordance with IAS or U.S. GAAP consistently applied by an auditor approved by the Investors, and shall include a balance sheet, income statement and statement of cash flows and, in only respect of audited statements, all directors' notes thereto (if any). All the financial statements shall consolidate the results of operations of the Group Companies and be prepared, in each case setting forth in comparative form figures for the annual budget and actual operations of Group Companies.

(b) Inspection Rights. The Company covenants and agrees that, commencing on the date of this Agreement, and for so long as any Investor holds any Shares, such Investor or its appointee shall have the right of inspection, including the right to access, examine and copy (if applicable) all books or accounts, facilities, or premises of each Group Company and/or any of their respective Subsidiaries, and to discuss the business, operations and conditions of each Group Company and their respective Subsidiaries with their respective directors, officers, employees, accountants, legal counsels and investment bankers.

(c) Appeal Rights. In the event that any Investor discovers any problem in the financial statements of any Group Company, and neither the accounting firm engaged by the Group Companies nor the delivered audit report can explain the problem to the satisfaction of the Investor, the Investor may engage an independent third party accounting firm to conduct audit on the Group Companies, the expenses of which shall be equally borne by the Investor and the Group Companies.

(d) Termination of Rights. Except as set forth in Section 2.2, the foregoing information and inspection rights (including the right to appeal) shall terminate upon the completion of the Qualified IPO.

2.2 Information Rights After a Qualified IPO. The Company covenants and agrees that, for so long as any Investor holds any Share, the Company will deliver to such Investor (i) promptly after filing, copies of all of the Company's annual and periodic reports made available to its shareholders as well as all public reports (including any periodic, interim, or extraordinary reports) filed with the Securities and Futures Commission of the Hong Kong Special Administrative Region, the China Securities and Regulatory Commission of the People's Republic of China, the U.S. Securities and Exchange Commission, or any other stock exchange or securities regulatory authority, and (ii) promptly upon request, copies of current versions of investment document and all documents relating to any subsequent financings by the Company, or otherwise affecting the Shares or the holders of the Shares, in each case with all amendments and restatements. This Section 2.2 shall survive any termination of this Agreement.

3. REGISTRATION RIGHTS.

3.1 Applicability of Rights. The holders of the Registrable Securities shall be entitled to the following rights with respect to any potential public offering of Ordinary Shares of the Company (or securities representing such Ordinary Shares) in the United States, and to any analogous or equivalent rights with respect to any other offering of shares in any other jurisdiction pursuant to which the Company undertakes to publicly offer or list such securities for trading on a recognized securities exchange.

3.2 Definitions. For purposes of this Section 3:

(a) Registration. The terms "register," "registered," and "registration" refer to a registration effected by preparing and filing a registration statement under the Securities Act, and the declaration of effectiveness of such registration statement.

(b) Registrable Securities. The term "**Registrable Securities**" means: (1) Ordinary Shares of the Company issued or to be issued upon conversion of the Preferred Shares; (2) Ordinary Shares of the Company issued as (or issuable upon the conversion or exercise of any warrant, right or other security which is issued as) a dividend or other distribution with respect to, or in exchange for or in replacement of, any of the foregoing; (3) any other Ordinary Share owned or hereafter acquired by any Investor, including Ordinary Shares issued in respect of the Ordinary Shares described in (1)-(2) above upon any share split, share dividend, recapitalization or a similar event; and (4) any depositary receipts issued by an institutional depositary upon deposit of any of the foregoing. Notwithstanding the foregoing, "**Registrable Securities**" shall not include any Registrable Securities sold by a Person in a transaction in which rights under this Section 3 are not assigned in accordance with this Agreement. For the avoidance of doubt, Registrable Securities shall cease to be Registrable Securities when such Registrable Securities have been sold in a registered public offering under the Securities Act or analogous statue of another jurisdiction, or sold pursuant to Rule 144 under the Securities Act or analogous rule of another jurisdiction.

(c) Registrable Securities Then Outstanding. The number of shares of "**Registrable Securities then outstanding**" shall mean the number of Ordinary Shares of the Company that are Registrable Securities and are then issued and outstanding or would be outstanding assuming full conversion of all Registrable Securities which are convertible into Ordinary Shares.

(d) Holder. For purposes of this Section 3, the term "**Holder**" means any Person who holds Registrable Securities of record, whether such Registrable Securities were acquired directly from the Company or from another Holder in a permitted transfer, to whom the rights under this Section 3 have been duly assigned in accordance with this Agreement; provided, however, that for purposes of this Agreement, a record holder of Preferred Shares convertible into such Registrable Securities shall be deemed to be the Holder of such Registrable Securities; and provided, further, that (i) the Company shall in no event be obligated to register any Preferred Shares and that (ii) Holders of Registrable Securities will not be required to convert their Preferred Shares into Ordinary Shares in order to exercise the registration rights granted hereunder, until immediately prior to the declaration of effectiveness of the registration statement for the offering to which the registration relates.

(e) Form S-3 and Form F-3. The terms "**Form S-3**" and "**Form F-3**" means such respective form under the Securities Act as is in effect on the date hereof or any successor or comparable registration form under the Securities Act subsequently adopted by the SEC, which permits inclusion or incorporation of substantial information by reference to other documents filed by the Company with the SEC.

3.3 Demand Registration.

(a) Request by Holders. If the Company shall receive at any time after a Qualified IPO, a written request from the Holders of at least ten percent (10%) of the Registrable Securities then outstanding that the Company files a registration statement under the Securities Act covering the registration of Registrable Securities pursuant to this Section 3.3, then the Company shall, within ten (10) Business Days after the receipt of such written request, give a written notice of such request (the "**Request Notice**") to all Holders. The Holders shall send a written notice stating the number of Registrable Securities requested to be registered and included in such registration (the "**Request Securities**") to the Company within ten (10) Business Days after receipt of the Request Notice. The Company shall thereafter use its best efforts to effect, as soon as practicable, the registration of the Request Securities, subject only to the limitations of this Section 3.3; provided, however, that the Company shall not be obligated to effect any such registration if the Company has, within the six (6) month period preceding the date of such request, already effected a registration under the Securities Act pursuant to this Section 3.3 or Section 3.5, or in which the Holders had an opportunity to participate pursuant to the provisions of Section 3.4, other than a registration from which the Registrable Securities of Holders have been excluded (with respect to all or any portion of the Registrable Securities the Holders requested be included in such registration) pursuant to the provisions of Section 3.4(a).

(b) Underwriting. If the Holders initiating the registration request under this Section 3.3 (the "**Initiating Holders**") intend to distribute the Registrable Securities covered by their request by means of an underwriting, then they shall so advise the Company as a part of their request made pursuant to this Section 3.3 and the Company shall include such information in the Request Notice referred to in Section 3.3(a). In the event of an underwritten offering, the right of any Holder to include its Registrable Securities in such registration shall be conditioned upon such Holder's participation in such underwriting and the inclusion of such Holder's Registrable Securities in the underwriting (unless otherwise mutually agreed by a majority in interest of the initiating Holders and such Holder) to the extent provided herein. All Holders proposing to distribute their securities through such underwriting shall enter into an underwriting agreement in customary form with the managing underwriter or underwriters selected for such

underwriting by the Holders of a majority of the Registrable Securities being registered and reasonably acceptable to the Company. Notwithstanding any other provision of this Section 3.3, if the underwriter(s) advise(s) the Company in writing that marketing factors require a limitation of the number of securities to be underwritten, then the Company shall so advise all Holders of Registrable Securities which would otherwise be registered and underwritten pursuant hereto, and the number of Registrable Securities that may be included in the underwriting shall be reduced as required by the underwriter(s) and allocated among the Holders of Registrable Securities on a pro-rata basis according to the number of Registrable Securities then outstanding held by each Holder requesting registration (including the initiating Holders); provided, however, that the number of shares of Registrable Securities to be included in such underwriting and registration shall not be reduced (x) by more than 75% and (y) unless all other securities are first entirely excluded from the underwriting and registration including all shares that are not Registrable Securities and are held by any other Person, including any Person who is an employee, officer or director of the Company or any Subsidiary of the Company. Further, if, as a result of such underwriter cutback, the Holders cannot include in the IPO all of the Registrable Securities that they have requested to be included therein, then such Registration shall not be deemed to constitute one of the three (3) demand Registrations to which the Holders are entitled pursuant to this Section 3. If any Holder disapproves of the terms of any such underwriting, such Holder may elect to withdraw therefrom by delivering a written notice to the Company and the underwriter(s), delivered at least ten (10) Business Days prior to the effective date of the registration statement. Any Registrable Securities excluded or withdrawn from such underwriting shall be excluded and withdrawn from the registration. For any Holder that is a partnership, the Holder and the partners and retired partners of such Holder, or the estates and family members of any such partners and retired partners and any trusts for the benefit of any of the foregoing Persons, and for any Holder that is a corporation, the Holder and all corporations that are affiliates of such Holder, shall be deemed to be a single "Holder," and any pro-rata reduction with respect to such "Holder" shall be based upon the aggregate amount of shares carrying registration rights owned by all entities and individuals included in such "Holder," as defined herein.

(c) Maximum Number of Demand Registrations. The Company shall have no obligation to effect more than three (3) registrations pursuant to this Section 3.3.

(d) Deferral. Notwithstanding the foregoing, if the Company shall furnish to the Holders requesting the filing of a registration statement pursuant to this Section 3.3, a certificate signed by the president or chief executive officer of the Company stating that in the good faith judgment of the Board, it would be materially detrimental to the Company and its shareholders for such registration statement to be filed, then the Company shall have the right to defer such filing for a period of not more than ninety (90) days after receipt of the request of the Initiating Holders; provided, however, that the Company may not utilize this right more than once in any twelve (12) month period; provided further that during such ninety (90) day period, the Company shall not file any registration statement pertaining to the public offering of any securities of the Company.

(e) Expenses. The Company shall pay all expenses (excluding only underwriting discounts and commissions relating to the Registrable Securities sold by the Holders) incurred in connection with any registration pursuant to this Section 3.3, including all U.S. federal, "blue sky" and all foreign registration, filing and qualification fees, printer's and accounting fees, the fees

and expenses (including disbursements) of outside counsels for the Holders and any fee charged by any depositary bank, transfer agent or share registrar. Each Holder participating in a registration pursuant to this Section 3.3 shall bear such Holder's proportionate share (based on the total number of shares of Registrable Securities sold in such registration other than for the account of the Company) of all discounts and commissions relating to the Registrable Securities sold by the Holders. Notwithstanding the foregoing, the Company shall not be required to pay any expense of any registration proceeding begun pursuant to this Section 3.3 if the registration request is subsequently withdrawn at the request of the Holders of a majority of the Registrable Securities to be registered, unless the Holders of a majority of the Registrable Securities then outstanding agree that such registration constitutes the use by the Holders of one (1) demand registration pursuant to this Section 3.3 (in which case such registration shall also constitute the use by all Holders of Registrable Securities of one (l) such demand registration); provided further, however, that if at the time of such withdrawal, the Holders have learned of a material adverse change in the condition, business, or prospects of the Company not known to the Holders at the time of their request for such registration and have withdrawn their request for registration with reasonable promptness after learning of such material adverse change, or if the registration proceeding is terminated for any reason not specifically covered by this Section 3.3(e), then the Company shall be required to pay all of such expenses and such registration shall not constitute the use of a demand registration pursuant to this Section 3.3.

3.4 Piggyback Registrations. The Company shall notify all Holders of Registrable Securities in writing at least thirty (30) days prior to filing of any registration statement under the Securities Act for purposes of effecting a public offering of securities of the Company (including registration statements relating to secondary offerings of securities of the Company, but excluding registration statements relating to any registration under Section 3.3 or Section 3.5 of this Agreement or to any employee benefit plan or a corporate reorganization) and will afford each such Holder an opportunity to include in such registration statement all or any part of the Registrable Securities then held by such Holder. Each Holder desiring to include in any such registration statement all or any part of the Registrable Securities held by such Holder shall within ten (10) Business Days after receipt of the above-described notice from the Company, so notify the Company in writing, and in such notice shall inform the Company of the number of Registrable Securities such Holder wishes to include in such registration statement. If a Holder decides not to include all of its Registrable Securities in any registration statement thereafter filed by the Company, such Holder shall nevertheless continue to have the right to include any Registrable Securities in any subsequent registration statement or registration statements as may be filed by the Company with respect to offerings of its securities, all upon the terms and conditions set forth herein.

(a) Underwriting. If a registration statement under which the Company gives notice under this Section 3.4 is for an underwritten offering, then the Company shall so advise the Holders of Registrable Securities. In such event, the right of any such Holder's Registrable Securities to be included in a registration pursuant to this Section 3.4 shall be conditioned upon such Holder's participation in such underwriting and the inclusion of such Holder's Registrable Securities in the underwriting to the extent provided herein. All Holders proposing to distribute their Registrable Securities through such underwriting shall enter into an underwriting agreement in customary form with the managing underwriter or underwriters selected by the Company for such underwriting. Notwithstanding any other provision of this Agreement, if the managing underwriter(s) determine(s) in good faith that marketing factors require a limitation of the number of shares to be underwritten, then the managing underwriter(s) may exclude

shares from the registration and the underwriting, and the number of shares that may be included in the registration and the underwriting shall be allocated, first to the Company, and second, to each of the Holders requesting inclusion of their Registrable Securities in such registration statement on a pro-rata basis based on the total number of Registrable Securities then held by each such Holder; provided, however, that the right of the underwriter(s) to exclude shares (including Registrable Securities) from the registration and underwriting as described above shall be restricted so that (i) the number of Registrable Securities included in any such registration is not reduced below twenty-five percent (25%) of the aggregate number of Registrable Securities for which inclusion has been requested, even if this will cause the Company to reduce the number of shares it wishes to offer; and (ii) all shares that are not Registrable Securities and are held by any other Person, including any Person who is an employee, officer or director of the Company or any Subsidiary of the Company shall first be excluded from such registration and underwriting before any Registrable Securities are so excluded. If any Holder disapproves of the terms of any such underwriting, such Holder may elect to withdraw therefrom by delivering a written notice to the Company and the underwriter(s) at least ten (10) Business Days prior to the effective date of the registration statement. Any Registrable Securities excluded or withdrawn from such underwriting shall be excluded and withdrawn from the registration. For any Holder that is a partnership, the Holder and the partners and retired partners of such Holder, or the estates and family members of any such partners and retired partners and any trusts for the benefit of any of the foregoing Persons, and for any Holder that is a corporation, the Holder and all corporations that are affiliates of such Holder, shall be deemed to be a single "Holder," and any pro-rata reduction with respect to such "Holder" shall be based upon the aggregate amount of shares carrying registration rights owned by all entities and individuals included in such "Holder," as defined in this sentence.

(b) Expenses. The Company shall pay all expenses (excluding only underwriting and brokers' discounts and commissions relating to shares sold by the Holders) incurred in connection with a registration pursuant to this Section 3.4, including all U.S. federal, "blue sky" and all foreign registration, filing and qualification fees, printers' and accounting fees, the fees and expenses (including disbursements) of outside counsels for the Holders and any fee charged by any depositary bank, transfer agent or share registrar. For the avoidance of doubt, the Company shall pay all expenses incurred in connection with a registration pursuant to this Section 3.4 notwithstanding the cancellation or delay of the registration proceeding for any reason.

(c) Not Demand Registration. Registration pursuant to this Section 3.4 shall not be deemed to be a demand registration as described in Section 3.3 above. Except as otherwise provided herein, there shall be no limit on the number of times the Holders may request registration of Registrable Securities under this Section 3.4.

3.5 Form S-3 or Form F-3 Registration. After its initial public offering, the Company shall use its best efforts to qualify for registration on Form S-3 or Form F-3 or any comparable or successor form promptly and to maintain such qualification thereafter. If the Company is qualified to use Form S-3 or Form F-3, any Holder or Holders shall have a right to request in writing that the Company effect a registration on either Form S-3 or Form F-3 and any related qualification or compliance with respect to all or a part of the Registrable Securities owned by such Holder or Holders, and upon receipt of each such request, the Company shall perform the tasks set out in paragraphs (a) and (b) below:

(a) Notice. promptly give written notice of the proposed registration and the Holder's or Holders' request therefor, and any related qualification or compliance, to all other Holders of Registrable Securities; and

(b) Registration. as soon as practicable, effect such registration and all such qualifications and compliances as may be so requested and as would permit or facilitate the sale and distribution of all or such portion of such Holders or Holders' Registrable Securities as are specified in such request, together with all or such portion of the Registrable Securities of any other Holder or Holders joining in such request as are specified in a written request given within twenty (20) days after the date on which the Company provides the notice contemplated by Section 3.5(a); provided, however, that the Company shall not be obligated to effect any such registration, qualification or compliance pursuant to this Section 3.5:

(i) if Form S-3 or Form F-3 becomes unavailable for such offering by the Holders;

(ii) if the Holders, together with the holders of any other securities of the Company entitled to inclusion in such registration, propose to sell Registrable Securities and such other securities (if any) at an aggregate price of less than US$1,000,000 to the public; or

(iii) if the Company has, within the six (6) month period preceding the date of such request, already effected a registration under the Securities Act other than a registration from which the Registrable Securities of Holders have been excluded (with respect to all or any portion of the Registrable Securities the Holders requested be included in such registration) pursuant to the provisions of Section 3.4(a).

(c) Expenses. The Company shall pay all expenses (excluding only underwriting or brokers' discounts and commissions relating to shares sold by the Holders) incurred in connection with each registration requested pursuant to this Section 3.5, including all U.S. federal, "blue sky" and all foreign registration, filing and qualification fees, printers' and accounting fees, the fees and expenses (including disbursements) of outside counsels for the Holders and any fee charged by any depositary bank, transfer agent or share registrar. For the avoidance of doubt, the Company shall pay all expenses incurred in connection with a registration pursuant to this Section 3.5 notwithstanding the cancellation or delay of the registration proceeding for any reason.

(d) Maximum Frequency. Except as otherwise provided herein, there shall be no limit on the number of times the Holders may request registration of Registrable Securities under this Section 3.5.

(e) Deferral. Notwithstanding the foregoing, if the Company shall furnish to Holders requesting the filing of a registration statement pursuant to this Section 3.5, a certificate signed by the president or chief executive officer of the Company stating that in the good faith judgment of the Board, it would be materially detrimental to the Company and its shareholders for such Form S-3 or Form F-3 registration statement to be filed, then the Company shall have the right to defer such filing for a period of not more than ninety (90) days after receipt of the request of the initiating Holders; provided, however, that the Company may not utilize this right more than once in any twelve (12) month period; provided further that during such ninety (90) day period, the Company shall not file any registration statement pertaining to the public offering of any securities of the Company.

(f) Not Demand Registration. Form S-3 or Form F-3 registrations shall not be deemed to be demand registrations as described in Section 3.3 above.

(g) Underwriting. If the requested registration under this Section 3 is for an underwritten offering, the provisions of Section 3.3(b) shall apply.

If the Company fails to perform any of the Company's obligations set forth above in this Section 3.5 relating to a demand registration made pursuant to Section 3.3, such registration shall not constitute the use of a demand registration under Section 3.3.

3.6 Obligations of the Company. Whenever required to effect the registration of any Registrable Securities under this Agreement, the Company shall, as soon as practicable:

(a) Registration Statement. Prepare and file with the SEC a registration statement with respect to such Registrable Securities and use its best efforts to cause such registration statement to become effective, and keep any such registration statement effective for a period of one (1) year or until the Holder or Holders have completed the distribution described in the registration statement relating thereto, whichever is earlier;

(b) Amendments and Supplements. Prepare and file with the SEC such amendments and supplements to such registration statement and the prospectus used in connection with such registration statement as may be necessary to comply with the provisions of the Securities Act with respect to the disposition of all Registrable Securities covered by such registration statement;

(c) Prospectuses. Furnish to the Holders such number of copies of a prospectus, including a preliminary prospectus, in conformity with the requirements of the Securities Act, and such other documents as they may reasonably request in order to facilitate the disposition of the Registrable Securities owned by them that are included in such registration;

(d) Blue Sky. Use its best efforts to register and qualify the securities covered by such registration statement under such other securities or Blue Sky laws of such jurisdictions as shall be reasonably requested by the Holders, provided that the Company shall not be required in connection therewith or as a condition thereto to qualify to do business or to file a general consent to service of process in any such states or jurisdictions;

(e) Deposit Agreement. If the registration relates to an offering of depositary shares or other securities representing Ordinary Shares deposited pursuant to a deposit agreement or similar facility, cause the depositary under such agreement or facility to accept for deposit under such agreement or facility all Registrable Securities requested by each Holder to be included in such registration in accordance with this Section 3.

(f) Underwriting. In the event of any underwritten public offering, enter into and perform its obligations under an underwriting agreement in usual and customary form, with the managing underwriter(s) of such offering, and cause any underwriter to ensure that such underwriting agreement shall not contain any term (including with regard to indemnification, contribution, lock up or market stand-off) less favorable to any Holder as those provided herein. Each Holder participating in such underwriting shall also enter into and perform its obligations under such an agreement;

(g) Notification. Notify each Holder of Registrable Securities covered by such registration statement at any time when a prospectus relating thereto is required to be delivered under the Securities Act of the happening of any event as a result of which the prospectus included in such registration statement, as then in effect, includes an untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein not misleading in the light of the circumstances then existing;

(h) Opinions and Comfort Letter. Furnish, at the request of any Holder requesting registration of Registrable Securities, on the date that such Registrable Securities are delivered to the underwriter(s) for sale, if such Registrable Securities are being sold through underwriters, or, if such Registrable Securities are not being sold through underwriters, on the date that the registration statement with respect to such Registrable Securities becomes effective, (i) opinions, each dated as of such date, of the counsels representing the Company for the purposes of such registration, in form and substance as is customarily given to underwriters in an underwritten public offering and reasonably satisfactory to Holders representing a majority of the Registrable Securities requested to be registered, addressed to the underwriters, if any, and to the Holders requesting registration of Registrable Securities and (ii) a "comfort letter" dated as of such date, from the independent certified public accountants of the Company, in form and substance as is customarily given by independent certified public accountants to underwriters in an underwritten public offering and reasonably satisfactory to Holders representing a majority of the Registrable Securities requested to be registered, addressed to the underwriters, if any, and to the Holders requesting registration of Registrable Securities.

3.7 Furnish Information. It shall be a condition precedent to the obligations of the Company to take any action pursuant to Sections 3.3, 3.4 or 3.5 that the Holders shall furnish to the Company information regarding such Holders, the Registrable Securities held by them and the intended method of disposition of such Registrable Securities as shall reasonably be required to timely effect the Registration of their Registrable Securities.

3.8 Indemnification. In the event any Registrable Securities are included in a registration statement under Sections 3.3, 3.4 or 3.5:

(a) By the Company. To the extent permitted by law and the memorandum and articles of association, the Company shall indemnify and hold harmless each Holder and its Affiliates, partners, officers, directors, employee, legal counsel, agent, any underwriter (as determined in the Securities Act) for such Holder and each Person, if any, who Controls such Holder or underwriter within the meaning of the Securities Act or the Exchange Act against any losses, claims, damages, or liabilities (joint or several) to which they may become subject under the Securities Act, the Exchange Act or other applicable law, insofar as such losses, claims, damages, or liabilities or actions in respect thereof arise out of or are based upon any of the following statements, omissions or violations (collectively a "**Violation**"):

(i) any untrue statement or alleged untrue statement of a material fact contained in such registration statement, including any preliminary prospectus or final prospectus contained therein or any amendments or supplements thereto;

(ii) the omission or alleged omission to state therein a material fact required to be stated therein, or necessary to make the statements therein not misleading, or

(iii) any violation or alleged violation of the Securities Act, the Exchange Act, any federal or state securities law or any rule or regulation promulgated under the Securities Act, the Exchange Act or other applicable law in connection with the offering covered by such registration statement;

and the Company shall reimburse each such Holder and its Affiliates, partners, officers, directors, employees, legal counsel, agents, underwriters or controlling Person for any legal or other expenses reasonably incurred by them, in connection with investigating or defending any such loss, claim, damage, liability or action; provided, however, that the indemnity contained in this Section 3.8(a) shall not apply to amounts paid in settlement of any such loss, claim, damage, liability or action if such settlement is effected without the consent of the Company, which consent shall not be unreasonably withheld, conditioned or delayed, nor shall the Company be liable in any such case for any such loss, claim, damage, liability or action to the extent that it arises out of or is based upon a Violation which occurs in reliance upon and in conformity with written information furnished expressly for use in connection with such registration by such Holder, underwriter or controlling Person of such Holder.

(b) By Selling Shareholders. To the extent permitted by law, each selling Holder, on a several and not joint basis, will indemnify and hold harmless the Company, each of its directors, each of its officers who have signed the registration statement, each Person, if any, who Controls the Company, any underwriter and any other Holder selling securities under such registration statement or any of such other Holder's partners, directors, officers, legal counsel or any Person who Controls such Holder within the meaning of the Securities Act or the Exchange Act, against any losses, claims, damages or liabilities (joint or several) to which the Company or any such director, officer, legal counsel, controlling Person, underwriter or other such Holder, partner or director, officer or controlling Person of such other Holder may become subject under the Securities Act, the Exchange Act or other applicable law, insofar as such losses, claims, damages or liabilities or actions in respect thereto arise out of or are based upon any Violation, in each case to the extent (and only to the extent) that such Violation occurs in the Company's reasonable reliance upon and in conformity with written information furnished by such Holder expressly for use in connection with such registration; and each such Holder will reimburse any legal or other expenses reasonably incurred by the Company or any such director, officer, controlling Person, underwriter or other Holder, partner, officer, director or controlling Person of such other Holder in connection with investigating or defending any such loss, claim, damage, liability or action: provided, however, that the indemnity contained in this Section 3.8(b) shall not apply to amounts paid in settlement of any such loss, claim, damage, liability or action if such settlement is effected without the consent of the Holder, which consent shall not be unreasonably withheld; and provided further that the total amounts payable in indemnity by a Holder under this Section 3.8(b) plus any amount under Section 3.8(e) in respect of any Violation shall not exceed the net proceeds received by such Holder in the registered offering out of which such Violation arises.

(c) Notice. Promptly after receipt by an indemnified party under this Section 3.8 of notice of the commencement of any action, including any governmental action, such indemnified party will, if a claim in respect thereof is to be made against any indemnifying party under this Section 3.8, deliver to the indemnifying party a written notice of the commencement thereof (a "**Claim Notice**") and the indemnifying party shall have the right to participate in, and, to the extent the indemnifying party so desires, jointly with any other indemnifying party similarly noticed, to assume the defense thereof with counsel mutually satisfactory to the parties; provided, however, that an indemnified party shall have the right to retain its own counsel, with the fees and expenses to be paid by the indemnifying party, (i) during the period from the delivery of a Claim Notice until retention of counsel by the indemnifying party; and (ii) if representation of such indemnified party by the counsel retained by the indemnifying party would be inappropriate due to actual or potential conflict of interests between such indemnified party and any other party represented by such counsel in such proceeding. The failure to deliver a written notice to the indemnifying party within a reasonable time of the commencement of any such action shall relieve such indemnifying party of liability to the indemnified party under this Section 3.8 to the extent the indemnifying party is prejudiced as a result thereof, but the omission to deliver a written notice to the indemnified party will not relieve it of any liability that it may have to any indemnified party otherwise than under this Section 3.8.

(d) Defect Eliminated in Final Prospectus. The foregoing indemnity of the Company and Holders are subject to the condition that, insofar as they relate to any Violation made in a preliminary prospectus but eliminated or remedied in the amended prospectus on file with the SEC at the time the registration statement in question becomes effective or the amended prospectus filed with the SEC pursuant to SEC Rule 424(b) (the "**Final Prospectus**"), such indemnity shall not inure to the benefit of any Person if a copy of the Final Prospectus was timely furnished to the indemnified party and was not furnished to the Person asserting the loss, liability, claim or damage at or prior to the time such action is required by the Securities Act.

(e) Contribution. In order to provide for just and equitable contribution to joint liability under the Securities Act in any case in which either (i) any Holder exercising rights under this Agreement, or any controlling Person of any such Holder, makes a claim for indemnification pursuant to this Section 3.8 but it is judicially determined (by the entry of a final judgment or decree by a court of competent jurisdiction and the expiration of time to appeal or the denial of the last right of appeal) that such indemnification may not be enforced in such case notwithstanding the fact that this Section 3.8 provides for indemnification in such case, or (ii) contribution under the Securities Act may be required on the part of any such selling Holder or any such controlling Person in circumstances for which indemnification is provided under this Section 3.8; then, and in each such case, the Company and such Holder will contribute to the aggregate losses, claims, damages or liabilities to which they may be subject (after contribution from others) in such proportion so that such Holder is responsible for the portion represented by the percentage that the public offering price of its Registrable Securities offered by and sold under the registration statement bears to the public offering price of all securities offered by and sold under such registration statement, and the Company and other selling Holders are responsible for the remaining portion; provided, however, that, in any such case: (A) no such Holder will be required to contribute any amount in excess of the net proceeds received by such Holder pursuant to such registration statement less any amounts paid by such Holder under Section 3.7; and (B) no Person or entity guilty of fraudulent misrepresentation as defined in Section 11(f) of the Securities Act will be entitled to contribution from any Person or entity who was not guilty of such fraudulent misrepresentation.

(f) Survival. The obligations of the Company and Holders under this Section 3.8 shall survive for six (6) years after the completion of any offering of Registrable Securities in a registration statement, regardless of the expiration of any statutes of limitation or extensions of such statutes.

3.9 Rule 144 Reporting. With a view to making available to the Holders the benefits of certain rules and regulations of the SEC which may permit the sale of the Registrable Securities to the public without registration, the Company agrees to:

(a) Make and keep public information available, as those terms are understood and defined in Rule 144 or any similar or analogous rule promulgated under the Securities Act, at all times after the effective date of the first registration filed by the Company for an offering of its securities to

the general public;

(b) File with the SEC, in a timely manner, all reports and other documents required of the Company under the Securities Act or the Exchange Act, at all times after the effective date of the first registration under the Securities Act filed by the Company;

(c) So long as a Holder owns any Registrable Securities, furnish to such Holder forthwith upon request, (i) a written statement by the Company as to its compliance with the reporting requirements of said Rule 144 of the Securities Act, and of the Exchange Act (at any time after it has become subject to such reporting requirements, (ii) a copy of the most recent annual, interim, quarterly or other report of the Company and, (iii) such other reports and documents as a Holder may reasonably request availing itself of any rule or regulation of the SEC allowing it to sell any such securities without registration.

3.10 Termination of the Company's Obligations. Notwithstanding the foregoing, the Company shall have no obligations pursuant to Sections 3.3, 3.4 or 3.5 with respect to any Registrable Securities proposed to be sold by a Holder in a registered public offering (i) five (5) years after the completion of a Qualified IPO, or (ii), if, in the opinion of counsel to the Company, which opinion shall be provided to the Holder immediately upon the Company's receipt, all such Registrable Securities proposed to be sold by a Holder may then be sold under Rule 144 in one transaction without exceeding the volume limitations thereunder.

3.11 No Registration Rights to Third Parties. Without the prior written consent of the Holders of more than fifty percent (50%) of the Registrable Securities then outstanding, the Company covenants and agrees that it shall not grant, or cause or permit to be created, for the benefit of any Person or entity any registration rights of any kind, whether similar to the demand, "piggyback" or Form S-3 or Form F-3 registration rights described in this Section 3, or otherwise, relating to any shares or other securities of the Company, other than rights that are subordinate to the rights of the Holders hereunder.

3.12 "Market Stand-Off" Agreement. Each Holder hereby agrees that, if and to the extent requested by the lead underwriter of securities of the Company in connection with a registration relating to a specific proposed public offering (other than a registration on Form S-8 or a related or successor form relating solely to an employee benefit plan or a registration on Form S-4 or a

related or successor form relating solely to a transaction under SEC Rule 145), such Holder will, subject to the following conditions, enter into a lock-up or standoff agreement in customary form (subject to the following conditions) under which such Holder agrees not to sell or otherwise transfer or dispose of any Registrable Securities or other shares of the Company owned by such Holder as of the date of such registration for up to one hundred eighty (180) days following the effective date of the related registration statement. The obligations of each Holder under this Section 3.12 are subject to the following conditions: (i) the lockup or standoff agreement applies only to the first registration statement of the Company which covers securities to be sold on its behalf to the public in an underwritten offering, but not to Registrable Securities actually sold pursuant to such registration statement; (ii) such Holder is satisfied that all directors, officers, and holders of 1% or more of any class of securities of the Company are bound by substantially identical restrictions; (iii) the lockup or standoff agreement provides that if any securities of the Company are to be excluded or released in whole or part from such restrictions, the underwriter shall so notify each Holder within three (3) days and each Holder shall be excluded or released, in proportionate amounts to the extent of the exclusion or release with respect to any other holder of Company's securities, including any director, officer, or holder of 1% or more of any class of securities of the Company subject to such restrictions; and (iv) the lockup or standoff agreement by its terms permits transfers of Registrable Securities by any Holder to any Affiliate of such Holder during the restricted period, provided that such Affiliate executes a lock-up or standoff agreement substantively identical to that signed by the transferring Holder. The lock-up or standoff agreement shall expire no later than ninety (90) days after execution by the Holder if no underwritten public offering has occurred by the date of such execution. The Company may impose a stop-transfer restriction with respect to Registrable Securities that are subject to any such lockup or standoff agreement, but shall remove such restriction immediately upon the expiration or termination of such lockup or standoff agreement.

3.13 Public Offering Rights (Non-U.S. Offerings). If shares of the Company are offered in an underwritten public offering (whether or not a Qualified IPO) outside of the United States for the account of any Ordinary Shareholder or other shareholders, each Holder shall have the right to include a pro-rata number of shares (based on the number of shares (on an as - converted basis) then held by such Holder and all other shareholders of the Company selling in such offering) in such offering on terms and conditions no less favorable to the Holders than to any other selling shareholder.

3.14 Re-sale Rights. The Company shall use its best efforts to assist each Holder in the sale or disposition of its Registrable Securities after a Qualified IPO, including the prompt delivery of applicable instruction letters by the Company and legal opinions from the Company's counsels in forms reasonably satisfactory to the Holder's counsel. In the event the Company has depositary receipts listed or traded on any stock exchange or inter-dealer quotation system, the Company shall pay all costs and fees related to such depositary facility, including conversion fees and maintenance fees for Registrable Securities held by the Holders.

4. RIGHT OF PARTICIPATION.

4.1 With Respect to Issuance of New Securities:

(a) General. Each of the Investors and any of its Affiliates to which rights under this Section 4 have been duly assigned in accordance with Section 6.1 (each of the Investors and their assignees being hereinafter referred to as a "**Participation Rights Holder**") shall have a right of first refusal to purchase such a Pro Rata Share of all or any part of the New Securities that the Company may from time to time issue after the date of this Agreement (the "**Right of Participation**").

(b) Pro Rata Share. A Participation Rights Holder's "**Pro Rata Share**" is the ratio of (a) the number of Registrable Securities then held by such Participation Rights Holder, to (b) the total number of Class A Ordinary Shares (assuming full conversion of all convertible securities and full exercise of all options and convertible loans then outstanding) then outstanding immediately prior to the issuance of New Securities giving rise to the Right of Participation.

(c) New Securities. "**New Securities**" shall mean any Preferred Shares, Ordinary Shares or other shares of the Company, whether now authorized or not, and rights, options or warrants to purchase such Preferred Shares, Ordinary Shares and securities of any type whatsoever that are, or may become, convertible or exchangeable into such Preferred Shares, Ordinary Shares or other shares, provided, however, that the term "**New Securities**" shall not include:

(i) any Series A Preferred Shares issued under the Series A Share Purchase Agreement, any Series B Preferred Shares issued under the Series B Share Purchase Agreement and the Series B-2 Share Purchase Agreement, any Series C Preferred Shares issued under the Series C-1 Share Purchase Agreements and the Series C-2 Share Purchase Agreement, or any Conversion Shares;

(ii) any securities issued in connection with any share split, share dividend or other similar event in which all Participation Rights Holders are entitled to participate on a pro rata basis;

(iii) in the aggregate up to 35,456,559 Class A Ordinary Shares issued or issuable to officers, directors, employees and consultants of the Company pursuant to any equity plan or incentive arrangement approved in accordance with Section 7 hereunder;

(iv) those issued as a dividend or distribution on the Preferred Shares;

(v) any securities issued pursuant to the acquisition of another corporation or entity by the Company by consolidation, merger, purchase of assets, or other reorganization in which the Company acquires, in a single transaction or series of related transactions, a majority of the assets, voting power or equity ownership of such other corporation or entity, as duly approved in accordance with Section 7 hereunder; and

(vi) any securities offered in an underwritten registered public offering by the Company, as duly approved in accordance with Section 7 hereunder;

(d) Procedures.

(i) First Participation Notice. In the event that the Company proposes to undertake an issuance of New Securities in a single transaction or a series of related transactions, it shall give to each Participation Rights Holder a written

notice of its intention to issue New Securities (the "**First Participation Notice**"), describing the amount, the type and the price of New Securities and the general terms upon which the Company proposes to issue such New Securities. Each Participation Rights Holder shall be entitled to purchase such Participation Rights Holder's Pro Rata Share of such New Securities at the price and upon the terms and conditions specified in the First Participation Notice by giving a written notice to the Company and stating therein the number of New Securities to be purchased (such number shall not exceed such Participation Rights Holder's Pro Rata Share) within fifteen (15) Business Days from the date of such First Participation Notice. If any Participation Rights Holder fails to send such written notice within the prescribed time period or declines to exercise fully its Right of Participation, then the right of such Participation Rights Holder to purchase its Pro Rata Share hereunder shall be forfeited.

(ii) Second Participation Notice; Oversubscription. If any Participation Rights Holder fails or declines to exercise fully its Right of Participation in accordance with subsection (d)(i) above, the Company shall promptly give a written notice (the "**Second Participation Notice**") to the Participation Rights Holders who agreed to exercise their Right of Participation (the "**Rights Participants**") in accordance with subsection (d)(i) above. Each Rights Participant shall have five (5) Business Days from the date of the Second Participation Notice (the "**Second Participation Period**") to notify the Company of its desire to purchase more than its Pro Rata Share of the New Securities, stating the number of the additional New Securities it proposes to purchase. Such notice may be made by telephone if followed by a written confirmation within two (2) Business Days from the date of verbal notice. If as a result thereof, such oversubscription exceeds the total number of the remaining New Securities available for purchase, the oversubscribing Rights Participants will be cut back by the Company with respect to their oversubscriptions to that number of remaining New Securities equal to the lesser of (a) the number of the additional New Securities it proposes to purchase; and (b) the product obtained by multiplying (i) the number of the remaining New Securities available for subscription by (ii) a fraction the numerator of which is the number of Registrable Securities held by each oversubscribing Rights Participant and the denominator of which is the total number of Registrable Securities held by all the oversubscribing Rights Participants. Each oversubscribing Rights Participant shall be obligated to purchase such number of additional New Securities as determined by the Company pursuant to this subsection (d)(ii) and the Company shall so notify the Rights Participants within fifteen (15) Business Days from the date of the Second Participation Notice.

(iii) Closing. If any Participation Rights Holder elects to purchase its Pro Rata Share of the New Securities, then payment for such New Securities shall be made by wire transfer in immediately available funds, against delivery of such New Securities, at a place and time agreed to by the Company and the Participation Rights Holders that have elected to purchase a majority of the New Securities; provided that the scheduled time for closing shall not be later than fifteen (15) Business Days following the expiration of the last period during which any Participation Rights Holder may elect to purchase any New Securities (including the New Securities offered under a Second Participation Notice), which may be extended for an additional sixty (60) Business Days in the event any regulatory or governmental approval is required to effect such transaction.

(e) Failure to Exercise. (i) In the event that none of the Participation Rights Holders exercise the Right of Participation with respect to any New Securities described in the First Participation Notice, after twenty (20) days following the date of the First Participation Notice, or (ii) upon the expiration of the Second Participation Period, the Company shall have a period of ninety (90) days thereafter to sell to other third parties the New Securities described in the First Participation Notice (with respect to which the Right of Participation was not fully exercised) at the same price and upon the same terms as specified in the First Participation Notice. In the event that the Company has not issued and sold such New Securities within such prescribed period, then the Company shall not thereafter issue or sell any New Securities without first offering such New Securities to the Participation Rights Holders pursuant to this Section 4.

(f) Termination. The Right of Participation shall terminate upon the completion of a Qualified IPO.

4.2 With Respect to Shares Owned by the Class A Ordinary Shareholders:

(a) Restriction on Transfers. Subject to Section 10.1, the Founder or any Class A Ordinary Shareholder (other than any Class A Ordinary Shares issued upon conversion of any Preferred Shares and Class B Ordinary Shares) may not sell, transfer, pledge, hypothecate, encumber or otherwise dispose of its Shares to any Person, whether directly or indirectly, except in compliance with this Section 4.2 and Section 5.

(b) Notice of Sale. If the Founder or any Class A Ordinary Shareholder (other than any Class A Ordinary Shares issued upon conversion of any Preferred Shares and Class B Ordinary Shares) (the "**Selling Shareholder**") proposes to sell or transfer, directly or indirectly, any of its Shares (the "**Transfer Shares**"), then the Selling Shareholder shall promptly give a written notice (the "**Transfer Notice**") to the Company and to each Investor, which Transfer Notice shall include the number of Transfer Shares to be sold or transferred and the nature of such sale or transfer, (ii) the identity (identities) (including name(s) and address(es)) of the prospective transferee(s), and (iii) the consideration and the material terms and conditions upon which the proposed sale or transfer is to be made. The Transfer Notice shall certify that the Selling Shareholder has received a firm offer from the prospective transferee(s) and in good faith believes a binding agreement for the sale or transfer is obtainable on the terms set forth in the Transfer Notice. The Transfer Notice shall also include a copy of any written proposal, term sheet or letter of intent or other agreement relating to the proposed transfer.

(c) Notice of Purchase. Each Investor shall be entitled to purchase all or any part of such Investor's pro rata share of the Transfer Shares at the price and upon the terms and conditions specified in the Transfer Notice by giving a written notice to the Selling Shareholder within twenty (20) Business Days after the date of the Transfer Notice (the "**First Refusal Period**") stating therein the number of Transfer Shares to be purchased. If an Investor exercises such right and notifies the Selling Shareholder of the number of Transfer Shares to be purchased, then such Investor shall complete the purchase of the Transfer Shares on the same terms and conditions as those set out in the Transfer Notice. A failure by an Investor to respond within such prescribed period shall constitute a decision by such Investor not to exercise its right to purchase such Transfer Shares. For purposes of this clause (c), each Investor's pro rata share of the Transfer Shares shall be equal to the number of Transfer Shares, multiplied by a fraction, the numerator of which shall be the number of Class A Ordinary Shares (on an as-converted basis) held by such Investor on the date of the Transfer

Notice and the denominator of which shall be the total number of Class A Ordinary Shares (on an as-converted basis) held on the date of the Transfer Notice by all Investors which may exercise their right of first refusal under this clause (c) on the date of the Transfer Notice.

(d) Second Transfer Notice; Over-Allotment. To the extent that any Investor does not exercise its right of first refusal to the full extent to purchase such Investor's pro rata share of the Transfer Shares, the Selling Shareholder shall deliver written notice thereof (the "**Second Transfer Notic**e"), within two (2) days after the expiration of the First Refusal Period, to each Investor that elected to the full extent to purchase such Investor's pro rata share of the Transfer Shares (the "**Exercising Holder**"). Each Exercising Holder shall have five (5) Business Days from the date of the Second Transfer Notice (the "**Second Refusal Period**") to notify the Selling Shareholder of its desire to purchase more than its pro rata share of the Transfer Shares, stating the number of the additional Transfer Shares it proposes to purchase. Such notice may be made by telephone if followed by a written confirmation within two (2) Business Days from the date of verbal notice. If as a result thereof, such over-allotment exceeds the total number of the remaining Transfer Shares available for purchase, the overpurchasing Exercising Holders will be cut back or limited by the Selling Shareholder with respect to their over-allotment to that number of remaining Transfer Shares equal to the lesser of (a) the number of the additional Transfer Shares it proposes to purchase; and (b) the product obtained by multiplying (i) the number of the remaining Transfer Shares available for purchase by (ii) a fraction the numerator of which is the number of Class A Ordinary Shares (on an as converted basis) held by each overpurchasing Exercising Holder and the denominator of which is the total number of Class A Ordinary Shares (on an as converted basis) held by all the overpurchasing Exercising Holders. Each overpurchasing Exercising Holder shall be obligated to purchase such number of additional Transfer Shares as determined by the Selling Shareholder pursuant to this subsection (d) and the Selling Shareholder shall so notify such Exercising Holders within fifteen (15) Business Days from the date of the Second Transfer Notice.

(e) Non-Exercise. Subject to the provisions of Section 5, in the event the Investors fail to purchase all of the Transfer Shares within the above-prescribed period, the Selling Shareholder shall have ninety (90) Business Days after delivery of the Transfer Notice to each Investor to sell such Transfer Shares at a price upon terms and conditions no more favorable to the transferee than specified in the original Transfer Notice. In the event that the Selling Shareholder has not sold the Transfer Shares within such prescribed period, the Selling Shareholder shall not thereafter sell any Shares without first offering such Shares to the Investors in the manner provided in this Section 4 and in Section 5.

(f) Closing. If any Investor elects to purchase the Transfer Shares, then the payment for the Transfer Shares to be purchased shall be made by wire transfer in immediately available funds, against delivery of such Transfer Shares and a transfer form signed by such Selling Shareholder, at a place and time agreed by the Selling Shareholder and the Investors that have elected to purchase a majority of the Transfer Shares, provided that the scheduled time for closing shall not be later than fifteen (15) Business Days following the expiration of the last period during which any Investor may elect to purchase any Transfer Shares (including the Transfer Shares offered under the Second Refusal Period), which may be extended for an additional sixty (60) Business Days in the event any regulatory or governmental approval is required to effect such transaction.

5. INVESTORS' CO-SALE RIGHT.

5.1 Co-Sale Right. To the extent any Investor does not exercise its respective rights of first refusal as to any Transfer Shares pursuant to Section 4.2, such Investor shall have the right to participate in the sale of any Transfer Shares subject to the following terms and conditions:

(a) Definition. An Investor's "**Pro Rata Co-Sale Share**" of a specified quantity of Transfer Shares shall mean that number of Class A Ordinary Shares (on an as converted basis) which equals the specified quantity of Transfer Shares proposed to be transferred multiplied by a fraction equal to (i) the total number of Class A Ordinary Shares (on an as converted basis) then held by such Investor exercising co-sale rights pursuant to this Section 5, divided by (ii) the total number of Class A Ordinary Shares held by the Selling Shareholder plus the total number of Class A Ordinary Shares then held by all Investors exercising co-sale rights pursuant to this Section 5, on an as converted basis. As used in this definition as well as this Section 5, the phrase "on an as converted basis" shall mean assuming conversion of all Preferred Shares and Class B Ordinary Shares but not assuming exercise or conversion of any other outstanding option, warrants, or other convertible securities.

(b) Procedures. Any Investor who does not exercise its respective rights of first refusal shall have the right, exercisable upon delivery of a written notice to the Selling Shareholder, with a copy to the Company, within twenty (20) Business Days after the date of the Transfer Notice (the "**First Co-Sale Period**"), to participate in the sale of any Transfer Shares to the extent of such Investor's Pro Rata Co-Sale Share at the same price and upon the same terms and conditions indicated in the Transfer Notice. A failure by any Investor to respond within such prescribed period shall constitute a decision by such Investor not to exercise its right of co-sale as provided herein. To the extent that any Investor does not exercise its right of co-sale to the full extent to sell such Investor's Pro Rata Co-Sale Share, the Selling Shareholder shall deliver written notice thereof (the "**Second Co-Sale Notic**e"), within two (2) days after the expiration of the First Co-Sale Period, to each Investor that elected to the full extent to sell such Investor's Pro Rata Co-Sale Share (the "**Co-Sale Holder**"). Each Co-Sale Holder shall have ten (10) Business Days from the date of the Second Co-Sale Notice (the "**Second Co-Sale Period**") to notify the Selling Shareholder of its desire to participate in the sale for more than its Pro Rata Co-Sale Share, stating the number of the additional shares it proposes to co-sell. Such notice may be made by telephone if followed by a written confirmation within two (2) Business Days from the date of verbal notice. If as a result thereof, such over-allotment exceeds the total number of the remaining shares available for co-sale (for the avoidance of any doubt, the total number of the remaining shares available for co-sale shall mean the remaining Pro Rata Co-Sale Share of all the Investors after the First Co-Sale Period), the over-allotment Co-Sale Holders will be cut back or limited by the Selling Shareholder with respect to their over-allotment to that number of remaining shares equal to the lesser of (a) the number of the additional shares it proposes to co-sell; and (b) the product obtained by multiplying (i) the number of the remaining shares available for co-sale by (ii) a fraction the numerator of which is the number of Class A Ordinary Shares (on an as converted basis) held by each over-allotment Co-Sale Holder and the denominator of which is the total number of Class A Ordinary Shares held by the Selling Shareholder plus the total number of Class A Ordinary Shares (on an as converted basis) held by all the over-allotment Co-Sale Holders, on an as converted basis. To the extent one (1) or more of the Investors exercise such right of co-sale in accordance with the terms and conditions set forth below, the number of Transfer Shares that the Selling Shareholder may sell in the transaction shall be correspondingly reduced.

(c) Each Investor shall effect its participation in the sale by promptly delivering to the Selling Shareholder, with a copy to the Company, for transfer to the prospective purchaser share certificates in respect of all Shares to be sold by such Investor and a transfer form signed by such Investor, which indicates:

(i) the number of Ordinary Shares which such Investor elects to sell;

(ii) that number of Preferred Shares which is at such time convertible into the number of Ordinary Shares that such Investor elects to sell; or

(iii) any combination of the foregoing;

provided, however, that if the prospective purchaser objects to the delivery of Preferred Shares in lieu of Ordinary Shares, such Investor shall convert such Preferred Shares into Ordinary Shares and deliver Ordinary Shares. The Company agrees to make any such conversion concurrent with the actual transfer of such shares to the purchaser.

5.2 Procedure at Closing. The share certificate or certificates that such Investor delivers to the Selling Shareholder pursuant to paragraph 5.1(c) shall be transferred to the prospective purchaser and the register of members of the Company shall be updated in consummation of the sale of the Transfer Shares pursuant to the terms and conditions specified in the Transfer Notice, and the Selling Shareholder shall concurrently therewith remit to such Investor that portion of the sale proceeds to which such Investor is entitled by reason of its participation in such sale. To the extent that any prospective purchaser or purchasers prohibit such assignment or otherwise refuse to purchase shares or other securities from an Investor exercising its rights of co-sale hereunder, the Selling Shareholder shall not sell any Transfer Shares to such prospective purchaser or purchasers unless and until, simultaneously with such sales, the Selling Shareholder shall purchase such shares or other securities from such Investor. In selling their Shares pursuant to their co-sale right hereunder, the Investors shall not be required to give any representations or warranties with respect to their Shares to be sold except to confirm that they have not transferred or encumbered such Shares.

5.3 Non-Exercise. Subject to Section 4.2, to the extent the Investors do not elect to participate in the sale of Transfer Shares pursuant to the Transfer Notice, the Selling Shareholder may, not later than ninety (90) days following delivery of the Transfer Notice to each Investor, effect a transfer of the Transfer Shares covered by the Transfer Notice and not elected to be sold by the Investors. Any proposed transfer with any terms and conditions more favorable to the purchasers than those described in the Transfer Notice, as well as any subsequent proposed transfer of any Shares by the Selling Shareholder, shall be subject to the procedures described in Section 4 and this Section 5.

5.4 Prohibited Transfer.

(a) Prohibited Transfer. In the event a Selling Shareholder should sell any Transfer Shares in disregard or contravention of Section 10.1, or the right of first refusal or co-sale rights under this Agreement (a "**Prohibited Transfer**"), the Investors, in addition to such other remedies as may be available at law, in equity or hereunder, shall have the put option provided below, and such Selling Shareholder shall be bound by the applicable provisions of such option, provided that the restriction under Section 10.1, the right of first refusal and co-sale right under this Agreement shall not apply to any sale or transfer of Shares to the Company pursuant to any repurchase right of the Company or any contractual put right of the holders of Ordinary Shares, if and only if applicable.

(b) Put Right. Without prejudice to any other rights and remedies available to any Investor, in the event of a Prohibited Transfer, each Investor shall have the right to sell to the Selling Shareholder the type and number of Ordinary Shares equal to the number of Shares such Investor would have been entitled to transfer to the purchaser under Section 5.1 hereof had the Prohibited Transfer been effected pursuant to and in compliance with the terms hereof. Such sale shall be made on the following terms and conditions:

(i) The price per share at which the Shares are to be sold to the Selling Shareholder shall be equal to the price per share paid by the purchaser to the Selling Shareholder in the Prohibited Transfer. The Selling Shareholder shall also reimburse each Investor for any and all reasonable

fees and expenses, including legal fees and out-of-pocket expenses, incurred pursuant to the exercise or the attempted exercise of such Investor's rights under this Section 5.

(ii) Each Investor shall, if exercising the option created hereby, deliver to the Selling Shareholder within ninety (90) days after the later of the dates on which the Investor (A) received notice of the Prohibited Transfer or (B) otherwise become aware of the Prohibited Transfer, a notice describing the type and the number of Shares to be transferred by the Investor.

(iii) The Selling Shareholder shall, promptly upon receipt of the notice described in subsection 5.4(b)(ii) above from the Investor(s) exercising the option created hereby, pay to each such Investor the aggregate purchase price for the Shares to be sold by such Investor, and the amount of reimbursable fees and expenses, as specified in subparagraph 5.4(b)(i), in cash or by other means acceptable to the Investor.

(iv) Upon receipt of full payment of the amount due from the Selling Shareholder, the Investor shall deliver to the Selling Shareholder the certificate or certificates representing Shares to be sold, together with a transfer form signed by the Investor transferring such shares.

(v) Notwithstanding the foregoing, any attempt by a Selling Shareholder to transfer any of the Transfer Shares in violation of Section 4 or 5 or 10.1 hereof shall be void, and the Company undertakes it will not affect such a transfer nor will treat any alleged transferee as the holder of such shares without the written consent of Majority Series A-1 Preferred Shareholders, Majority Series A-2 Preferred Shareholders, Majority Series B Preferred Shareholders (which shall include Apoletto), and Majority Series C Preferred Shareholders.

5.5 Legend.

(a) Each certificate representing the Class A Ordinary Shares shall be endorsed with the following legend:

"THE SALE, PLEDGE, HYPOTHECATION OR TRANSFER OF THE SECURITIES REPRESENTED BY THIS CERTIFICATE IS SUBJECT TO CERTAIN RESTRICTIONS ON TRANSFER SET FORTH IN A SHAREHOLDERS AGREEMENT, AS AMENDED FROM TIME TO TIME, A COPY OF WHICH MAY BE OBTAINED UPON WRITTEN REQUEST TO THE SECRETARY OF THE COMPANY."

(b) Each party agrees that the Company may instruct its transfer agent to impose transfer restrictions on the shares represented by certificates bearing the legend referred to in Section 5.5(a) above to enforce the provisions of this Agreement and the Company agrees to promptly do so. The legend shall be removed upon termination of the provisions of this Section 5.

5.6 Term. The provisions under this Section 4 and Section 5 shall terminate upon the completion of a Qualified IPO.

6. ASSIGNMENT AND AMENDMENT.

6.1 Assignment. Notwithstanding anything herein to the contrary:

(a) Information Rights. The rights of each Investor under Sections 2.1 and 2.2 are transferable prior to the Qualified IPO to any Person who holds or is acquiring any Shares in a permitted transfer; provided, however, that the Company is given a written notice at the time of such assignment stating the name and address of the assignee and identifying the securities of the Company as to which the rights in question are being assigned; and provided further that any such assignee shall receive such assigned rights, subject to all the terms and conditions of this Agreement, including the provisions of this Section 6, and agree to abide by this Agreement by executing an Adherence Agreement as provided in Section 6.1(d).

(b) Registration Rights. The registration rights of the Holders under Section 3 are fully assignable to any Person who holds or is acquiring any Registrable Securities in a permitted transfer; provided, however, that the Company is given a written notice at the time of such assignment stating the name and address of the assignee and identifying the securities of the Company as to which the rights in question are being assigned; and provided further that any such assignee shall receive such assigned rights, subject to all the terms and conditions of this Agreement, including the provisions of this Section 6, and agree to abide by this Agreement by executing an Adherence Agreement as provided in Section 6.1(d).

(c) Right of Participation. The Right of Participation of each Investor under Section 4 hereof is fully assignable to such Investor's Affiliates or to any Person who holds or is acquiring any Preferred Shares in a permitted transfer; provided, however that the transferee executes and delivers an Adherence Agreement as provided in Section 6.1(d).

(d) Adherence Agreement. For any transfer of Shares to be deemed effective, the transferee shall assume the obligations of the transferor under this Agreement by executing and delivering to the Company an Adherence Agreement substantially in the form attached hereto as Exhibit B ("**Adherence Agreement**"). Upon the execution and delivery of an Adherence Agreement by any transferee, such transferee shall be deemed to be an Ordinary Shareholder, Investor, or Holder hereunder, as appropriate. By their execution hereof, each Party appoints the Company as its attorney-in-fact for the limited purpose of executing any Adherence Agreement which may be required to be delivered pursuant to this Section 6.1(d).

6.2 Amendment. Subject to Section 6.4, this Agreement may only be amended with the written consent of (i) the Company; (ii) Majority Series A-1 Preferred Shareholders; (iii) Majority Series A-2 Preferred Shareholders; (iv) Majority Series B Preferred Shareholders (which shall include Apoletto); (v) Majority Series C Preferred Shareholders; and (vi) Majority Class A Ordinary Shareholders. Any amendment effected in accordance with this Section 6.2 shall be binding upon each party hereto and their respective successors; provided that the Company shall promptly give written notice thereof to any party hereto that has not consented to such amendment.

6.3 Waiver of Rights. Subject to Section 6.4, to the extent that the any party seeks a waiver of rights from any other party, (i) any Investor may waive any of its rights hereunder without obtaining the consent of any other holders of Preferred Shares; (ii) any Class A Ordinary Shareholder may waive any of its rights hereunder without obtaining the consent of any other Class A Ordinary Shareholders; and (iii) any Group Company may waives any of its

rights hereunder without obtaining the consent of any other Group Company. Any party may waive compliance by any other party with any term or provision of this Agreement that such other party was or is obligated to comply with or perform for the benefit of such waiving party.

6.4 Limitations on Amendments and Waivers. If an amendment or waiver affects any Ordinary Shareholder or any holder of Preferred Shares in a manner that is adverse to and different from the effect thereof on all other Ordinary Shareholders or holders of Preferred Shares, or imposes any material obligation or liability on an Ordinary Shareholder or a holder of Preferred Shares beyond that already imposed on such Ordinary Shareholder or holder of Preferred Shares hereunder prior to such amendment or waiver, then the written consent of such Ordinary Shareholder or holder of Preferred Shares shall be required in order for such amendment or waiver to be effective and binding.

7. PROTECTIVE PROVISIONS.

So long as any Preferred Shares are outstanding, any action (whether by merger, consolidation, amalgamation, amendment of the Company's Revised M&A or otherwise, and whether in a single transaction or a series of related transactions) that effects or approves any of the transactions as listed in Exhibit A involving the Company or any of the Group Companies shall first require, (A) as for the transactions as listed in Section 1 in Exhibit A, the approval of each of (1) Majority Series A-1 Preferred Shareholders, (2) Majority Series A-2 Preferred Shareholders, (3) the holders of seventy-five percent (75%) of the Series B Preferred Shares (voting as a single class and on an as converted basis), and (4) Majority Series C Preferred Shareholders (the "**Special Approval**"); (B) as for the transactions as listed in Section 2 in Exhibit A, the approval of each of (1) Majority Series A-1 Preferred Shareholders, (2) Majority Series A-2 Preferred Shareholders, (3) Majority Series B Preferred Shareholders (which shall include Apoletto), and (4) Majority Series C Preferred Shareholders (the "**Majority Approval**"), provided that in case that any purchaser in the transaction specified in Section 2(e) in Exhibit A is ALIBABA GROUP HOLDING LIMITED or any of its Affiliates (including but not limited to Ant Financial Service Group (□□□□□□) and its Affiliates), such transaction shall not be conducted without first obtaining the Special Approval; (C) as for the transactions as listed in Section 3 in Exhibit A, the approval of the Board of Directors (which shall include all Investor Directors) (the "**Board Approval**"); and (D) as for the transactions specified in Section 4 in Exhibit A, the approval of the chief executive officer of the Company ("**CEO**") (the "**CEO Approval**"). For purpose of the Exhibit A, all references to the "Company" shall refer to each Group Company and their respective Subsidiaries.

Notwithstanding anything to the contrary contained herein, where any act listed in Section 1 in Exhibit A requires a Special Resolution of the shareholders in accordance with the Companies Law (Revised) of the Cayman Islands, and if the shareholders vote in favor of such act but the Special Approval has not yet been obtained, the Majority Series A-1 Preferred Shareholders, the Majority Series A-2 Preferred Shareholders, the holders of seventy-five percent (75%) of the Series B Preferred Shares (voting as a single class and on an as converted basis), and the Majority Series C Preferred Shareholders who vote against such act at a meeting of the Members in aggregate shall have the voting rights equal to the aggregate voting power of all the shareholders who voted in favour of such act plus one (1).

Notwithstanding anything to the contrary contained herein, where any act listed in Section 2 in Exhibit A requires a Special Resolution of the shareholders in accordance with the Companies Law (Revised) of the Cayman Islands, and if the shareholders vote in favor of such act but the Majority Approval has not yet been obtained, the Majority Series A-1 Preferred Shareholders, the Majority Series A-2 Preferred Shareholders, the Majority Series B Preferred Shareholders (which shall include Apoletto), and the Majority Series C Preferred Shareholders who vote against such act at a meeting of the Members in aggregate shall have the voting rights equal to the aggregate voting power of all the shareholders who voted in favour of such act plus one (1).

8. BOARD REPRESENTATION; COMMITTEE, SENIOR MANAGEMENT AND ESOP.

8.1 Designation Right. The Board shall have four (4) members. For so long as K2 is the Majority Series A-1 Preferred Shareholder, K2 shall be entitled to designate one (1) Director ("**K2 Director**"); for so long as Matrix is a holder of any Series A-2 Preferred Share, Matrix shall be entitled to designate one (1) Director ("**Matrix Director**"); for so long as Taikang is a holder of any Series C Preferred Share, Taikang shall be entitled to designate one (1) Director ("**Taikang Director**", collectively with K2 Director and Matrix Director, as "**Investor Directors**"). The other one (1) Director shall be designated by the Majority Class A Ordinary Shareholders (excluding the Holders of the Preferred Shares and the Class B Ordinary Shares who have converted their securities into Class A Ordinary Shares) ("**Ordinary Director**"). Notwithstanding anything to the contrary, each director of the Company shall have one (1) vote for each of the matters submitted to the Board, provided that Ordinary Director of the Company shall have four (4) votes for each of the matters submitted to the Board. Any vacancy on the Board occurring because of the death, resignation or removal of a Director shall be filled by the vote or written consent of the same shareholder or shareholders who nominated and elected such Director. The board of directors of HK Company shall have seven (7) members, of which one (1) shall be Taikang Director, one (1) shall be Matrix Director, one (1) shall be K2 Director and the other four (4) directors shall be designated by the Majority Class A Ordinary Shareholders (excluding the Holders of the Preferred Shares and the Class B Ordinary Shares who have converted their securities into Class A Ordinary Shares). Notwithstanding anything to the contrary, each director of the HK Company shall have one (1) vote for each of the matters submitted to the board of HK Company.

8.2 Compensation Committee. If and when the Board deems necessary, the Company shall establish and maintain a compensation committee (the "**Compensation Committee**"), and the Investor Directors shall be members of such Compensation Committee and shall be required to establish a quorum for any meeting or action to be taken by such committee. Subject to Protective Provisions in Exhibit A, the Compensation Committee shall propose the terms of the Company's share incentive plans and all grants of awards thereunder (including the ESOP) to the Board for approval and adoption by the Shareholders and shall have the power and

authority to (a) administer the Company's share incentive plans (including the ESOP) and to grant options thereunder, and (b) approve all management compensation levels and arrangements unless such rights are vested on Preferred Shareholders under the Protective Provision in Exhibit A, and shall have such other powers and authorities as the Board shall delegate to it.

8.3 Board Quorum; Meetings, etc. The quorum of the meetings of the Board (which shall exist at the time of the voting as well as the attendance of the Board meeting) shall be the directors separately or collectively having five (5) votes, including the presence, in person or by telephone, electronic or other means of communication, of at least the Taikang Director, Matrix Director and K2 Director, provided, however, that if such quorum cannot be obtained for a Board meeting after two (2) consecutive notices of Board meetings have been sent by the Company with the first notice providing not less

than fourteen (14) days' prior notice and the second notice providing not less than five (5) days' prior notice, then the attendance of the directors separately or collectively having at least five (5) votes shall constitute a quorum. Notices and agendas of Board meetings as well as copies of all board papers shall be sent to all the relevant directors and to the Investors at least fourteen (14) Business Days prior to the relevant Board meeting. Minutes of Board meetings shall be sent to Investors within thirty (30) days after the relevant meeting. The Company shall hold Board meetings at least once a quarter.

8.4 Investor Board Observer. Taikang shall have the right to appoint an observer (the "**Taikang Observer**"), Huasheng shall have the right to appoint an observer (the "**Huasheng Observer**"), JD shall have the right to appoint an observer (which shall be any staff of the strategic investment department of the JD or its Affiliate, or Liu Qiangdong (□□□), the "**JD Observer**"), Apoletto shall have the right to appoint an observer (the "**Apoletto Observer**"), BAI shall have the right to appoint an observer (the "**BAI Observer**"), Huaxing shall have the right to appoint an observer (the "**Huaxing Observer**"), Matrix shall have the right to appoint an observer (the "**Matrix Observer**") and K2 shall also have the right to appoint one observer (the "**K2 Observer**" and together with the Taikang Observer, the Huasheng Observer, the JD Observer, the Apoletto Observer, the BAI Observer, the Huaxing Observer and the Matrix Observer, the "**Investor Observers**", and each an "**Investor Observer**"), in a nonvoting capacity, to the Board of Directors and each committee thereof to attend board or board committee meetings of the Company and each of its affiliates in a non-voting observer capacity. The Company shall provide such observer copies of all notices and materials at the same time and in the same manner as the same are provided to the Directors or committees.

8.5 Waiver. The Company acknowledges that each Investor will likely have, from time to time, information that may be of interest to the Company or its Subsidiaries ("**Information**") regarding a wide variety of matters including (1) an Investor's technologies, plans and services, and plans and strategies relating thereto, (2) current and future investments an Investor has made, may make, may consider or may become aware of with respect to other companies and other technologies, products and services, including technologies, products and services that may be competitive with those of the Company or any of its Subsidiaries, and (3) developments with respect to the technologies, products and services, and plans and strategies relating thereto, of other companies, including companies that may be competitive with the Company or any of its Subsidiaries. The Company recognizes that a portion of such Information may be of interest to the Company or any of its Subsidiaries. Such Information may or may not be known by each Investor Director or Investor Observer. The Company, as a material part of the consideration for this Agreement, agrees that neither

any Investor Director nor any Investor Observer shall have any duty to disclose any Information to the Company or any of its Subsidiaries, or permit the Company or any of its Subsidiaries to participate in any projects or investments based on any Information, or otherwise to take advantage of any opportunity that may be of interest to the Company or any of its Subsidiaries if it were aware of such Information, and hereby waives, to the extent permitted by law, any claim based on the corporate opportunity doctrine or otherwise that could limit any Investor's ability to pursue opportunities based on such Information or that would require any Investor, any representative, any Investor Director or the Investor Observer to disclose any such Information to the Company or any of its Subsidiaries or offer any opportunity relating thereto to the Company or any of its Subsidiaries.

8.6 Assignment and Termination. The rights of the Investors set forth in this Section 8 are fully assignable to any Person who holds or is acquiring the Preferred Shares and in case of VAL, any class of shares held by VAL in a permitted transfer; provided, however, that the Company is given a written notice at the time of such assignment stating the name and address of the assignee and identifying the securities of the Company as to which the rights in question are being assigned; provided further, that the transferee executes and delivers an Adherence Agreement. The rights of the Investors in this Section 8 shall terminate upon completion of a Qualified IPO.

8.7 Management of the Group Companies. Each relevant Investor shall be entitled to nominate and appoint the same number of directors to the board of directors (or similar body) of each Group Company other than the Company and HK Company, including but not limited to the WFOE, the Beijing Domestic Company, the Shenzhen Domestic Companies and the PRC Subsidiaries (each, a "**Subsidiary Board**") as it is entitled to appoint to the board of HK Company, and the Parties shall make efforts, including but not limited to adopt relevant shareholder(s) resolutions, to procure that such nominee(s) are appointed to the relevant Subsidiary Board. Each Subsidiary Board shall consist of the same persons as constitute the board of HK Company from time to time, unless any Investor has not exercised its right to appoint directors to the Subsidiary Board as provided in this Section 8.7. The Company shall provide each Investor Observer copies of all notices and materials at the same time and in the same manner as the same are provided to the board of directors (or similar body) of each Group Company other than the Company and HK Company. The quorum of the meetings of the board of HK Company and/or any Subsidiary Board (which shall exist at the time of the voting as well as the attendance of the board meeting) shall refer to the quorum of the meetings of the Board as set forth in Section 8.3.

8.8 Insurance and Indemnification. Upon the request of the Investors, the Company shall procure customary directors and officers insurance for the directors, covering an amount as approved by the Board. Notwithstanding anything to the contrary in this Agreement or in the Revised M&A, each Group Company shall, jointly and severally, indemnify and hold harmless each Investor Director and his/her alternate, to the fullest extent permissible by law, from and against all liabilities, damages, actions, suits, proceedings, claims, costs, charges and expenses suffered or incurred by or brought or made against such Investor Director or his/her alternate as a result of any act, matter or thing done or omitted to be done by him/her in good faith in the course of acting as a Director or alternate Director, as applicable, of the Company or any Group Company, by delivering to such Investor Director or his/her alternate, at the time of his/her appointment as a Director or an alternate Director, an indemnification agreement duly executed by the Company substantially in the form attached hereto as Exhibit C.

8.9 Director Expenses. The Company shall reimburse Investor Directors and Investor Observers for all reasonable out-of-pocket expenses incurred in connection with Board duties and meetings.

8.10 Appointment of Certain Officers. Subject to Section 8.5 of this Agreement, the Majority Series A-1 Preferred Shareholders, the Majority Series A-2 Preferred Shareholders, the Majority Series B Preferred Shareholders (which shall include Apoletto), and the Majority Series C Preferred Shareholders shall have the right to nominate new management personnel to the Company, subject to the approval of the Board. All Company officers so appointed shall report to the Board.

8.11 ESOP; Employee Equity; Vesting.

(a) As soon as practicable after the Closing, the Company (but not any other Group Company) may grant options to employees, advisors, officers and directors of, and consultants to, the Company and its subsidiaries, but only pursuant to Employee Share Option Plan, provided that the total number of shares issued or issuable under any such Employee Share Option Plan shall not exceed 35,456,559 Class A Ordinary Shares (proportionally adjusted to reflect any share dividends, share splits, or similar transactions), which represents 10.46% in the share capital of Company upon Closing, on a fully diluted basis. Except as unanimously approved by the Board, shares or share options to be issued under the Employee Share Option Plan shall be subject to a minimum four (4) year vesting schedule no faster than the following, counting from the applicable grant date with respect to the total issued options or shares: twenty-five percent (25%) each at the end of the first twelve (12) months, twenty-four (24) months, thirty-six (36) months and forty-eight (48) months. To the extent practicable under the PRC Laws, the Group Companies shall cause to be filed and registered with the competent local branch of the State Administration of Foreign Exchange of the PRC with respect to the establishment and adoption of the ESOP.

(b) Except as otherwise approved by a majority of the Board (including the affirmative votes of all the Investor Directors), the Company shall cause all future officers, directors, and employees of, and consultants to, the Company and its Subsidiaries who purchase, or receive options to purchase, shares of the Company's Ordinary Shares, to execute and deliver agreements in forms approved by the Board (including the affirmative votes of Investor Directors) providing for a right of repurchase in favor of the Company on unvested shares without cost upon resignation or termination with cause, a prohibition on the transfer of all shares or options prior to a Qualified IPO (unless otherwise permitted under such Employee Share Option Plan) and a lockup or market standoff commitment after the Qualified IPO in respect of vested shares subject to the requirements that the underwriters or sponsors may have at such time.

(c) The power and authority to administer the ESOP and grant any option thereunder shall be vested to the Board or the Compensation Committee (if any) and any decision of the Board or the Compensation Committee with respect to the administration of the ESOP or grant of any option thereunder shall be made by a majority of the members of the Board or the Compensation Committee, provided that if the shares reserved for the ESOP are to be granted to the Founder or to the Relatives of the Founder, then such option granting plan shall be approved by the Board, including the affirmative votes of all the Investor Directors. For the avoidance of doubt, "Relatives of the Founder" means his spouse, parents, children, siblings, mother-in-law and father-in-law and brothers and sisters-in-law.

8.12 Full Time Commitment. The Founder undertakes and covenants to each Investor that, commencing from the date of this Agreement until the first anniversary of the Qualified IPO or Trade Sale, he shall commit all of his efforts and devote all of his time to further the Business of the Group Companies and shall not, without the prior written consent of all the Investors, either on his own account or through any of his Affiliates, or in conjunction with or on behalf of any other Person, (i) possess, directly or indirectly, the power to direct or cause the direction of the management and business operation of any entity whether (A) through the ownership of any equity interest in such entity, or (B) by occupying half or more of the board seats of the entity; or (C) by contract or otherwise; or (ii) devote time to carry out the business operation of any other entity.

8.13 Non-Competition. Notwithstanding anything to the contrary, the Founder undertakes and covenants to each Investor that commencing from the date of this Agreement until the later of (i) the second anniversary after the date he ceases to be employed by any Group Company, or (ii) the second anniversary after the date he ceases to hold any Shares of the Company, he will not, without the prior written consent of Majority Series A-1 Preferred Shareholders, Majority Series A-2 Preferred Shareholders, Majority Series B Preferred Shareholders (which shall include Apoletto), and Majority Series C Preferred Shareholders either on his/her own account or through any of his/her Affiliates, or in conjunction with or on behalf of any other Person: (i) carry out, be engaged, concerned or interested in, directly or indirectly, whether as shareholder, director, officer, employee, partner, agent, consultant or adviser in any business in direct competition with, or otherwise related to, the business relating to providing the Business conducted or to be conducted by the Company or any of its Subsidiaries (the "**Competitors**"), provided that the Founder shall be permitted to hold less than one percent (1%) of the total share capital of a public company that is a Competitor, (ii) employ or solicit or entice away or attempt to solicit or entice away from any Group Company, any Person, firm, company or organization who is a customer, client, employee, representative, agent or correspondent of such Group Company or in the habit of dealing with such Group Company, or (iii) provide consulting service to the Competitors in any form. In the event any entity directly or indirectly established or managed by Founder engages or will engage in any business which is the same or similar to or otherwise competes with the Business of the Group Companies during the said period, the Founder shall cause such entity to disclose any relevant information to the Investors upon request and transfer such lawful business to the Company or any Subsidiary designated by the Company immediately.

9. GOING PUBLIC; SALE OF THE COMPANY.

9.1 The Class A Ordinary Shareholders and the Company undertake to use best efforts to, prior to March 13, 2019, (i) list the Ordinary Shares of the Company (or securities representing the Ordinary Shares of the Company) in a Qualified IPO; or (ii) procure a bona fide third party offer for the sale of all or more than fifty percent (50%) of the equity or assets of the Company, whether through a single transaction or a series of transactions, for an amount which represents an equity valuation of the Company immediately prior to such sale of at least US$3,000,000,000 (the "**Trade Sale**").

9.2 Drag-Along.

(a) If at any time after March 13, 2017, there shall be:

(i) an offer by a Person that is not an Affiliate of any party hereof to purchase all or substantially all the Shares or voting rights in the Company;

(ii) a merger or consolidation of the Company with or into another corporation in which the Company is not the surviving entity but the Shares or voting rights of the Company outstanding immediately prior to the merger are converted by virtue of the merger into other property, whether in the form of securities, cash, or otherwise; or

(iii) a sale or transfer of all or substantially all the Company's properties and assets to any other Person,

in each case, if the Majority Class A Ordinary Shareholders, Majority Series A-1 Preferred Shareholders, Majority Series A-2 Preferred Shareholders, Majority Series B Preferred Shareholders (which shall include Apoletto), and Majority Series C Preferred Shareholders (collectively, the "**Drag**

Holders") approve such transaction, which is a transaction at arm's length for an equity valuation of the Company immediately prior to such transaction of not less than US$3,000,000,000, at the request of the Drag Holders, then each remaining Shareholder (each, a "**Dragged Holder**") shall sell, transfer, convey or assign its Shares (such sale, transfer, conveyance or assignment pursuant to this Section 9.2, a "**Drag-Along Sale**") pursuant to, and so as to give effect to, such offer to purchase, merger or consolidation, sale or transfer, as the case may be. If any Dragged Holder does not elect to vote, or give its written consent to the Drag-Along Sale, such Dragged Holder shall be obligated to purchase all the shares held by the Drag Holders and other Dragged Holders who has consented to participate in the Drag-Along Sale at the price upon terms offered for the Drag-Along Sale. In such event, the Dragged Holders who do not wish to sell their shares shall make a matching offer to purchase from all other relevant shareholders the shares proposed to be sold by any other such shareholders on no less favorable terms than the bona fide offer within thirty (30) Business days of the request for a Drag-Along Notice issued by the Drag Holders. For the avoidance of doubt, in all cases any exercise of rights pursuant to this Section 9.2 shall constitute a Deemed Liquidation Event under the Revised M&A. If any Dragged Holder has unilateral veto right to veto against the Drag-Along Sale, it is entitled to exercise its veto right to disapprove the Drag-Along Sale. However, if such Dragged Holder selects not to exercise such veto right, it shall act in accordance with this Section 9.2.

If the consideration offered is payable in securities or property other than cash (or evidence of cash indebtedness), the Board shall in good faith determine the fair market value of any such securities or property in cash, provided that any holder of Preferred Shares shall have the right to challenge any determination by the Board of fair market value made pursuant hereto, in which case the determination of fair market value shall be made by a valuer selected jointly by the Board and the challenging parties. The valuer shall prepare a report setting forth the basis of its calculating such fair market value, and the determination of such fair market value by the valuer shall, in the absence of manifest error, be final and conclusive. Up to US$100,000 of the costs of appointing the valuer shall be borne solely by the challenging holder(s) of Preferred Shares, and any amount of such costs in excess of US$100,000 shall be borne equally by the challenging holder(s) of Preferred Shares and the Company. The valuer shall act as expert and not as an arbitrator. If the acquiring party is a privately-held entity and the Investors receive in whole or in part non-publicly traded securities of such acquirer, then such non-publicly traded securities shall have liquidation preference(s), protective provision(s), voting right(s), dividend right(s), registration rights and preemptive rights that are substantially similar to those of the Series A-1 Preferred Shares, Series A-2 Preferred Shares, Series B Preferred Shares, and Series C Preferred Shares, as applicable, as set forth herein as of the date hereof.

(b) The restrictions on Transfers of Shares set forth in Sections 10.1, 4.2 and 5 shall not apply in connection with a sale pursuant to this Section 9.2, or anything in this Agreement to the contrary notwithstanding.

(c) Upon the approval of a Drag-Along Sale as described in this Section 9.2, each Dragged Holder shall grant to the CEO, a power of attorney to transfer its Shares and to do and carry out all other necessary or advisable acts to complete the Drag-Along Sale, including, without limitation, executing any and all documents (including instruments of transfer) on behalf of such Dragged Holder. The CEO shall be authorized to transfer the Shares of each Dragged Holder and to do and carry out all other necessary or advisable acts to complete the Drag-Along Sale, including, without limitation, executing any and all documents (including instruments of transfers) on behalf of each Dragged Holder.

(d) In any Drag-Along Sale approved by the Drag Holders, each Drag Holder shall severally, not jointly, join on a pro rata basis (based on the relative proceeds received in such transaction) in any indemnification obligations that are part of the terms and conditions of such Drag-Along Sale but only up to the net proceeds paid to such Drag Holder. Without limiting the foregoing sentence, no such Drag Holder who is not an employee, officer or controlling shareholder of a Group Company shall be required to make any representations or warranties other than with respect to itself (including due authorization, title to shares and enforceability of applicable agreements).

(e) For the avoidance of doubt, any assignee or transferee who acquires any Share of the Company shall be bound by this Section 9.2 as if they were a Party hereunder, by delivering and executing an Adherence Agreement as provided in Exhibit B.

10. COVENANTS.

10.1 Restrictions on Transfers.

(A) Subject to Sections 4 and 5 and the provisions of any severance agreement that the Founder or the Founder Hold Co may enter into, the Founder and the Founder Hold Co agree that, without the prior written consent of Majority Series A-1 Preferred Shareholders, Majority Series A-2 Preferred Shareholders, Majority Series B Preferred Shareholders (which shall include Apoletto) and Majority Series C Preferred Shareholders, neither of them shall, directly or indirectly, sell, transfer, pledge, encumber, hypothecate or otherwise dispose of any of its Shares in the Company or any of other Group Companies. In the case that any Share is held by its ultimate beneficial owner through one or more level of holding companies, any transfer, repurchase, or new issuance of the shares of such holding companies or similar transactions that have the effect of change the beneficial ownership of such Share shall be deemed as an indirect transfer of such Shares. The Parties agree that the restrictions on the transfer of the Shares held by the Founder and the Founder Hold Co contained in this Agreement shall apply to such indirect transfer and shall not be circumvented by means any indirect transfer of the Shares.

(B) Notwithstanding anything to the contrary contained herein, the transfer restriction shall not apply to transfer, through a single transaction or a series of transactions, of no more than one percent (1%) of the Shares of the Company immediately after the Closing on a fully diluted basis as of the date hereof, to any third party (the "**Permitted Transferee**"); provided that adequate documentation therefor is provided to the Preferred Shareholders to their satisfaction and that any such Permitted Transferee agrees in writing to be bound by this Agreement in place of the relevant transferor by executing an Adherence Agreement as provided in Section 6.1(d). The transfer restrictions set forth in Section 4 and Section 5 shall not apply to any transfer to the Permitted Transferee if the Founder transfers, through a single transaction or a series of transactions, no more than one percent (1%) of the Shares of the Company immediately after the Closing on a fully diluted basis, to any Permitted Transferee.

(C) Each Investor shall not assign or transfer any Shares of the Company held by such Investor to any Person listed out in Annex C hereof.

10.2 Operations of Shenzhen Domestic Companies and Beijing Domestic Company. The Founder, Shenzhen Domestic Companies and Beijing Domestic Company shall take all reasonably necessary steps to promptly assign and transfer to WFOE (pursuant to the Restructuring Documents or otherwise) substantially all of its revenues, earnings and other values and benefits generated from its business operations. Each of Shenzhen Domestic

Company and Beijing Domestic Company shall, to the extent permitted by applicable law, operate its business at the direction of its board of directors and its shareholders (who have assigned their voting rights to WFOE). The WFOE shall take all reasonably necessary steps to ensure that Beijing Domestic Company and Shenzhen Domestic Companies will have funds available to cover its operating expenses and to timely repay its debts as they become due.

10.3 Transfer of Shenzhen Domestic Companies and Beijing Domestic Company. Subject to the applicable PRC laws and regulations and upon the request by any Investor, the Company, the Founder and the Founder Hold Co shall use their best efforts to cause the Founder to transfer its holding equity interest in Beijing Domestic Company and Shenzhen Domestic Companies to the HK Company or any other Group Company to the satisfaction of Majority Series A-1 Preferred Shareholders, Majority Series A-2 Preferred Shareholders, and Majority Series B Preferred Shareholders (which shall include Apoletto), and Majority Series C Preferred Shareholders with no or nominal consideration.

10.4 Controlled Foreign Corporation. The Company will provide written notice to the Investors as soon as practicable if at any time the Company becomes aware that it or any Group Company has become a "controlled foreign corporation" ("**CFC**") within the meaning of Section 957 of the United States Internal Revenue Code of 1986 (the "**Code**"). Upon written request of any Investor, the Company will (i) use best efforts to provide in writing such information as is in its possession and reasonably available concerning its shareholders to assist the Investor in determining whether any Group Company is a CFC, (ii) provide the Investors with reasonable access to such other Company information as is in the Company's possession and reasonably available as may be required by the Investor (A) to determine any Group Company's status as a CFC, (B) to determine whether any Investor is required to report its pro rata portion of any Group Company's "Subpart F income" (as defined in Section 952 of the Code) on its United States federal income tax return, or (C) to allow the Investors to otherwise comply with applicable United States federal income tax laws and

(iii) use its best efforts to promptly procure from its shareholders information referred to in clause (i) that is not in its possession; provided that the Company may require the Investors to enter into a confidentiality agreement in customary form. The Company shall use its commercially reasonable efforts to avoid the future status of any Group Company as a CFC and avoid any Group Company generating any "Subpart F income."

10.5 Passive Foreign Investment Company. The Company shall use its best efforts to avoid being a "passive foreign investment company" within the meaning of Section 1297 of the Code ("**PFIC**") for the current and any future taxable year. The Company shall make due inquiry with its tax advisors on at least an annual basis regarding its status as a PFIC, and if the Company is informed by its tax advisors that it has become a PFIC, or that there is a likelihood of the Company being classified as a PFIC for any taxable year, the Company shall promptly notify the Investors of such status or risk, as the case may be, in each case no later than forty-five (45) days following the end of the Company's taxable year. In connection with a "Qualified Electing Fund" election (a "**QEF Election**") made by the Investors (or their direct or indirect owners, as applicable) pursuant to Section 1295 of the Code or a "Protective Statement" filed by an Investor (or its direct or indirect owners, as applicable) pursuant to Treasury Regulation Section 1.1295-3, as amended (or any successor thereto), the Company shall provide an Investor with annual financial information in the form to the satisfaction of such Investor as soon as reasonably practicable following the end of each taxable year of such Investor (but in no event later than forty-five (45) days following the end of each such taxable year), and shall, upon the request in writing by such Investor, provide such Investor with access to such other information, as is in the Company's possession and reasonably available, as may be required for purposes of filing U.S. federal income tax returns in connection with such QEF Election or Protective Statement. In the event that it is determined by the Company's or an Investor's tax advisors that the control documents in place between one or more of the Company's wholly owned subsidiaries and/or the Company, on the one hand, and any of the Group Companies organized in the PRC that is not a wholly foreign owned enterprise, on the other hand, does not allow the Company to look through the Group Companies to their assets and income for purposes of the PFIC rules and regulations under the Code, the Company shall use its best efforts to take such actions as are reasonably necessary or advisable, including the amendment of such control documents, to qualify for such look-through treatment of the Group Companies under the PFIC rules and regulations under the Code.

11. CONFIDENTIALITY AND NON-DISCLOSURE.

11.1 Disclosure of Terms. Each party hereto acknowledges that the terms and conditions (collectively, the "**Terms**") of this Agreement, the other Transaction Agreements, and all exhibits, restatements and amendments hereto and thereto, including their existence, shall be considered confidential information and shall not be disclosed by it to any third party except in accordance with the provisions set forth below. Except as agreed under this Agreement, each Investor agrees with the Company that such Investor will keep confidential and will not disclose or divulge, any information which such Investor obtains from the Company, pursuant to financial statements, reports, presentations, correspondence, and any other materials provided by the Company to, or communications between the Company and such Investor, or pursuant to information rights granted under this Agreement or any other related documents, unless the information is known, or until the information becomes known, to the public through no fault of such Investor, or unless the Company gives its written consent to such Investor's release of the information.

11.2 Press Releases. Within sixty (60) days of the Closing, the Company may issue a press release related to the Closing, disclosing that the Investors have invested in the Company provided that (a) the release does not disclose any of the Terms, (b) the press release does not disclose the amount or other specific terms of the investment, and (c) the final form of the press release is approved in advance in writing by each Investor mentioned therein. Investors' names and the fact that Investors are shareholders in the Company can be included in a reusable press release boilerplate statement, so long as each Investor has given the Company its initial approval of such boilerplate statement and the boilerplate statement is reproduced in exactly the form in which it was approved. No other announcement regarding any Investor in a press release, conference, advertisement, announcement, professional or trade publication, mass marketing materials or otherwise to the general public may be made without such Investor's prior written consent, which consent may be withheld at such Investor's sole discretion.

11.3 Permitted Disclosures. Notwithstanding anything in the foregoing to the contrary,

(a) the Company may disclose any of the Terms to its current or bona fide prospective investors, directors, officers, employees, shareholders, investment bankers, lenders, accountants, auditors, insurers, business or financial advisors, and attorneys, in each case only where such Persons or entities are under appropriate nondisclosure obligations imposed by professional ethics, law or otherwise;

(b) each Investor (and its fund manager) may, without disclosing the identities of the other Investors or the Terms of their respective investments in the Company without their consent, disclose such Investor's investment in the Company to third parties or to the public at its sole discretion and in relation thereto may use the Company's logo and trademark and may include links to the Company's website (without requiring the Company's further consent). If it does so, the other parties shall have the right to disclose to third parties any such information disclosed in a press release or other public announcement by such Investor;

(c) each Investor shall have the right to disclose:

(i) any information to such Investor's Affiliate or fund manager, such Investor's and/or its fund manager's and/or its Affiliate's legal counsel, fund manager, auditor, insurer, accountant, consultant or to an officer, director, general partner, limited partner, fund manager, shareholder, investment counsel or advisor, or employee of such Investor, fund manager, potential investor or Affiliate or any of their respective investors or Affiliates, provided, however, that any counsel, auditor, insurer, accountant, consultant, officer, director, general partner, limited partner, fund manager, shareholder, investment counsel or advisor, or employee shall be advised of the confidential nature of the information or are under appropriate non-disclosure obligation imposed by professional ethics, law or otherwise;

(ii) any information for fund and inter-fund reporting purposes;

(iii) any information as required by law, government authorities, exchanges and/or regulatory bodies, including by the Securities and Futures Commission of the Hong Kong Special Administrative Region, the China Securities and Regulatory Commission of the PRC or the Securities and Exchange Commission of the United States (or equivalent for other venues); and/or

(iv) any information to bona fide prospective purchasers/investors of any share, security or other interests in the Company, and

(v) any information contained in press releases or public announcements of the Company pursuant to Section 11.2 above.

(d) the confidentiality obligations set out in this Section 11 do not apply to:

(i) information which was in the public domain or otherwise known to the relevant party before it was furnished to it by another party hereto or, after it was furnished to that party, entered the public domain otherwise than as a result of (i) a breach by that party of this Section 11 or (ii) a breach of a confidentiality obligation by the discloser, where the breach was known to that party;

(ii) information the disclosure of which is necessary in order to comply with any applicable law, the order of any court, the requirements of a stock exchange or to obtain tax or other clearances or consents from any relevant authority; or

(iii) the disclosure of information by any director of the Company to its appointer or any of its affiliate or otherwise in accordance with the foregoing provisions of this Section 11.3.

11.4 Legally Compelled Disclosure. In the event that any party is requested or becomes legally compelled (including without limitation pursuant to securities laws and regulations) to disclose the existence of this Agreement or any Terms in contravention of the provisions of this Section 11, such party (the "**Disclosing Party**") shall if and to the extent that it can lawfully do so provide the other parties (the "**Non-Disclosing Parties**") with prompt written notice of that fact so that the appropriate party may seek (with the cooperation and reasonable efforts of the other parties) a protective order, confidential treatment or other appropriate remedy. In such event, the Disclosing Party shall furnish only that portion of the information that is legally required and shall exercise reasonable efforts to obtain reliable assurance that confidential treatment will be accorded such information to the extent reasonably requested by any Non-Disclosing Party.

12. MISCELLANEOUS.

12.1 Governing Law. This Agreement shall be governed in all respects by the laws of the Hong Kong Special Administrative Region without regard to conflicts of law principles.

12.2 Successors and Assigns. Except as otherwise expressly provided herein, the provisions hereof shall inure to the benefit of, and be binding upon, the successors, permitted assigns, heirs, executors and administrators of the parties hereto whose rights or obligations hereunder are affected by such provisions. Except as expressly stated otherwise, the rights of the Investors set forth in this Agreement are fully assignable to any Person who holds or is acquiring Shares from the Investors. Notwithstanding anything contrary in this Agreement and subject to the Section 10.1 hereof, this Agreement and the rights and obligations herein may be assigned or transferred by each Investor that is (A) a partnership, to its partners or former partners in accordance with partnership interests, (B) a corporation, to a wholly-owned subsidiary or a parent corporation that owns all of the capital stock of the Investor, (C) a limited liability company, to its members or former members in accordance with their interest in the limited liability company, (D)

an individual, to the Investor's family member or trust for the benefit of an individual Investor, (E) Matrix Partners China III Hong Kong Limited, to any of its Affiliates, (F) K2 Partners II Limited, to any of its Affiliates, (G) K2 Evergreen Partners Limited, to any of its Affiliates, (H) Apoletto, to any of its Affiliates, (I) JD, to any of its Affiliates, (J) Taikang, to any of its Affiliates, (K) Huasheng, to any of its Affiliates, (L) CoBuilder Venture, to any of its Affiliates, or (M) HeYi, to any of its Affiliates; provided that in each case the transferee will agree by executing an Adherence Agreement in the form attached hereto as Exhibit B to be subject to the terms of this Agreement to the same extent as if it were an original Investor hereunder.

12.3 Third Parties. Nothing in this Agreement, express or implied, is intended to confer upon any Person, other than the parties hereto and their permitted successors and assigns, any rights or remedies under or by reason of this Agreement.

12.4 Entire Agreement. This Agreement and any other Transaction Agreement, together with all the schedules and exhibits hereto and thereto, which are hereby expressly incorporated herein by this reference, constitute the entire understanding and agreement between the parties with regard to the subjects hereof and thereof; provided, however, that nothing in this Agreement or related agreements shall be deemed to terminate or supersede the provisions of any confidentiality and nondisclosure agreements executed by the parties hereto prior to the date of this Agreement, all of which agreements shall continue in full force and effect until terminated in accordance with their respective terms.

12.5 Notices. Except as may be otherwise provided herein, all notices, requests, waivers and other communications made pursuant to this Agreement shall be in writing and shall be conclusively deemed to have been duly given (a) when hand delivered to the other parties; (b) when sent by facsimile at the number set forth below, upon a successful transmission report being generated by the sender's machine; (c) three (3) Business Days after deposit with an internationally-recognized overnight delivery service, postage prepaid, addressed to the parties as set forth below with next-business-day delivery guaranteed, provided that the sending party receives a confirmation of delivery from the delivery service provider; (d) where a notice is sent by electronic mail, service of the notice shall be deemed to be effected by properly addressing, and sending such notice through a transmitting organization, and to have been effected on the day the same is sent as aforesaid, if such day is a Business Day if sent during normal business hours of the recipient, otherwise the next Business Day.

Each Person making a communication hereunder by facsimile shall promptly confirm by telephone to the Person to whom such communication was addressed each communication made by it by facsimile pursuant hereto but the absence of such confirmation shall not affect the validity of any such communication. A party may change or supplement the addresses given in Annex of Notice, or designate additional addresses, for purposes of this Section 12.5, by giving the other party written notice of the new address in the manner set forth above.

12.6 Delays or Omissions. No delay or omission to exercise any right, power or remedy accruing to any party upon any breach or default of any other party hereto under this Agreement, shall impair any such right, power or remedy of the aggrieved party nor shall it be construed to be a waiver of any such breach or default, or an acquiescence therein, or of any similar breach or default thereafter occurring; nor shall any waiver of any other breach or default theretofore or thereafter occurring. Any waiver, permit,

consent or approval of any kind or character on the part of any party of any breach or default under this Agreement or any waiver on the part of any party of any provisions or conditions of this Agreement, must be in writing and shall be effective only to the extent specifically set forth in such writing. All remedies, either under this Agreement, or by law or otherwise afforded to the parties shall be cumulative and not alternative.

12.7 Interpretation; Titles and Subtitles. This Agreement shall be construed according to its fair language. The rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not be employed in interpreting this Agreement. The titles of the sections and subsections of this Agreement are for convenience of reference only and are not to be considered in construing this Agreement.

12.8 Counterparts. This Agreement may be executed in one or more counterparts and may be delivered by electronic PDF or facsimile transmission, all of which shall be considered one and the same agreement and each of which shall be deemed an original.

12.9 Severability. Should any provision of this Agreement be determined to be illegal or unenforceable, such determination shall not affect the remaining provisions of this Agreement.

12.10 Adjustment for Share Splits, etc. Whenever in this Agreement there is a reference to a specific number or percentage of the Preferred Shares, then, upon the occurrence of any subdivision, combination or share dividend of the Preferred Shares, as applicable, the specific number of shares so referenced in this Agreement shall automatically be proportionally adjusted to reflect the effect on the outstanding shares of such class or series of shares by such subdivision, combination or share dividend.

12.11 Pronouns. All pronouns and any variations thereof are deemed to refer to the masculine, feminine, neuter, singular or plural, as the identity of the Person or Persons may require.

12.12 Dispute Resolution.

(a) Negotiation Between Parties; Mediations. The parties agree to negotiate in good faith to resolve any dispute between them regarding this Agreement. If the negotiations do not resolve the dispute to the reasonable satisfaction of the relevant parties, then each party to the dispute that is a company shall nominate one (1) authorized officer as its representative. The relevant parties or their representatives, as the case may be, shall, within thirty (30) days of a written request by either party to call such a meeting, meet in person and alone (except for one (1) assistant for each party) and shall attempt in good faith to resolve the dispute. If the disputes cannot be resolved by such senior managers in such meeting, the parties agree that they shall, if requested in writing by either party, meet within thirty (30) days after such written notification for one (1) day with an impartial mediator and consider dispute resolution alternatives other than formal arbitration. If an alternative method of dispute resolution is not agreed upon within thirty (30) days after the one (1) day mediation, either party to the dispute may begin formal arbitration proceedings to be conducted in accordance with subsection (b) below. This procedure shall be a prerequisite before taking any additional action hereunder.

(b) Arbitration. In the event the parties are unable to settle a dispute between them regarding this Agreement in accordance with subsection (a) above, such dispute shall be referred to and finally settled by arbitration at the Hong Kong International Arbitration Centre in accordance with the UNCITRAL Arbitration Rules ("**UNCITRAL Rules**") in effect, which rules are deemed to be incorporated by reference into this subsection (b), subject to the following: (i) the arbitration tribunal shall consist of three (3) arbitrators to be appointed according to the UNCITRAL Rules; and (ii) the language of the arbitration shall be English. Notwithstanding anything in this Agreement or in the UNCITRAL Rules or otherwise, the arbitration tribunal shall not have the power to award injunctive relief or any other equitable remedy of any kind against any Investor unless such award both (x) is expressly appealable to and subject to de novo review by the courts of Hong Kong, and (y) would not, if upheld, have the effect of impairing, restricting, or imposing any conditions on the right or ability of such Investor or any of its Affiliates to conduct its respective business operations or to make or dispose of any other investments. The prevailing party shall be entitled to reasonable attorney's fees, costs and necessary disbursements in addition to any other relief to which such party may be entitled.

12.13 Shareholders Agreement to Prevail. If and to the extent that there are inconsistencies between the provisions of this Agreement and those of the Revised M&A, the terms of this Agreement shall prevail regarding the shareholders only. The parties agree to take all actions necessary or advisable, as promptly as practicable after the discovery of such inconsistency, to amend the Revised M&A so as to eliminate such inconsistency.

[Signature Pages Follow]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

THE COMPANY:

LexinFintech Holdings Ltd. (□□□□□□□□)

By: /s/Wenjie Xiao
Name: Wenjie Xiao
Title: Director
/s/Seal of LexinFintech Holdings Ltd.

HK COMPANY:

Installment (HK) Investment Limited
(□□□□□□□□□□)

By: /s/Wenjie Xiao
Name: Wenjie Xiao
Title: Director
/s/Seal of Installment (HK) Investment Limited

WFOE:

Beijing Shijitong Technology Co., Ltd.
(□□□□□□□□□□□□) (Seal)

By: /s/Wenjie Xiao
Name: Wenjie Xiao
Title: Legal Representative
/s/Seal of Beijing Shijitong Technology Co., Ltd.

SIGNATURE PAGE TO SHAREHOLDERS AGREEMENT

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

BEIJING DOMESTIC COMPANY:

Beijing Lejiaxin Network Technology Co., Ltd.
(□□□□□□□□□□□□□□□) (Seal)

By: /s/Xiao Wenjie
Name: Xiao Wenjie
Title: Legal Representative
/s/Seal of Beijing Lejiaxin Network Technology Co., Ltd.

SHENZHEN DOMESTIC COMPANIES:
Shenzhen Fenqile Network Technology Co., Ltd.
(□□□□□□□□□□□□□□□□) (Seal)

By: /s/Xiao Wenjie
Name: Xiao Wenjie
Title: Legal Representative

/s/Seal of Shenzhen Fenqile Network Technology Co., Ltd.

Shenzhen Xinjie Investment Co., Ltd.
(□□□□□□□□□□□) (Seal)

By: /s/Xiao Wenjie
Name: Xiao Wenjie
Title: Legal Representative
/s/Seal of Shenzhen Xinjie Investment Co., Ltd.

Shenzhen Qianhai Dingsheng Asset Management Co., Ltd.
(□□□□□□□□□□□□□□□□) (Seal)

By: /s/Qiao Qian
Name: Qiao Qian
Title: Legal Representative
/s/Seal of Shenzhen Qianhai Dingsheng Asset Management Co., Ltd.

SIGNATURE PAGE TO SHAREHOLDERS AGREEMENT

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

PRC SUBSIDIARIES:

Shanghai Lexiao Network Technology Co., Ltd.
(□□□□□□□□□□□□) (Seal)

By: /s/Wenjie Xiao
Name: Wenjie Xiao
Title: Legal Representative
/s/Seal of Shanghai Lexiao Network Technology Co., Ltd.

Shenzhen Tiqianle Network Technology Co., Ltd.
(□□□□□□□□□□□□□□□) (Seal)

By: /s/Wenjie Xiao
Name: Wenjie Xiao
Title: Legal Representative
/s/Shenzhen Tiqianle Network Technology Co., Ltd.

Shenzhen Qianhai Juzi Information Technology Co., Ltd.
(□□□□□□□□□□□□□□□) (Seal)

By: /s/Wenjie Xiao
Name: Wenjie Xiao
Title: Legal Representative
/s/Seal of Shenzhen Qianhai Juzi Information Technology Co., Ltd.

SIGNATURE PAGE TO SHAREHOLDERS AGREEMENT

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

FOUNDER HOLD CO

Installment Payment Investment Inc.

By: /s/Wenjie Xiao
Name: Wenjie Xiao
Title: Director

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

FOUNDER

Wenjie Xiao

By: /s/Wenjie Xiao
Name: Wenjie Xiao

SIGNATURE PAGE TO SHAREHOLDERS AGREEMENT

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

INVESTOR

Various Ample Limited

By: /s/Liu Qiangdong
Name: Liu Qiangdong
Title: Director

SIGNATURE PAGE TO SHAREHOLDERS AGREEMENT

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

INVESTOR

Tenzing Holdings Hong Kong Limited

By: /s/Jenny Pao
Name: Jenny Pao
Title: Director

SIGNATURE PAGE TO SHAREHOLDERS AGREEMENT

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

INVESTOR

K2 Evergreen Partners Limited

By: /s/Werkun Krzysztof
Name: Werkun Krzysztof
Title: Director

K2 Partners II Limited

By: /s/Werkun Krzysztof
Name: Werkun Krzysztof
Title: Director

SIGNATURE PAGE TO SHAREHOLDERS AGREEMENT

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

INVESTOR

Matrix Partners China III Hong Kong Limited

By: /s/Yibo SHAO
Name: Yibo SHAO
Title: Director

SIGNATURE PAGE TO SHAREHOLDERS AGREEMENT

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

INVESTOR

Apoletto Asia Ltd.

By: /s/Soraj Bissoonauth
Name: Soraj Bissoonauth
Title: Director

SIGNATURE PAGE TO SHAREHOLDERS AGREEMENT

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

INVESTOR

Huaxing Capital Partners, L.P.

By: /s/BAO Fan
Name: BAO Fan
Title: Authorized Signatory

SIGNATURE PAGE TO SHAREHOLDERS AGREEMENT

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

INVESTOR

BAI GmbH

By: /s/Michael Kronenburg
/s/Hendrik Horn
Name: Michael Kronenburg
Hendrik Horn
Title: Authorized Signatories

SIGNATURE PAGE TO SHAREHOLDERS AGREEMENT

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

INVESTOR

JD.com Asia Pacific Investment Limited

By: /s/Liu Qiangdong
Name: Liu Qiangdong
Title: Authorized Signatory

SIGNATURE PAGE TO SHAREHOLDERS AGREEMENT

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

INVESTOR

MAGIC PEAK INVESTMENTS LIMITED
□□□□□□□□

By: /s/Tan Zuyu
Name: Tan Zuyu
Title: Authorized Signatory

SIGNATURE PAGE TO SHAREHOLDERS AGREEMENT

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

INVESTOR

Shanghai Huasheng Lingfei Equity Investment (Limited Partnership) □□
□□□□□□□□□□□□□□□□□□□□**(Seal)**

By: /s/WANG Xinwei
Name: Wang Xinwei
Title: Authorized Signatory
/s/Seal of Shanghai Huasheng Lingfei Equity Investment (Limited Partnership) □□□□□□□□□□□□□□□□□□□□□□

SIGNATURE PAGE TO SHAREHOLDERS AGREEMENT

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

INVESTOR

HeYi Holdings L.P.,
a Cayman Islands exempted limited partnership

By: **HeYi General Partners Limited.**
a Cayman Islands corporation

Its: General Partner

By: /s/TIE Ling

Its: Managing Director

CoBuilder Partners Venture Fund L.P.,
a Cayman Islands exempted limited partnership

By: **CoBuilder General Partners Limited.**
a Cayman Islands corporation

Its: General Partner

By: /s/TIE Ling

Its: Managing Director

SIGNATURE PAGE TO SHAREHOLDERS AGREEMENT

Annex of Notice

Group Companies:

Address: 27/F, CES Tower, No. 3099 Keyuan South Road, Yuehai Street, Nanshan District, Shenzhen (□□□□□□□□□□□□□□□□3099□□□□□□□□□27□)
Tel No.: **********
Contact Person: Wenjie Xiao
Email: **********

Founders and Founder Hold Co:

Address: 27/F, CES Tower, No. 3099 Keyuan South Road, Yuehai Street, Nanshan District, Shenzhen (□□□□□□□□□□□□□□□□3099□□□□□□□□□27□)
Tel No.: **********
Contact Person: Wenjie Xiao
Email: **********

Various Ample Limited:

Address: □□□□□□□□□□□□□□□□18□□A□18□(18/F Block A NO.18 Kechuang 11 Street, BDA, China)
Tel No: **********
Contact Person: □□
Email:

Investors:

K2 Evergreen Partners Limited and K2 Partners II Limited

Address: Room C 20/F Lucky Plaza 315-321 Lockhart Road Wanchai Hong Kong
Tel No.: **********
Contact Person: Edmond Lam
Email:

Matrix Partners China III Hong Kong Limited

Address: Suite 08, 20th Floor, One International Finance Centre, 1 Harbour View Street, Central, Hong Kong
Attn: Matrix Partners HK Management Limited, Mr. Xiao Min
Tel: **********
Fax: **********
Email: **********

Tenzing Holdings Hong Kong Limited

Address: Suite 08, 20th Floor, One International Finance Centre, 1 Harbour View Street, Central, Hong Kong
Attn: Matrix Partners HK Management Limited, Mr. Xiao Min
Tel: **********
Fax: **********
Email: **********

Apoletto Asia Ltd.

Notices:

c/o Tulloch & Co
4 Hill St. London W1J 5NE
United Kingdom
Attention: Alastair Tulloch
Fax: **********
Email: **********
Email: **********

with a copy to:

c/o IFS Court
Twenty Eight, Cybercity
Ebene, Mauritius
Attention: Mr. Soraj Bissoonauth
Tel: **********
Email: **********

Goodwin Procter
One Exchange Square
Suite 2801, 8 Connaught Place
Central, Hong Kong
Attention: Yash A. Rana
Tel: (852) 3658 5353
Fax: (852) 2801 5515
Email: **********

BAI GmbH

Carl-Bertelsmann-Straße 270 · 33311 Gütersloh
Facsimile: **********

---

with copy to:
Bertelsmann Management (Shanghai) Co., Ltd, Beijing Branch
Units 2804-2805, SK Tower, 6A Jian Guo Men Wai Avenue
Chaoyang District, Beijing 100022, PRC
Facsimile: **********
Email:

Huaxing Capital Partners, L.P.

c/o Sky Galaxy Investment Limited
Room C, 20/F, Lucky Plaza, 315-321 Lockhart Road, Wanchai, Hong Kong
Attention: Wang Xinwei
Tel: **********
Fax: **********
Email: **********

JD.com Asia Pacific Investment Limited

Address: □□□□□□□□□□□□□□□□18□□A□20□(20/F Block A NO.18 Kechuang 11 Street, BDA, China)
Contact Person: □□/□□□
Tel No.: **********
Email:

MAGIC PEAK INVESTMENTS LIMITED □□□□□□□□

Address: □□□□□□□□□□6□□□□□5□
Contact Person: □□
Tel No.: **********
Email:

Shanghai Huasheng Lingfei Equity Investment (Limited Partnership) □□□□□□□□□□□□□□□□□□□□□□□□

Address: □□□□□□□□□□□□1000□□□□□□□43□ (43th Floor, Hang Seng Bank Tower, 1000 Lujiazui Ring Road, Pudong New Area Shanghai 200120,China)
Contact Person: □□(Zhu Qing)
Tel No.: **********
Email: **********

CoBuilder Partners Venture Fund L.P. & **HeYi Holdings L.P.**

Address: □□□□□□□□□□□1□A8-702
Telephone: **********
Contact Person: □□□
Email: **********

Annex A

Definitions

Capitalized terms used but not otherwise defined in this Agreement shall have the meanings given to them in the Series C-1 Share Purchase Agreements and Series C-2 Share Purchase Agreement.

"**Adherence Agreement**" shall mean the meaning ascribed to it in Section 6.1(d) of this Agreement.

"**Affiliate**" shall mean, in respect of a Person, any other Person that, directly or indirectly, through one or more intermediaries, Controls, is Controlled by, or is under common Control with, such Person, and (a) in the case of a natural Person, shall include, without limitation, such Person's spouse, parents, children, siblings, mother-in-law and father-in-law and brothers and sisters-in-law, (b) in the case of an Investor, shall include any Person who holds Shares as a nominee for such Investor, and (c) in respect of an Investor, shall also include (i) any shareholder of such Investor, (ii) any entity or individual which has a direct or indirect interest in such Investor (including, if applicable, any general partner or limited partner) or any fund manager thereof; (iii) any Person that directly or indirectly Controls, is Controlled by, under common Control with, or is managed by such Investor or its fund manager, (iv) the relatives of any individual referred to in (ii) above, and (v) any trust Controlled by or held for the benefit of such individuals. For the avoidance of doubt, no Investor shall be deemed to be an Affiliate of any Group Company.

"**Agreement**" shall have the meaning ascribed to it in the introductory paragraph of this Agreement.

"**Apoletto**" shall mean collectively, Apoletto Asia Ltd. and its successors, assigns and transferees.

"**Apoletto Observer**" shall have the meaning ascribed to it in Section 8.4 of this Agreement.

"**BAI**" shall mean BAI GmbH.

"**BAI Observer**" shall have the meaning ascribed to it in Section 8.4 of this Agreement.

"**Board**" or "**Board of Directors**" shall mean the board of directors of the Company.

"**Business**" shall mean the online sale of electronic products and installment payment services for above products, the internet financing platform and any other business currently conducted or to be contemplated by the Company, its consolidated subsidiaries and the PRC Companies.

"**Business Day**" or "**business day**" shall mean any day that is not a Saturday, Sunday, legal holiday or a day on which banks are required to be closed in Singapore, the Hong Kong Special Administrative Region, the United States of America or the PRC.

"**Claim Notice**" shall have the meaning ascribed to it in Section 3.8(c) of this Agreement.

"**Class A Ordinary Shareholder**" shall mean the shareholders of Class A Ordinary Shares of the Company.

"**Class A Ordinary Shares**" shall mean the Company's ordinary shares other than Class B Ordinary Shares, par value US$0.0001 per share.

"**Class B Ordinary Shares**" shall mean the class B ordinary shares in the capital of the Company with a nominal or par value of US$0.0001 per share.

"**Closing**" shall have the meaning ascribed to it in Section 2.3 of the Series C-1 Share Purchase Agreement.

"**CoBuilder**" shall mean CoBuilder Venture, HeYi and its Affiliates.

"**CoBuilder Venture**" shall mean collectively, CoBuilder Partners Venture Fund L.P. and its successors, assigns and transferees.

"**Company**" shall have the meaning ascribed to it in introductory paragraph A of this Agreement.

"**Control**", with respect to any third party, shall have the meaning ascribed to it in Rule 405 under the Securities Act, and shall be deemed to exist for any party (a) when such party holds at least twenty percent (20%) of the outstanding voting securities of such third party and no other party owns a greater number of outstanding voting securities of such third party or (b) over other members of such party's immediate family. Immediate family members include, without limitation, a person's spouse, parents, children, siblings, mother-in-law and father-in-law and brothers and sisters-in-law. The terms "**Controlling**" and "**Controlled**" have meanings correlative to the foregoing.

"**Conversion Shares**" shall mean Class A Ordinary Shares issuable or issued upon conversion of the Class B Ordinary Shares and Preferred Shares.

"**Director**" shall mean a member of the board of directors of the Company.

"**Disclosing Party**" shall have the meaning ascribed to it in Section 11.4 of this Agreement.

"**Drag Holders**" shall have the meaning ascribed to it in Section 9.2 of this Agreement.

"**Drag-Along Sale**" shall have the meaning ascribed to it in Section 9.2 of this Agreement.

"**Dragged Holders**" shall have the meaning ascribed to it in Section 9.2 of this Agreement.

"**Exchange Act**" shall mean the U.S. Securities and Exchange Act of 1934, as amended.

"**Final Prospectus**" shall have the meaning ascribed to it in Section 3.8(d) of this Agreement.

"**Exercising Holder**" shall have the meaning ascribed to it in Section 4.2(d) of this Agreement.

"**First Participation Notice**" shall have the meaning ascribed to it in Section 4.1(d)(i) of this Agreement.

"**First Refusal Period**" shall have the meaning ascribed to it in Section 4.2(c) of this Agreement.

"**Form F-3**" shall have the meaning ascribed to it in Section 3.2(e) of this Agreement.

"**Form S-3**" shall have the meaning ascribed to it in Section 3.2(e) of this Agreement.

"**Group Companies**" shall mean the Company, the HK Company, the WFOE, the Shenzhen Domestic Companies, the Beijing Domestic Company, the PRC Subsidiaries and their respective subsidiaries from time to time (each a "**Group Company**"), unless the text specifically indicates otherwise.

"**HeYi**" shall mean collectively, HeYi Holdings L.P. and its successors, assigns and transferees.

"**Holder**" shall have the meaning ascribed to it in Section 3.2(d) of this Agreement.

"**Huasheng**" shall mean collectively, Shanghai Huasheng Lingfei Equity Investment (Limited Partnership) □□□□□□□□□□□□□□□□□□□□□□ and its successors, assigns and transferees.

"**Huasheng Observer**" shall have the meaning ascribed to it in Section 8.4 of this Agreement.

"**Huaxing**" shall mean Huaxing Capital Partners, L.P.

"**Huaxing Observer**" shall have the meaning ascribed to it in Section 8.4 of this Agreement.

"**IAS**" shall mean the applicable International Accounting Standards published by the International Accounting Standards Board from time to time.

"**Indemnification Agreement**" shall mean the indemnification agreement to be entered into by and among each Investor Director or his/her alternate, the Investor appointing the Investor Director or his/her alternate and the Company, at the time of the appointment of such Investor Director or his/her alternate as a Director or an alternate Director substantially in the form attached hereto as Exhibit C.

"**Information**" shall have the meaning ascribed to it in Section 8.5 of this Agreement.

"**Initiating Holders**" shall have the meaning ascribed to it in Section 3.3(b) of this Agreement.

"**Investor**" and "**Investors**" shall have the meaning ascribed to them in the introductory paragraph of this Agreement.

"**Investor Director**" shall have the meaning ascribed to it in Section 8.1 of this Agreement.

"**Investor Observer**" shall have the meaning ascribed to it in Section 8.4 of this Agreement.

"**JD**" shall mean JD.com Asia Pacific Investment Limited.

"**JD Observer**" shall have the meaning ascribed to it in Section 8.4 of this Agreement.

"**K2**" shall mean K2 Evergreen Partners Limited, K2 Partners II Limited and its Affiliates.

"**K2 Director**" shall have the meaning ascribed to it in Section 8.1 of this Agreement.

"**K2 Observer**" shall have the meaning ascribed to it in Section 8.4 of this Agreement.

"**Majority Class A Ordinary Shareholders**" shall mean the holders representing more than fifty percent (50%) of the Class A Ordinary Shares then outstanding, voting as a single class.

"**Majority Series A-1 Preferred Shareholders**" shall mean the holders representing more than fifty percent (50%) of, the Series A-1 Preferred Shares and the Class B Ordinary Shares then outstanding, voting as a single class on an as converted basis.

"**Majority Series A-2 Preferred Shareholders**" shall mean the holders representing more than fifty percent (50%) of, the Series A-2 Preferred Shares then outstanding, voting as a single class on an as converted basis.

"**Majority Series B Preferred Shareholders**" shall mean the holders representing more than fifty percent (50%) of, the Series B Preferred Shares then outstanding, voting as a single class on an as converted basis.

"**Majority Series C Preferred Shareholders**" shall mean the holders representing at least fifty percent (50%) of, the Series C Preferred Shares, voting as a single class on an as converted basis.

"**Matrix**" shall mean Matrix Partners China III Hong Kong Limited and its Affiliates.

"**Matrix Director**" shall have the meaning ascribed to it in Section 8.1 of this Agreement.

"**Matrix Observer**" shall have the meaning ascribed to it in Section 8.4 of this Agreement.

"**New Securities**" shall have the meaning ascribed to it in Section 4.1(c) of this Agreement.

"**Non-Disclosing Parties**" shall have the meaning ascribed to it in Section 11.4 of this Agreement.

"**Ordinary Shareholders**" shall mean the shareholders who hold Ordinary Shares of the Company.

"**Ordinary Shares**" shall mean the ordinary shares of the Company including Class A Ordinary Shares and Class B Ordinary Shares, par value US$0.0001 per share.

"**Participation Rights Holder**" shall have the meaning ascribed to it in Section 4.1(a) of this Agreement.

"**Person**" shall mean any corporation, company, partnership, Limited Liability Company, other business organization or entity and any individual.

"**PRC**" shall mean the People's Republic of China, for the purpose of this Agreement, excluding the Hong Kong Special Administrative Region, the Macau Special Administrative Region and the Islands of Taiwan.

"**PRC GAAP**" shall mean the accounting principles generally accepted in the PRC.

"**Preferred Shares**" shall mean the Company's Series A-1 Preferred Shares, Series A-2 Preferred Shares, Series B-1 Preferred Shares, Series B-2 Preferred Shares, Series C-1 Preferred Shares, Series C-2 Preferred Shares and/or other redeemable and convertible preference shares of the company that may be issued from time to time.

"**Preferred Shareholder**" shall mean the shareholder of Preferred Shares.

"**Prior SHA**" shall have the meaning ascribed to it in the recitals of this Agreement.

"**Pro Rata Co-Sale Share**" shall have the meaning ascribed to it in Section 5.1(a) of this Agreement.

"**Pro Rata Share**" shall have the meaning ascribed to it in Section 4.1(b) of this Agreement.

"**Prohibited Transfer**" shall have the meaning ascribed to it in Section 5.4(a) of this Agreement.

"**Qualified IPO**" shall mean a firm underwritten public offering of Ordinary Shares of the Company (or securities representing such Ordinary Shares) on The Stock Exchange of Hong Kong, the New York Stock Exchange or NASDAQ that has been registered under the applicable securities laws with gross proceeds to the Company of at least US$180 million and an equity valuation of the Company immediately prior to such public offering of US$3,000,000,000 or more, or in a similar public offering of Ordinary Shares in a jurisdiction and on an internationally recognized securities exchange or inter-dealer quotation system, provided that such public offering is equivalent to the aforementioned in terms of equity valuation, gross proceeds and regulatory approval, and is approved in accordance with Section 7 hereunder.

"**Registrable Securities**" shall mean the meaning ascribed to it in Section 3.2(b) of this Agreement.

"**Registrable Securities then outstanding**" shall have the meaning ascribed to it in Section 3.2(c) of this Agreement.

"**Request Notice**" shall have the meaning ascribed to it in Section 3.3(a) of this Agreement.

"**Request Securities**" shall have the meaning ascribed to it in Section 3.3(a) of this Agreement.

"**Restructuring Documents**" shall mean Restructuring Documents of Beijing Domestic Company, Restructuring Documents of Shenzhen Fenqile, Restructuring Documents of Shenzhen Xinjie, and Restructuring Documents of Shenzhen Qianhai Dingsheng.

"**Restructuring Documents of Beijing Domestic Company**" shall mean (i) the Exclusive Business Cooperation Agreement dated July 18, 2014 entered into by and between WFOE and the Beijing Domestic Company, (ii) the Exclusive Call Option Agreement dated July 18, 2014 entered into by and among the WFOE, the Beijing Domestic Company and the shareholders of the Beijing Domestic Company, (iii) the Equity Pledge Agreement dated July 18, 2014 entered into by and among the WFOE, the Beijing Domestic Company and the shareholders of the Beijing Domestic Company, and (iv) the Power of Attorney dated July 18, 2014 signed by each shareholder of the Beijing Domestic Company, including any amendment to or restatement of any of the foregoing.

"**Restructuring Documents of Shenzhen Fenqile**" shall mean (i) the Exclusive Business Cooperation Agreement dated November 4, 2014 entered into by and between WFOE and Shenzhen Fenqile, (ii) the Exclusive Call Option Agreement dated November 4, 2014 entered into by and among the WFOE, the Shenzhen Fenqile and the shareholders of the Shenzhen Fenqile, (iii) the Equity Pledge Agreement dated November 4, 2014 entered into by and among the WFOE, Shenzhen Fenqile and the shareholders of the Shenzhen Fenqile, and (iv) the Power of Attorney dated November 4, 2014 signed by each shareholder of the Shenzhen Fenqile, including any amendment to or restatement of any of the foregoing.

"**Restructuring Documents of Shenzhen Xinjie**" shall mean (i) the Exclusive Business Cooperation Agreement dated December 22, 2015 entered into by and between WFOE and Shenzhen Xinjie, (ii) the Exclusive Call Option Agreement dated March 10, 2017 entered into by and among the WFOE, the Shenzhen Xinjie and the shareholders of the Shenzhen Xinjie, (iii) the Equity Pledge Agreement dated March 10, 2017 entered into by and among the WFOE,

Shenzhen Xinjie and the shareholders of the Shenzhen Xinjie, and (iv) the Power of Attorney dated March 10, 2017 signed by each shareholder of the Shenzhen Xinjie, including any amendment to or restatement of any of the foregoing.

"**Restructuring Documents of Shenzhen Qianhai Dingsheng**" shall mean (i) the Exclusive Business Cooperation Agreement dated March 9, 2017 entered into by and between WFOE and Shenzhen Qianhai Dingsheng, (ii) the Exclusive Call Option Agreement dated March 9, 2017 entered into by and among the WFOE, the Shenzhen Qianhai Dingsheng and the shareholders of the Shenzhen Qianhai Dingsheng, (iii) the Equity Pledge Agreement dated March 9, 2017 entered into by and among the WFOE, Shenzhen Qianhai Dingsheng and the shareholders of the Shenzhen Qianhai Dingsheng, and (iv) the Power of Attorney dated March 9, 2017 signed by each shareholder of the Shenzhen Qianhai Dingsheng, including any amendment to or restatement of any of the foregoing.

"**Revised M&A**" shall mean the Fifth Amended and Restated Memorandum and Articles of Association of the Company in the form attached as Exhibit A to the Series C-1 Share Purchase Agreements and Series C-2 Share Purchase Agreement, which shall be adopted by the Company on the date of this Agreement.

"**Right of Participation**" shall have the meaning ascribed to it in Section 4.1(a) of this Agreement.

"**Rights Participants**" shall have the meaning ascribed to it in Section 4.1(d)(ii) of this Agreement.

"**SEC**" shall mean the U.S. Securities and Exchange Commission.

"**Second Participation Notice**" shall have the meaning ascribed to it in Section 4.1(d)(ii) of this Agreement.

"**Second Participation Period**" shall have the meaning ascribed to it in Section 4.1(d)(ii) of this Agreement.

"**Second Refusal Period**" shall have the meaning ascribed to it in Section 4.2(d) of this Agreement.

"**Second Transfer Notice**" shall have the meaning ascribed to it in Section 4.2(d) of this Agreement.

"**Securities Act**" shall mean the U.S. Securities Act of 1933, as amended.

"**Selling Shareholder**" shall have the meaning ascribed to it in Section 4.2(b) of this Agreement.

"**Series A Investors**" shall mean the Series A-1 Investors and Series A-2 Investors.

"**Series A Preferred Shares**" shall mean collectively, the Series A-1 Preferred Shares and the Series A-2 Preferred Shares.

"**Series A-1 Preferred Shares**" shall mean the Series A-1 Preferred Shares of the Company, par value US$0.0001 per share.

"**Series A-2 Preferred Shares**" shall mean the Series A-2 Preferred Shares of the Company, par value US$0.0001 per share.

"**Series B Investors**" shall mean the Series B-1 Investors and the Series B-2 Investors.

"**Series B-1 Preferred Shares**" shall mean the Series B-1 Preferred Shares of the Company, par value US$0.0001 per share.

"**Series B-2 Preferred Shares**" shall mean the Series B-2 Preferred Shares of the Company, par value US$0.0001 per share.

"**Series C Investors**" shall mean the Series C-1 Investors and Series C-2 Investors.

"**Series C Preferred Shares**" shall mean collectively, the Series C-1 Preferred Shares and the Series C-2 Preferred Shares.

"**Series C-1 Preferred Shares**" shall mean the Series C-1 Preferred Shares of the Company, par value US$0.0001 per share.

"**Series C-2 Preferred Shares**" shall mean the Series C-2 Preferred Shares of the Company, par value US$0.0001 per share.

"**Series C Share Purchase Agreement**" shall have the meaning ascribed to it in the recitals of this Agreement.

"**Series C-1 Share Purchase Agreements**" shall have the meaning ascribed to it in the recitals of this Agreement.

"**Series C-2 Share Purchase Agreement**" shall have the meaning ascribed to it in the recitals of this Agreement.

"**Shareholders**" shall mean the Class A Ordinary Shareholders and the Investors (each a "**Shareholder**"), unless the text specifically indicate otherwise.

"**Shares**" shall mean all Preferred Shares and all Ordinary Shares now owned or subsequently acquired by any shareholder.

"**Subsidiary**" or "**subsidiary**" shall mean, with respect to any subject entity (the "**subject entity**"), (i) any company, partnership or other entity (x) more than 50% of whose shares or other interests entitled to vote in the election of directors or (y) more than 50% interest in the profits or capital of such entity are owned or controlled directly or indirectly by the subject entity or through one (1) or more Subsidiaries of the subject entity, (ii) any entity whose assets, or portions thereof, are consolidated with the net earnings of the subject entity and are recorded on the books of the subject entity for financial

reporting purposes in accordance with IAS or U.S. GAAP or PRC GAAP, or (iii) any entity with respect to which the subject entity has the power to otherwise direct the business and policies of that entity directly or indirectly through another subsidiary.

"**Taikang**" shall mean collectively, MAGIC PEAK INVESTMENTS LIMITED □□□□□□□□ and its successors, assigns and transferees.

"**Taikang Director**" shall have the meaning ascribed to it in Section 8.1 of this Agreement.

"**Taikang Observer**" shall have the meaning ascribed to it in Section 8.4 of this Agreement.

"**Terms**" shall have the meaning ascribed to it in Section 11.1 of this Agreement.

"**Trade Sale**" shall have the meaning ascribed to it in Section 9.1 of this Agreement.

"**Transaction Agreements**" shall mean this Agreement, the Series C-1 Share Purchase Agreements, the Series C-2 Share Purchase Agreement, the Revised M&A, the Management Rights Letter, the Share Restriction Agreement, the Indemnification Agreement, the Restructuring Documents, the exhibits attached to any of the foregoing and each of the agreements and other documents otherwise required in connection with implementing the transactions contemplated by any of the foregoing.

"**Transfer Notice**" shall have the meaning ascribed to it in Section 4.2(b) of this Agreement.

"**Transfer Shares**" shall have the meaning ascribed to it in Section 4.2(b) of this Agreement.

"**U.S. GAAP**" shall mean the accounting principles generally accepted in the United States.

"**UNCITRAL Rules**" shall have the meaning ascribed to it in Section 11.12(b) of this Agreement.

"**Violation**" shall have the meaning ascribed to it in Section 3.8(a) of this Agreement.

Annex B-1

List of Series A-1 Investors

Investor Name	Number of Series A-1 Preferred Shares
K2 Evergreen Partners Limited	11,029,412
K2 Partners II Limited	27,573,529
Total:	**38,602,941**

Annex B-2

List of Series A-2 Investors

Investor Name	Number of Series A-2 Preferred Shares Held
Matrix Partners China III Hong Kong Limited	29,178,338
K2 Partners II Limited	5,835,668
Tenzing Holdings Hong Kong Limited	4,376,751
Total:	**39,390,757**

Annex B-3

List of Series B-1 Investors

Investor Name	Number of Series B-1 Preferred Shares Held
Matrix Partners China III Hong Kong Limited	2,059,647
K2 Partners II Limited	2,059,647
Total:	**4,119,294**

Annex B-4

List of Series B-2 Investors

Investor Name	Number of Series B-2 Preferred Shares Held

Apoletto Asia Ltd.	18,257,039
BAI GmbH	8,753,501
Matrix Partners China III Hong Kong Limited	5,252,101
Huaxing Capital Partners, L.P.	2,626,050
JD.com Asia Pacific Investment Limited	28,886,555
Total:	**63,775,246**

<u>Annex B-5</u>

List of Series C-1 Investors

Investor Name	Number of Series C-1 Preferred Shares Held
MAGIC PEAK INVESTMENTS LIMITED □□□□□□□□	19,916,351
Shanghai Huasheng Lingfei Equity Investment (Limited Partnership) □□□ □□□□□□□□□□□□□□□□□□□□	13,941,446
Total:	**33,857,797**

<u>Annex B-6</u>

List of Series C-2 Investors

Investor Name	Number of Series C-2 Preferred Shares Held
HeYi Holdings L.P.	3,983,270
CoBuilder Partners Venture Fund L.P.	1,991,635
Total:	**5,974,905**

<u>Annex C</u>
LIST OF COMPETITORS

1□□

2□□□□P2P□□□□□□□□□□□□□PINTEC □□/JIMU Group□□□□□□□□□□□□□□□□□□paipai□□□□□□□

3□□□99□□□

4□□□□□□□□□□□□□□□□

<u>EXHIBIT A</u>

<u>PROTECTIVE PROVISIONS</u>

<u>Preferred Shareholder Protective Provisions</u>.

For purposes of this <u>Exhibit A</u>, all references to the "Company" shall refer to each Group Company and their respective Subsidiaries:

1 The transactions listed as below shall not be conducted without first obtaining the Special Approval:

(a) any amendment or change of the rights, preferences, privileges or powers of, or the restrictions provided for the benefit of, the Series A-1 Preferred Shares, Series A-2 Preferred Shares, Series B-1 Preferred Shares, Series B-2 Preferred Shares, or Series C Preferred Shares;

(b) declare or payment of any dividends on any class of shares;

(c) any increase or decrease of the authorized size of the board of directors of any Group Company, or amend the rules of appointing the directors as provided herein, or amend the power of any Director;

(d) the adoption of, or any amendment to, any employee stock option plan or any other employee equity incentive plans of any Group Company, or any changes to the number of Shares of Ordinary Shares reserved for issuance under the employee stock option plan or any other employee equity incentive plans of any Group Company;

(e) any increase in compensation of any employee of any Group Company with annual salary of at least RMB1,000,000 by more than twenty percent (20%) in a twelve (12) months period;

(f) any disposing of or licensing to any third party any patent, brand, copyright, trademark or any intellectual property of the Group Company, unless such transaction occurs in the ordinary course of business of the Group Company and on normal commercial terms and has been fully

disclosed in writing to the Preferred Shareholders prior to the entering into of such transaction;

(g) outside the ordinary course of business of any Group Company, incurrence of debt or assumption of any loan, facility or other financial obligation from, or issue, assumption, provision of guarantee, charge, lien or indemnity warranty in favor of a third party, or creation of any liability (including without limitation any off-balance-sheet liability or contingent liability) by any Group Company in excess of RMB5,000,000, or on any patent, copy right, trademark, or any other intellectual property right of the Group Companies;

(h) any transaction between (i) any Group Company and (ii) any shareholder or the director, officer or employee of any Group Company or their associates and Affiliates; and any loan provided to any shareholder or the director, officer or employee of any Group Company or their associates and Affiliates or employees of any relative of the Founder with any Group Company not based on arms-length terms;

(i) cease to conduct or carry on the business of the Company substantially as now conducted or, in the case of a Subsidiary, as conducted at the time it became a Subsidiary of the Company, or change any part of its business activities;

(j) any appointment, replacement or removal of the auditor or any material alteration of the fiscal or auditing policy of any Group Company;

(k) the adoption of the annual budget of any Group company;

(l) any other event which may negatively affect the rights, preferences, privileges or powers of the Investors herein.

2 The transactions listed as below shall not be conducted without first obtaining the Majority Approval:

(a) any action that authorizes, creates (by reclassification or otherwise) or issues any class of shares of the capital of the Company having preferences or priority senior to or on a parity with the Series A-1 Preferred Shares, Series A-2 Preferred Shares, Series B-1 Preferred Shares, Series B-2 Preferred Shares, Series C Preferred Shares or any new issuance of any securities of the Company;

(b) any increase or decrease in the number of authorized shares of Preferred Shares or Ordinary Shares;

(c) any amendment, modification or change to or of the Company's Revised M&A or other constitutional charter documents of any Group Company that would adversely affect the rights of the Preferred Shares;

(d) any merger, sale, acquisition, consolidation or reorganization of any Group Company with or into one or more corporations or any other entity(ies) (other than a merger or consolidation involving only the Company and its wholly owned subsidiary) or any other transaction or series of related transactions (such merger, sale, acquisition, consolidation, reorganization and transactions to be collectively referred to as "**Transaction**"), in which the relevant Group Company or its shareholders immediately prior to such Transaction will not, as a result of or subsequent to the Transaction, hold a majority of the voting power of the surviving or resulting entity;

(e) any sale of all or substantially of any of the Group Company's assets, or any material asset or undertaking of any Group Company;

(f) any action related to the dismantling or termination of the VIE structure among the Group Companies and their respective shareholders;

(g) any liquidation, dissolution or winding-up of any Group Company;

(h) the establishment or acquisition of any subsidiary or joint venture;

(i) enter into arrangements for any public offering of the Company's or any of its Subsidiaries' securities, including the selection of any underwriter, manager, arranger or counsel for such offering;

(j) dispose of or dilute the Company's interest, directly or indirectly, in any of its Subsidiaries.

3. The transactions listed as below shall not be conducted without first obtaining the Board Approval:

(a) appoint chief executive officer.

4. The transactions listed as below shall obtain the CEO Approval:

(a) any purchase of any real property less than RMB300,000 of any Group Company;

(b) any incurrence of material transaction outside the ordinary course of business of any Group Company less than RMB2,000,000 in any fiscal year;

(c) any expenditure outside the approval annual budget of any Group Company less than RMB1,000,000 per month individually or in the aggregate.

EXHIBIT B

ADHERENCE AGREEMENT

This Adherence Agreement ("**Adherence Agreement**") is executed by the undersigned (the "**Transferee**") pursuant to the terms of that certain Forth Amended and Restated Shareholders Agreement dated as of [ ], 2017, (the "**Agreement**") by and among LexinFintech Holdings Ltd. (□□□□□□ □□), a Cayman Islands exempted company (the "**Company**") and certain of its shareholders and in consideration of the Shares subscribed for by the Transferee thereunder and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged. Capitalized terms used but not defined herein shall have the respective meanings ascribed to such terms in the Agreement. By the execution of this Adherence Agreement, the Transferee agrees as follows:

1. Acknowledgment. Transferee acknowledges that Transferee is acquiring [number] [Preferred/Ordinary] shares of the Company (the "**Shares**") from [name of transferor] (the "**Transferor**"), subject to the terms and conditions of the Agreement.

2. Agreement. Immediately upon transfer of the Shares, Transferee (i) agrees that the Shares acquired by Transferee shall be bound by and subject to the terms of the Agreement applicable to the Transferor, and (ii) hereby adopts the Agreement with the same force and effect as if Transferee were originally a/an [Ordinary Shareholder thereunder *(if transferor is an Ordinary Shareholder)*]/[Investor thereunder *(if transferor is an Investor)*].

3. Notice. Any notice required or permitted by the Agreement shall be given to Transferee at the address listed beside Transferee's signature below.

4. Governing Law. This Adherence Agreement shall be governed in all respects by the laws of the Hong Kong Special Administrative Region without regard to conflicts of law principles.

EXECUTED AND DATED this _____ day of _____, ___.

TRANSFEREE:

By: _____

Name: _____

Title: _____

Address: _____

Fax: _____

Accepted and Agreed:

TRANSFEROR:

By: _____

Name: _____

Title: _____

Address: _____

Fax: _____

COMPANY:

By: _____

Name: _____

Title: _____

Address: _____

Fax: _____

EXHIBIT C

INDEMNIFICATION AGREEMENT

This Indemnification Agreement ("***Agreement***") is entered into as of the [ ] day of [ ] by and between LexinFintech Holdings Ltd. (□□□□□□□□), an exempted company incorporated in the Cayman Islands (the "***Company***") and [] (the "Director") and [*the Investor entitled to appoint the Director*](each an "***Indemnitee***").

RECITALS

A. The Company and Indemnitee recognize the continued difficulty in obtaining liability insurance for its directors, officers, employees, agents and fiduciaries, the significant increases in the cost of such insurance and the general reductions in the coverage of such insurance.

B. The Company and Indemnitee further recognize the substantial increase in corporate litigation in general, subjecting directors, officers, employees, agents and fiduciaries to expensive litigation risks at the same time as the availability and coverage of liability insurance has been severely limited.

C. Indemnitee does not regard the current protection available as adequate under the present circumstances, and Indemnitee and other directors, officers, employees, agents and fiduciaries of the Company may not be willing to continue to serve in such capacities without additional protection.

D. The Company desires to attract and retain the services of highly qualified individuals, such as Indemnitee, to serve the Company and, in part, in order to induce Indemnitee to continue to provide services to the Company, wishes to provide for the indemnification and advancing of expenses to Indemnitee to the maximum extent permitted by law.

E. In view of the considerations set forth above, the Company desires that Indemnitee be indemnified by the Company as set forth herein.

NOW, THEREFORE, the Company and Indemnitee hereby agree as follows:

1. *Indemnification.*

(a) *Indemnification of Expenses*. The Company shall indemnify to the fullest extent permitted by law and by the Memorandum and Articles of Association (as amended from time to time) if Indemnitee was or is or becomes a party to or witness or other participant in, or are threatened to be made a party to or witness or other participant in, any threatened, pending or completed action, suit, proceeding or alternative dispute resolution mechanism, or any hearing, inquiry or investigation that Indemnitee in good faith believe might lead to the institution of any such action, suit, proceeding or alternative dispute resolution mechanism, whether civil, criminal, administrative, investigative or other (hereinafter a "Claim") by reason of (or arising in part out of) any event or occurrence related to the fact that Indemnitee is or was a director, officer, employee, agent or fiduciary of the Company, or any

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subsidiary of the Company, or is or was serving at the request of the Company as a director, officer, employee, agent or fiduciary of another corporation, partnership, joint venture, trust or other enterprise, or by reason of any action or inaction on the part of Indemnitee while serving in such capacity (hereinafter an "Indemnifiable Event") against any and all expenses (including attorneys' fees and all other costs, expenses and obligations incurred in connection with investigating, defending, being a witness in or participating in (including on appeal), or preparing to defend, be a witness in or participate in, any such action, suit, proceeding, alternative dispute resolution mechanism, hearing, inquiry or investigation), judgments, fines, penalties and amounts paid in settlement (if such settlement is approved in advance by the Company, which approval shall not be unreasonably withheld) of such Claim and any federal, state, local or foreign taxes imposed on Indemnitee as a result of the actual or deemed receipt of any payments under this Agreement (collectively, hereinafter "Expenses"), including all interest, assessments and other charges paid or payable in connection with or in respect of such Expenses. Such payment of Expenses shall be made by the Company as soon as practicable but in any event no later than twenty days after written demand by Indemnitee therefor is presented to the Company.

(b) *Reviewing Party*. Notwithstanding the foregoing, (i) the obligations of the Company under Section 1(a) shall be subject to the condition that the Reviewing Party (as described in Section 10(e) hereof) shall not have determined (in a written opinion, in any case in which the Independent Legal Counsel referred to in Section 1(c) hereof is involved) that Indemnitee would not be permitted to be indemnified under applicable law, and (ii) the obligation of the Company to make an advance payment of Expenses to Indemnitee pursuant to Section 2(a) (an "Expense Advance") shall be subject to the condition that, if, when and to the extent that the Reviewing Party determines that Indemnitee would not be permitted to be so indemnified under applicable law, the Company shall be entitled to be reimbursed by Indemnitee (who hereby agrees to reimburse the Company) for all such amounts theretofore paid; provided, however, that if Indemnitee has commenced or thereafter commences legal proceedings in a court of competent jurisdiction to secure a determination that Indemnitee should be indemnified under applicable law, any determination made by the Reviewing Party that Indemnitee would not be permitted to be indemnified under applicable law shall not be binding and Indemnitee shall not be required to reimburse the Company for any Expense Advance until a final judicial determination is made with respect thereto (as to which all rights of appeal therefrom have been exhausted or lapsed). The Indemnitee's obligation to reimburse the Company for any Expense Advance shall be unsecured and no interest shall be charged thereon. If there has not been a Change in Control (as defined in Section 10(c) hereof), the Reviewing Party shall be selected by the Board of Directors, and if there has been such a Change in Control (other than a Change in Control which has been approved by a majority of the Company's Board of Directors who were directors immediately prior to such Change in Control), the Reviewing Party shall be the Independent Legal Counsel referred to in Section 1(c) hereof. If there has been no determination by the Reviewing Party or if the Reviewing Party determines that Indemnitee substantively would not be permitted to be indemnified in whole or in part under applicable law, Indemnitee shall have the right to commence litigation seeking an initial determination by the court or challenging any such determination by the Reviewing Party or any aspect thereof, including the legal or factual bases therefor, and the Company hereby consents to service of process and to appear in any such proceeding. Any determination by the Reviewing Party otherwise shall be conclusive and binding on the Company and Indemnitee.

(c) *Change in Control*. The Company agrees that if there is a Change in Control of the Company (other than a Change in Control which has been approved by a majority of the Company's Board of Directors who were directors immediately prior to such Change in Control) then, with respect to all matters thereafter arising concerning the rights of Indemnitee to payments of Expenses and Expense Advances under this Agreement or any other agreement or under the Company's Certificate of Incorporation or Memorandum and Articles of Association as now or hereafter in effect, Independent Legal Counsel (as defined in Section 10(d) hereof) shall be selected by Indemnitee and approved by the Company (which approval shall not be unreasonably withheld). Such counsel, among other things, shall render its written opinion to the Company and Indemnitee as to whether and to what extent Indemnitee would be

permitted to be indemnified under applicable law and the Company agrees to abide by such opinion. The Company agrees to pay the reasonable fees of the Independent Legal Counsel referred to above and to fully indemnify such counsel against any and all expenses (including attorneys' fees), claims, liabilities and damages arising out of or relating to this Agreement or its engagement pursuant hereto.

(d) *Mandatory Payment of Expenses*. Notwithstanding any other provision of this Agreement other than Section 9 hereof, to the extent that Indemnitee has been successful on the merits or otherwise, including, without limitation, the dismissal of an action without prejudice, in defense of any action, suit, proceeding, inquiry or investigation referred to in Section (1)(a) hereof or in the defense of any claim, issue or matter therein, Indemnitee shall be indemnified against all Expenses incurred by Indemnitee in connection therewith.

2. *Expenses; Indemnification Procedure.*

(a) *Advancement of Expenses*. The Company shall advance all Expenses incurred by Indemnitee. The advances to be made hereunder shall be paid by the Company to Indemnitee as soon as practicable but in any event no later than 30 days after written demand by Indemnitee therefor to the Company.

(b) *Notice/Cooperation by Indemnitee*. Indemnitee shall, as a condition precedent to Indemnitee's right to be indemnified under this Agreement, give the Company notice in writing as soon as practicable of any Claim made against Indemnitee for which indemnification will or could be sought under this Agreement. Notice to the Company shall be directed to the Chief Executive Officer of the Company at the address shown on the signature page of this Agreement (or such other address as the Company shall designate in writing to Indemnitee). In addition, Indemnitee shall give the Company such information and cooperation as it may reasonably require and as shall be within Indemnitee's power.

(c) *No Presumptions; Burden of Proof*. For purposes of this Agreement, the termination of any Claim by judgment, order, settlement (whether with or without court approval) or conviction, or upon a plea of *nolo contendere*, or its equivalent, shall not create a presumption that Indemnitee did not meet any particular standard of conduct or have any particular belief or that a court has determined that indemnification is not permitted by applicable law. In addition, neither the failure of the Reviewing Party to have made a determination as to whether Indemnitee has met any particular standard of conduct or had any particular belief, nor an actual

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determination by the Reviewing Party that Indemnitee has not met such standard of conduct or did not have such belief, prior to the commencement of legal proceedings by Indemnitee to secure a judicial determination that Indemnitee should be indemnified under applicable law, shall be a defense to Indemnitee's claim or create a presumption that Indemnitee has not met any particular standard of conduct or did not have any particular belief. In connection with any determination by the Reviewing Party or otherwise as to whether Indemnitee is entitled to be indemnified hereunder, the burden of proof shall be on the Company to establish that Indemnitee is not so entitled.

(d) *Notice to Insurers*. If, at the time of the receipt by the Company of a notice of a Claim pursuant to Section 2(b) hereof, the Company has liability insurance in effect which may cover such Claim, the Company shall give prompt notice of the commencement of such Claim to the insurers in accordance with the procedures set forth in the respective policies. The Company shall thereafter take all necessary or desirable action to cause such insurers to pay, on behalf of Indemnitee, all amounts payable as a result of such action, suit, proceeding, inquiry or investigation in accordance with the terms of such policies.

(e) *Selection of Counsel*. In the event the Company shall be obligated hereunder to pay the Expenses of any Claim, the Company shall be entitled to assume the defense of such Claim with counsel approved by Indemnitee, which approval shall not be unreasonably withheld, upon the delivery to Indemnitee of written notice of its election so to do. After delivery of such notice, approval of such counsel by Indemnitee and the retention of such counsel by the Company, the Company will not be liable to Indemnitee under this Agreement for any fees of counsel subsequently incurred by Indemnitee with respect to the same Claim; provided that, (i) Indemnitee shall have the right to employ Indemnitee's counsel in any such Claim at Indemnitee's expense and (ii) if (A) the employment of counsel by Indemnitee has been previously authorized by the Company, (B) Indemnitee shall have reasonably concluded that there is a conflict of interest between the Company and Indemnitee in the conduct of any such defense, or (C) the Company shall not continue to retain such counsel to defend such Claim, then the fees and expenses of Indemnitee's counsel shall be at the expense of the Company. The Company shall have the right to conduct such defense as it sees fit in its sole discretion, including the right to settle any claim against Indemnitee without the consent of the Indemnitee.

3. *Additional Indemnification Rights; Non-Exclusivity*.

(a) *Scope*. The Company hereby agrees to indemnify Indemnitee to the fullest extent permitted by law and by the Memorandum and Articles of Association, notwithstanding that such indemnification is not specifically authorized by the other provisions of this Agreement, the Company's Certificate of Incorporation or by statute. In the event of any change after the date of this Agreement in any applicable law, statute or rule which expands the right of a British Virgin Islands corporation to indemnify a member of its Board of Directors or an officer, employee, agent or fiduciary, it is the intent of the parties hereto that Indemnitee shall enjoy by this Agreement the greater benefits afforded by such change. In the event of any change in any applicable law, statute or rule which narrows the right of a British Virgin Islands corporation to indemnify a member of its Board of Directors or an officer, employee, agent or fiduciary, such change, to the extent not otherwise required by such law, statute or rule to be applied to this Agreement, shall have no effect on this Agreement or the parties' rights and obligations hereunder except as set forth in Section 8(a) hereof.

(b) *Non-exclusivity*. The indemnification provided by this Agreement shall be in addition to any rights to which Indemnitee may be entitled under the Company's Certificate of Incorporation, its Memorandum and Articles of Association (as amended from time to time), any agreement, any vote of stockholders or disinterested directors, the laws of the Hong Kong Special Administrative Region, or otherwise. The indemnification provided under this Agreement shall continue as to Indemnitee for any action Indemnitee took or did not take while serving in an indemnified capacity even though Indemnitee may have ceased to serve in such capacity.

4. *No Duplication of Payments*. The Company shall not be liable under this Agreement to make any payment in connection with any Claim made against Indemnitee to the extent Indemnitee has otherwise actually received payment (under any insurance policy, Certificate of Incorporation, Memorandum and Articles of Association (as amended from time to time) or otherwise) of the amounts otherwise indemnifiable hereunder.

5. *Partial Indemnification*. If Indemnitee is entitled under any provision of this Agreement to indemnification by the Company for some or a portion of Expenses incurred in connection with any Claim, but not, however, for all of the total amount thereof, the Company shall nevertheless indemnify Indemnitee for the portion of such Expenses to which Indemnitee is entitled.

6. *Mutual Acknowledgment*. Both the Company and Indemnitee acknowledge that in certain instances, Federal law or applicable public policy may prohibit the Company from indemnifying its directors, officers, employees, agents or fiduciaries under this Agreement or otherwise. Indemnitee understands and acknowledges that if the Company is subject to the informational requirements of the Securities Exchange Act of 1934, as amended (the "***Exchange Act***"), the Company may be required to undertake with the Securities and Exchange Commission to submit the question of indemnification to a court in certain circumstances for a determination of the Company's right under public policy to indemnify Indemnitee.

7. *Liability Insurance*. The Company shall, from time to time, make the good faith determination whether or not it is practicable for the Company to obtain and maintain a policy or policies of insurance with reputable insurance companies providing the officers and directors of the Company with coverage for losses from wrongful acts, or to ensure the Company's performance of its indemnification obligations under this Agreement. Among other considerations, the Company will weigh the costs of obtaining such insurance coverage against the protection afforded by such coverage. In all policies of directors' and officers' liability insurance, Indemnitee shall be named as an insured in such a manner as to provide Indemnitee the same rights and benefits as are accorded to the most favorably insured of the Company's directors, if Indemnitee is a director; or of the Company's officers, if Indemnitee is not a director of the Company but is an officer; or of the Company's key employees, if Indemnitee is not an officer or director but is a key employee.

8. *Exceptions*. Any other provision herein to the contrary notwithstanding, the Company shall not be obligated pursuant to the terms of this Agreement:

(a) *Excluded Action or Omissions*. To indemnify Indemnitee for Expenses resulting from acts, omissions or transactions for which Indemnitee is prohibited from receiving indemnification under this Agreement or applicable law;

(b) *Claims Initiated by Indemnitee*. To indemnify or advance expenses to Indemnitee with respect to Claims initiated or brought voluntarily by Indemnitee and not by way of defense, except (i) with respect to actions or proceedings brought to establish or enforce a right to indemnification under this Agreement or any other agreement or insurance policy or under the Company's Certificate of Incorporation or Memorandum and Articles of Association now or hereafter in effect relating to Claims for Indemnifiable Events, (ii) in specific cases if the Board of Directors has approved the initiation or bringing of such Claim;

(c) *Lack of Good Faith*. To indemnify Indemnitee for any expenses incurred by Indemnitee with respect to any proceeding instituted by Indemnitee to enforce or interpret this Agreement, if a court of competent jurisdiction determines that each of the material assertions made by Indemnitee in such proceeding was not made in good faith or was frivolous; or

(d) *Claims Under Section 16(b)*. To indemnify Indemnitee for expenses and the payment of profits arising from the purchase and sale by Indemnitee of securities in violation of Section 16(b) of the Exchange Act, or any similar successor statute if the Company is subject to the informational requirements of the Exchange Act.

9. *Construction of Certain Phrases*.

(a) For purposes of this Agreement, references to the "Company" shall include, in addition to the resulting corporation, any constituent corporation (including any constituent of a constituent) absorbed in a consolidation or merger which, if its separate existence had continued, would have had power and authority to indemnify its directors, officers, employees, agents or fiduciaries, so that if Indemnitee is or was a director, officer, employee, agent or fiduciary of such constituent corporation, or is or was serving at the request of such constituent corporation as a director, officer, employee, agent or fiduciary of another corporation, partnership, joint venture, employee benefit plan, trust or other enterprise, Indemnitee shall stand in the same position under the provisions of this Agreement with respect to the resulting or surviving corporation as Indemnitee would have with respect to such constituent corporation if its separate existence had continued.

(b) For purposes of this Agreement, references to "other enterprises" shall include employee benefit plans; references to "fines" shall include any excise taxes assessed on Indemnitee with respect to an employee benefit plan; and references to "serving at the request of the Company" shall include any service as a director, officer, employee, agent or fiduciary of the Company which imposes duties on, or involves services by, such director, officer, employee, agent or fiduciary with respect to an employee benefit plan, its participants or its beneficiaries; and if Indemnitee acted in good faith and in a manner Indemnitee reasonably believed to be in the interest of the participants and beneficiaries of an employee benefit plan, Indemnitee shall be deemed to have acted in a manner "not opposed to the best interests of the Company" as referred to in this Agreement.

(c) For purposes of this Agreement a "Change in Control" shall be deemed to have occurred if, on or after the date of this Agreement, (i) any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act), other than a trustee or other fiduciary holding securities under an employee benefit plan of the Company acting in such capacity or a corporation owned directly or indirectly by the stockholders of the Company in substantially the same proportions as their ownership of stock of the Company, becomes the "beneficial owner" (as defined in Rule 13d3 under the Exchange Act), directly or indirectly, of securities of the Company representing more than 50% of the total voting power represented by the Company's then outstanding Voting Securities, (ii) during any period of two consecutive years, individuals who at the beginning of such period constitute the Board of Directors of the Company and any new director whose election by the Board of Directors or nomination for election by the Company's stockholders was approved by a vote of at least two thirds (2/3) of the directors then still in office who either were directors at the beginning of the period or whose election or nomination for election was previously so approved, cease for any reason to constitute a majority thereof, or (iii) the stockholders of the Company approve a merger or consolidation of the Company with any other corporation other than a merger or consolidation which would result in the Voting Securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into Voting Securities of the surviving entity) at least 80% of the total voting power represented by the Voting Securities of the Company or such surviving entity outstanding immediately after such merger or consolidation, or the stockholders of the Company approve a plan of complete liquidation of the Company or an agreement for the sale or disposition by the Company of (in one transaction or a series of related transactions) all or substantially all of the Company's assets.

(d) For purposes of this Agreement, "Independent Legal Counsel" shall mean an attorney or firm of attorneys, selected in accordance with the provisions of Section 1(c) hereof, who shall not have otherwise performed services for the Company or Indemnitee within the last three years (other than with respect to matters concerning the rights of Indemnitee under this Agreement, or of other indemnitees under similar indemnity agreements).

(e) For purposes of this Agreement, a "Reviewing Party" shall mean any appropriate person or body consisting of a member or members of the Company's Board of Directors or any other person or body appointed by the Board of Directors who is not a party to the particular Claim for which Indemnitee are seeking indemnification, or Independent Legal Counsel.

(f) For purposes of this Agreement, "Voting Securities" shall mean any securities of the Company that vote generally in the election of directors.

10. *Counterparts*. This Agreement may be executed in one or more counterparts and may be delivered by electronic PDF or facsimile transmission, all of which shall be considered one and the same agreement and each of which shall be deemed an original.

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11. *Binding Effect; Successors and Assigns*. This Agreement shall be binding upon and inure to the benefit of and be enforceable by the parties hereto and their respective successors, assigns, including any direct or indirect successor by purchase, merger, consolidation or otherwise to all or substantially all of the business and/or assets of the Company, spouses, heirs, and personal and legal representatives. The Company shall require and cause any successor (whether direct or indirect by purchase, merger, consolidation or otherwise) to all, substantially all, or a substantial part, of the business and/or assets of the Company, by written agreement in form and substance satisfactory to Indemnitee, expressly to assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform if no such succession had taken place. This Agreement shall continue in effect with respect to Claims relating to Indemnifiable Events regardless of whether Indemnitee continues to serve as a director, officer, employee, agent or fiduciary of the Company or of any other enterprise at the Company's request.

12. *Attorneys' Fees*. In the event that any action is instituted by Indemnitee under this Agreement or under any liability insurance policies maintained by the Company to enforce or interpret any of the terms hereof or thereof, Indemnitee shall be entitled to be paid all Expenses incurred by Indemnitee with respect to such action, regardless of whether Indemnitee is ultimately successful in such action, and shall be entitled to the advancement of Expenses with respect to such action, unless, as a part of such action, a court of competent jurisdiction over such action determines that each of the material assertions made by Indemnitee as a basis for such action was not made in good faith or was frivolous. In the event of an action instituted by or in the name of the Company under this Agreement to enforce or interpret any of the terms of this Agreement, Indemnitee shall be entitled to be paid all Expenses incurred by Indemnitee in defense of such action (including costs and expenses incurred with respect to Indemnitee's counterclaims and cross-claims made in such action), and shall be entitled to the advancement of Expenses with respect to such action, unless, as a part of such action, a court having jurisdiction over such action determines that each of Indemnitee's material defenses to such action was made in bad faith or was frivolous.

13. *Notice*. All notices and other communications required or permitted hereunder shall be in writing, shall be effective when given, and shall in any event be deemed to be given (a) five (5) days after deposit with the U.S. Postal Service or other applicable postal service, if delivered by first class mail, postage prepaid, (b) upon delivery, if delivered by hand, (c) one business day after the business day of deposit with Federal Express or similar overnight courier, freight prepaid, or (d) one day after the business day of delivery by facsimile transmission, if delivered by facsimile transmission, with copy by first class mail, postage prepaid, and shall be addressed if to Indemnitee, at the Indemnitee's address as set forth beneath Indemnitee's signature to this Agreement and if to the Company at the address of its principal corporate offices (attention: Secretary) or at such other address as such party may designate by ten days' advance written notice to the other party hereto.

14. *Consent to Jurisdiction*. The Company and Indemnitee each hereby irrevocably consent to the jurisdiction of the courts of the Hong Kong Special Administrative Region for all purposes in connection with any action or proceeding which arises out of or relates to this Agreement and agree that any action instituted under this Agreement shall be commenced, prosecuted and continued only in Hong Kong Special Administrative Region which shall be the exclusive and only proper forum for adjudicating such a claim.

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15. *Severability*. The provisions of this Agreement shall be severable in the event that any of the provisions hereof (including any provision within a single section, paragraph or sentence) are held by a court of competent jurisdiction to be invalid, void or otherwise unenforceable, and the remaining provisions shall remain enforceable to the fullest extent permitted by law. Furthermore, to the fullest extent possible, the provisions of this Agreement (including, without limitations, each portion of this Agreement containing any provision held to be invalid, void or otherwise unenforceable, that is not itself invalid, void or unenforceable) shall be construed so as to give effect to the intent manifested by the provision held invalid, illegal or unenforceable.

16. *Choice of Law*. This Agreement shall be governed by and its provisions construed and enforced in accordance with the laws of the Hong Kong Special Administrative Region.

17. *Subrogation*. In the event of payment under this Agreement, the Company shall be subrogated to the extent of such payment to all of the rights of recovery of Indemnitee who shall execute all documents required and shall do all acts that may be necessary to secure such rights and to enable the Company effectively to bring suit to enforce such rights.

18. *Amendment and Termination*. No amendment, modification, termination or cancellation of this Agreement shall be effective unless it is in writing signed by both the parties hereto. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provisions hereof (whether or not similar) nor shall such waiver constitute a continuing waiver.

19. *Integration and Entire Agreement*. This Agreement sets forth the entire understanding between the parties hereto and supersedes and merges all previous written and oral negotiations, commitments, understandings and agreements relating to the subject matter hereof between the parties hereto.

20. *No Construction as Employment Agreement*. Nothing contained in this Agreement shall be construed as giving Indemnitee any right to be retained in the employ of the Company or any of its subsidiaries.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

LexinFintech Holdings Ltd. (□□□□□□□□)

_____
Name: Wenjie Xiao
Title: Director

AGREED TO AND ACCEPTED BY:

_____
(Signature of Indemnitee)

(Type Name)
Address:

[*the Investor entitled to appoint the Director*]

_____
Name:
Title: Director

STAGING FINANCE HOLDING LTD.
SHARE INCENTIVE PLAN

PREFACE

This Plan is divided into two separate equity programs: (1) the option grant program set forth in Section 5 under which Eligible Persons (as defined in Section 3) may, at the discretion of the Administrator, be granted Options, and (2) the share award program set forth in Section 6 under which Eligible Persons may, at the discretion of the Administrator, be awarded restricted or unrestricted Class A Ordinary Shares. Section 2 of this Plan contains the general rules regarding the administration of this Plan. Section 3 sets forth the requirements for eligibility to receive an Award grant under this Plan. Section 4 describes the authorized shares of the Company that may be subject to Awards granted under this Plan. Section 7 contains other provisions applicable to all Awards granted under this Plan. Section 8 provides definitions for certain capitalized terms used in this Plan and not otherwise defined herein.

1. PURPOSE OF THE PLAN.

The purpose of this Plan is to promote the success of the Company and the interests of its shareholders by providing a means through which the Company may grant equity-based incentives to attract, motivate, retain and reward certain officers, employees, directors and other eligible persons and to further link the interests of Award recipients with those of the Company's shareholders generally.

2. ADMINISTRATION.

2.1 ***Administrator***. This Plan shall be administered by and all Awards under this Plan shall be authorized by the Administrator. The "**Administrator**" means the Board or one or more committees appointed by the Board or another committee (within its delegated authority) to administer all or certain aspects of this Plan. Any such committee shall be comprised solely of one or more directors or such number of directors as may be required under applicable law and the Memorandum and Articles of Association of the Company. A committee may delegate some or all of its authority to another committee so constituted. The Board or a committee comprised solely of directors may also delegate, to the extent permitted by the Companies Law (2013 Revision) of the Cayman Islands and any other applicable law, to one or more officers of the Company, its powers under this Plan (a) to designate the officers and employees of the Company and its Affiliates who will receive grants of Awards under this Plan, and (b) to determine the number of shares subject to, and the other terms and conditions of, such Awards. The Board may delegate different levels of authority to different committees with administrative and grant authority under this Plan. Unless otherwise provided in the Memorandum and Articles of Association of the Company or the applicable charter of any Administrator: (a) a majority of the members of the acting Administrator shall constitute a quorum, and (b) the vote of a majority of the members present assuming the presence of a quorum or the unanimous written consent of the members of the Administrator shall constitute action by the acting Administrator.

2.2 ***Plan Awards; Interpretation; Powers of Administrator***. Subject to the express provisions of this Plan, the Administrator is authorized and empowered to do all things it deems necessary or desirable in connection with the authorization of Awards and the administration of this Plan (in the case of a committee or delegation to one or more officers, within the authority delegated to that committee or person(s)), including, without limitation, the authority to:

(a) determine eligibility and, from among those persons determined to be eligible, the particular Eligible Persons who will receive Awards;

(b) grant Awards to Eligible Persons, determine the price and number of securities to be offered or awarded to any of such persons, determine the other specific terms and conditions of Awards consistent with the express limits of this Plan, establish the installments (if any) in which such Awards will become exercisable or will vest (which may include, without limitation, performance and/or time-based schedules) or determine that no delayed exercisability or vesting is required, establish any applicable performance targets, and establish the events of termination or reversion of such Awards;

(c) approve the forms of Award Agreements, which need not be identical either as to type of Award or among Participants;

(d) construe and interpret this Plan and any Award Agreement or other agreements defining the rights and obligations of the Company, its Affiliates, and Participants under this Plan, make factual determinations with respect to the administration of this Plan, further define the terms used in this Plan, and prescribe, amend and rescind rules and regulations relating to the administration of this Plan or the Awards;

(e) cancel, modify, or waive the Company's rights with respect to, or modify, discontinue, suspend, or terminate any or all outstanding Awards, subject to any required consent under Section 7.7.4;

(f) accelerate or extend the vesting or exercisability or extend the term of any or all outstanding Awards (within the maximum ten-year term of Awards under Sections 5.4.2 and 6.5) in such circumstances as the Administrator may deem appropriate (including, without limitation, in connection with a termination of employment or services or other events of a personal nature);

(g) determine Fair Market Value for purposes of this Plan and Awards;

(h) determine the duration and purposes of leaves or absence that may be granted to Participants without constituting a termination of their employment for purposes of this Plan; and

(i) determine whether, and the extent to which, adjustments are required pursuant to Section 7.3 hereof and authorize the termination, conversion, substitution or succession of awards upon the occurrence of an event of the type described in Section 7.3.

2.3 ***Binding Determinations***. Any action taken by, or inaction of, the Company, any Affiliate, the Board or the Administrator relating or pursuant to this Plan or under applicable law shall be within the absolute discretion of that entity or body and shall be conclusive and binding upon all persons. Neither the Board nor the Administrator, nor any member thereof or person acting at the direction thereof, shall be liable for any act, omission, interpretation, construction or determination made in good faith in connection with this Plan (or any Award), and all such persons shall be entitled to indemnification and reimbursement by the Company in respect of any claim, loss, damage or expense (including, without limitation, attorneys' fees) arising or resulting therefrom to the fullest extent permitted by law and/or under any directors and officers liability insurance coverage that may be in effect from time to time.

2.4 ***Reliance on Experts***. In making any determination or in taking or not taking any action under this Plan, the Administrator or the Board, as the case may be, may obtain and may rely upon the advice of experts, including employees of and professional advisors to the Company. No director, officer or agent of the Company or any of its Affiliates shall be liable for any such action or determination taken or made or omitted in good faith.

2.5 ***Delegation***. The Administrator may delegate ministerial, non-discretionary functions to individuals who are officers or employees of the Company or any of its Affiliates or to third parties.

3. ELIGIBILITY.

Awards may be granted under this Plan only to those persons that the Administrator determines to be Eligible Persons. An "**Eligible Person**" means any person who qualifies as one of the following at the time of grant of the respective Award:

(a) an officer (whether or not a director) or employee of the Company or any of its Affiliates;

(b) any member of the Board; or

(c) any director of one of the Company's Affiliates, or any individual consultant or advisor who renders or has rendered bona fide services (other than services in connection with the offering or sale of securities of the Company or one of its Affiliates, as applicable, in a capital raising transaction or as a market maker or promoter of that entity's securities) to the Company or one of its Affiliates.

An advisor or consultant may be selected as an Eligible Person pursuant to clause (c) above only if such person's participation in this Plan would not adversely affect (1) the Company's eligibility to rely on an exemption from registration under the Securities Act for the offering of shares issuable under this Plan by the Company, such as under Rule 701, or (2) the Company's compliance with any other applicable laws.

An Eligible Person may, but need not, be granted one or more Awards pursuant to Section 5 and/or one or more Awards pursuant to Section 6. An Eligible Person who has been granted an Award under this Plan may, if otherwise eligible, be granted additional Awards under this Plan if the Administrator so determines. However, a person's status as an Eligible Person is not a commitment that any Award will be granted to that person under this Plan. Furthermore, an Eligible Person who has been granted an Award under Section 5 is not necessarily entitled to an Award under Section 6, or vice versa, unless otherwise expressly determined by the Administrator.

Each Award granted under this Plan must be approved by the Administrator at or prior to the grant of the Award.

4. SHARES SUBJECT TO THE PLAN.

4.1 ***Shares Available***. Subject to the provisions of Section 7.3.1, the shares that may be delivered under this Plan will be the Company's authorized but unissued Class A Ordinary Shares. The Class A Ordinary Shares issued and delivered may be issued and delivered for any lawful consideration.

4.2 ***Share Limits***. Subject to the provisions of Section 7.3.1 and further subject to the share counting rules of Section 4.3, the maximum number of Class A Ordinary Shares that may be delivered pursuant to Awards granted under this Plan will not exceed 20,220,588 shares (the "**Share Limit**") in the aggregate.[*] As required under U.S. Treasury Regulation Section 1.422-2(b)(3)(i), in no event will the number of Class A Ordinary Shares that may be delivered pursuant to Incentive Stock Options granted under this Plan exceed the Share Limit.

4.3 ***Replenishment and Reissue of Unvested Awards***. To the extent that an Award is settled in cash or a form other than Class A Ordinary Shares, the shares that would have been delivered had there been no such cash or other settlement shall not be counted against the shares available for issuance under this Plan. No Award may be granted under this Plan unless, on the date of grant, the sum of (a) the maximum number of Class A Ordinary Shares issuable at any time pursuant to such Award, plus (b) the number of Class A Ordinary Shares that have previously been issued pursuant to Awards granted under this Plan, plus (c) the maximum number of Class A Ordinary Shares that may be issued at any time after such date of grant pursuant to Awards that are outstanding on such date, does not exceed the Share Limit. Notwithstanding the foregoing, Class A Ordinary Shares that are subject to or underlie Options granted under this Plan that expire or for any reason are canceled or terminated without having been exercised (or Class A Ordinary Shares subject to or underlying the unexercised portion of such Options in the case of Options that were partially exercised), as well as Class A Ordinary Shares that are subject to Share Awards made under this Plan that are forfeited to the Company or otherwise repurchased by the Company prior to the vesting of such shares for a price not greater than the original purchase or issue price of such shares (as adjusted pursuant to Section 7.3.1) will again, except to the extent prohibited by law or applicable listing or regulatory requirements (and subject to any applicable limitations of the Code in the case of Awards intended to

[*] Award grants (including the number of shares subject to Awards granted) must be structured to satisfy the requirements of Rule 701 promulgated under the Securities Act and applicable "blue sky" laws. Unless a higher percentage is approved by at least two-thirds of the outstanding shares entitled to vote, at no time shall the total number of shares subject to this Plan exceed a number of shares which is equal to 30% of the then-outstanding number of the Company's Ordinary Shares (convertible preferred or convertible senior Ordinary Shares will be counted on an as if converted basis).

be Incentive Stock Options), be available for subsequent Award grants under this Plan. Shares that are exchanged by a Participant or withheld by the Company as full or partial payment in connection with any Award under this Plan, as well as any shares exchanged by a Participant or withheld by the Company or one of its Affiliates to satisfy the tax withholding obligations related to any Award, shall be available for subsequent awards under this Plan.

4.4 ***Reservation of Shares***. The Company shall at all times reserve a number of Class A Ordinary Shares sufficient to cover the Company's obligations and contingent obligations to deliver shares with respect to Awards then outstanding under this Plan.

5. OPTION GRANT PROGRAM.

5.1 ***Option Grants in General***. Each Option shall be evidenced by an Award Agreement in the form approved by the Administrator. The Award Agreement evidencing an Option shall contain the terms established by the Administrator for that Option, as well as any other terms, provisions, or restrictions that the Administrator may impose on the Option or any Class A Ordinary Shares subject to the Option; in each case subject to the applicable provisions and limitations of this Section 5 and the other applicable provisions and limitations of this Plan. The Administrator may require that the recipient of an Option promptly execute and return to the Company his or her Award Agreement evidencing the Option. In addition, the Administrator may require that the spouse of any married recipient of an Option also promptly execute and return to the Company the Award Agreement evidencing the Option granted to the recipient or such other spousal consent form that the Administrator may require in connection with the grant of the Option.

5.2 ***Types of Options***. The Administrator will designate each Option granted under this Plan to a U.S. resident as either an Incentive Stock Option or a Nonqualified Option, and such designation shall be set forth in the applicable Award Agreement. Any Option granted under this Plan to a U.S. resident that is not expressly designated in the applicable Award Agreement as an Incentive Stock Option will be deemed to be designated a Nonqualified Option under this Plan and not an "incentive stock option" within the meaning of Section 422 of the Code. Incentive Stock Options shall be subject to the provisions of Section 5.5 in addition to the provisions of this Plan applicable to Options generally. The Administrator may designate any Option granted under this Plan to a non-U.S. resident in accordance with the rules and regulations applicable to options in the jurisdiction in which such person is a resident. The Administrator may, in its discretion, designate any Option as an Early Exercise Option pursuant to Section 5.9.

5.3 ***Option Price***.

5.3.1 Pricing Limits. Subject to the following provisions of this Section 5.3.1, the Administrator will determine the purchase price per share of the Class A Ordinary Shares covered by each Option (the "exercise price" of the Option) at the time of the grant of the Option, which exercise price will be set forth in the applicable Award Agreement. In no case will the exercise price of an Option be less than the greater of:

(a) the par value of the Class A Ordinary Shares;

(b) in the case of an Incentive Stock Option and subject to clause (c) below, or as otherwise required by applicable law, 100% of the Fair Market Value of the Class A Ordinary Shares on the date of grant; or

(c) in the case of an Incentive Stock Option granted to a Participant described in Section 5.6, 110% of the Fair Market Value of the Class A Ordinary Shares on the date of grant.

5.3.2 Payment Provisions. The Company will not be obligated to deliver certificates for the Class A Ordinary Shares to be purchased on exercise of an Option unless and until it receives full payment of the exercise price therefor, all related withholding obligations under Section 7.6 have been satisfied, and all other conditions to the exercise of the Option set forth herein or in the Award Agreement have been satisfied. The purchase price of any Class A Ordinary Shares purchased on exercise of an Option must be paid in full at the time of each purchase in such lawful consideration as may be permitted or required by the Administrator, which may include, without limitation, one or a combination of the following methods:

(a) cash, check payable to the order of the Company, or electronic funds transfer;

(b) notice and third party payment in such manner as may be authorized by the Administrator;

(c) the delivery of previously owned Class A Ordinary Shares;

(d) by a reduction in the number of Class A Ordinary Shares otherwise deliverable pursuant to the Award;

(e) subject to such procedures as the Administrator may adopt, pursuant to a "cashless exercise"; or

(f) if authorized by the Administrator or specified in the applicable Award Agreement, by a promissory note of the Participant consistent with the requirements of Section 5.3.3.

In no event shall any shares newly-issued by the Company be issued for less than the minimum lawful consideration for such shares or for consideration other than consideration permitted by applicable law. In the event that the Administrator allows a Participant to exercise an Award by delivering Class A Ordinary Shares previously owned by such Participant and unless otherwise expressly provided by the Administrator, any shares delivered which were initially acquired by the Participant from the Company (upon exercise of an option or otherwise) must have been owned by the Participant for at least six months as of the date of delivery or such other period, if any, as the Administrator prescribes based on accounting or other applicable rules then in effect. Class A Ordinary Shares

used to satisfy the exercise price of an Option (whether previously-owned shares or shares otherwise deliverable pursuant to the terms of the Option) shall be valued at their Fair Market Value on the date of exercise. Unless otherwise expressly provided in the applicable Award Agreement, the Administrator may eliminate or limit a Participant's ability to pay the purchase or exercise price of any Award by any method other than cash payment to the Company. The Administrator may take all actions necessary to alter the method of Option exercise and the exchange and transmittal of proceeds with respect to Participants resident in the People's Republic of China ("**PRC**") not having permanent residence in a country other than the PRC in order to comply with applicable PRC foreign exchange and tax regulations.

5.3.3 Acceptance of Notes to Finance Exercise. The Company may, with the Administrator's approval in each specific case, accept one or more promissory notes from any Eligible Person in connection with the exercise of any Option; provided that any such note shall be subject to the following terms and conditions:

(a) The principal of the note shall not exceed the amount required to be paid to the Company upon the exercise, purchase or acquisition of one or more Awards under this Plan and the note shall be delivered directly to the Company in consideration of such exercise, purchase or acquisition.

(b) The initial term of the note shall be determined by the Administrator; provided that the term of the note, including extensions, shall not exceed a period of five years.

(c) The note shall provide for full recourse to the Participant and shall bear interest at a rate determined by the Administrator, but not less than the interest rate necessary to avoid the imputation of interest under the Code and to avoid any adverse accounting consequences in connection with the exercise, purchase or acquisition.

(d) If the employment or services of the Participant by or to the Company and its Affiliates terminates, the unpaid principal balance of the note shall become due and payable on the 30th business day after such termination; provided, however, that if a sale of the shares acquired on exercise of the Option would cause such Participant to incur liability under Section 16(b) of the Exchange Act, the unpaid balance shall become due and payable on the 10th business day after the first day on which a sale of such shares could have been made without incurring such liability assuming for these purposes that there are no other transactions (or deemed transactions) in securities of the Company by the Participant subsequent to such termination.

(e) If required by the Administrator or by applicable law, the note shall be secured by a pledge of any shares or rights financed thereby or other collateral, in compliance with applicable law.

The terms, repayment provisions, and collateral release provisions of the note and the pledge securing the note shall conform with all applicable rules and regulations, including those of the Federal Reserve Board of the United States and any applicable law, as then in effect.

5.4 ***Vesting; Term; Exercise Procedure***.

5.4.1 Vesting. Except as provided in Section 5.9, an Option may be exercised only to the extent that it is vested and exercisable. The Administrator will determine the vesting and/or exercisability provisions of each Option (which may be based on performance criteria, passage of time or other factors or any combination thereof), which provisions will be set forth in the applicable Award Agreement. Unless the Administrator otherwise expressly provides, once exercisable an Option will remain exercisable until the expiration or earlier termination of the Option. To the extent required to satisfy applicable securities laws and subject to Section 5.7, no Option (except an Option granted to an officer, director, or consultant of the Company or any of its Affiliates) shall vest and at a rate of less than 20% per year over five years after the date the Option is granted.

5.4.2 Term. Each Option shall expire not more than 10 years after its date of grant. Each Option will be subject to earlier termination as provided in or pursuant to Sections 5.7 and 7.3. Any payment of cash or delivery of shares in payment of or pursuant to an Option may be delayed until a future date if specifically authorized by the Administrator in writing and by the Participant.

5.4.3 Exercise Date. Unless otherwise expressly provided by the Administrator, and subject to applicable laws and regulations, the Option, to the extent then vested, shall become exercisable upon the earliest of (i) the Public Offering Date, (ii) the occurrence of a Change in Control Event, or (iii) the Participant's Severance Date, provided that such termination of the Participant's employment by or service to the Company or any of its Affiliates is caused by any reason other than those set forth in Section 5.7.1.

5.4.4 Exercise Procedure. Any exercisable Option will be deemed to be exercised when the Company receives written notice of such exercise from the Participant (on a form and in such manner as may be required by the Administrator), together with any required payment made in accordance with Section 5.3 and Section 7.6 and any written statement required pursuant to Section 7.5.1.

5.4.5 Voting Rights. A Participant shall duly sign a power of attorney for the authorization of all the voting and signing rights of the Class A Ordinary Shares acquired upon exercise of the Option in substantially the form attached to the Award Agreement.

5.4.6 Fractional Shares/Minimum Issue. Fractional share interests will be disregarded, but may be accumulated. The Administrator, however, may determine that cash, other securities, or other property will be paid or transferred in lieu of any fractional share interests. No

fewer than 100 shares (subject to adjustment pursuant to Section 7.3.1) may be purchased on exercise of any Option at one time unless the number purchased is the total number at the time available for purchase under the Option.

5.5 ***Limitations on Grant and Terms of Incentive Stock Options***.

5.5.1 US$100,000 Limit. To the extent that the aggregate Fair Market Value of shares with respect to which incentive stock options first become exercisable by a Participant in any calendar year exceeds US$100,000, taking into account both Class A Ordinary Shares subject to Incentive Stock Options under this Plan and shares subject to incentive stock options under all other plans of the Company or any of its Affiliates, such options will be treated as nonqualified options. For this purpose, the Fair Market Value of the shares subject to options will be determined as of the date the options were awarded. In reducing the number of options treated as incentive stock options to meet the US$100,000 limit, the most recently granted options will be reduced (recharacterized as nonqualified options) first. To the extent a reduction of simultaneously granted options is necessary to meet the US$100,000 limit, the Administrator may, in the manner and to the extent permitted by law, designate which Class A Ordinary Shares are to be treated as shares acquired pursuant to the exercise of an incentive stock option.

5.5.2 Other Code Limits. Incentive Stock Options may only be granted to individuals that are employees of the Company or one of its Affiliates and satisfy the other eligibility requirements of the Code. Any Award Agreement relating to Incentive Stock Options will contain or shall be deemed to contain such other terms and conditions as from time to time are required in order that the Option be an "incentive stock option" as that term is defined in Section 422 of the Code.

5.5.3 ISO Notice of Sale Requirement. Any Participant who exercises an Incentive Stock Option shall give prompt written notice to the Company of any sale or other transfer of the Class A Ordinary Shares acquired on such exercise if the sale or other transfer occurs within (a) one year after the exercise date of the Option, or (b) two years after the grant date of the Option.

5.6 ***Limits on 10% Holders***. No Incentive Stock Option may be granted to any person who, at the time the Incentive Stock Option is granted, owns (or is deemed to own under Section 424(d) of the Code) outstanding shares of the Company (or any of its Affiliates) possessing more than 10% of the total combined voting power of all classes of shares of the Company (or any of its Affiliates), unless the exercise price of such Incentive Stock Option is at least 110% of the Fair Market Value of the shares subject to the Incentive Stock Option and such Incentive Stock Option by its terms is not exercisable after the expiration of five years from the date such Incentive Stock Option is granted.

5.7 ***Effects of Termination of Employment on Options***.

5.7.1 Voluntary Termination and Dismissal for Cause. Unless otherwise provided in the Award Agreement and subject to earlier termination pursuant to or as contemplated by Section 5.4.2 or 7.3, if a Participant's employment by or service to the Company or any of its Affiliates is terminated by the Participant voluntarily or by such entity for Cause, the Participant's Option will terminate on the Participant's Severance Date, whether or not the Option is then vested and/or exercisable.

5.7.2 Death or Disability. Unless otherwise provided in the Award Agreement (consistent with applicable securities laws) and subject to earlier termination pursuant to or as contemplated by Section 5.4.2 or 7.3, if a Participant's employment by or service to the Company or any of its Affiliates terminates as a result of the Participant's death or Total Disability:

(a) the Participant (or his or her Personal Representative or Beneficiary, in the case of the Participant's Total Disability or death, respectively), will have until the date that is 12 months after the Participant's Severance Date to exercise the Participant's Option (or portion thereof) to the extent that it was vested on the Severance Date;

(b) the Option, to the extent not vested on the Participant's Severance Date, shall terminate on the Severance Date; and

(c) the Option, to the extent exercisable for the period as set forth in Section 5.7.2(a) and not exercised during such period, shall terminate at the close of business on the last day of such period.

5.7.3 Other Terminations of Employment. Unless otherwise provided in the Award Agreement (consistent with applicable securities laws) and subject to earlier termination pursuant to or as contemplated by Section 5.4.2 or 7.3, if a Participant's employment by or service to the Company or any of its Affiliates terminates for any reason other than a termination by the Participant voluntarily or by such entity for Cause or because of the Participant's death or Total Disability:

(a) the Participant will have until the date that is 90 days after the Participant's Severance Date to exercise the Participant's Option (or portion thereof) to the extent that it was vested on the Severance Date;

(b) the Option, to the extent not vested on the Participant's Severance Date, shall terminate on the Severance Date; and

(c) the Option, to the extent exercisable for the period as set forth in Section 5.7.3(a) and not exercised during such period, shall terminate at the close of business on the last day of such period.

5.8 ***Option Repricing/Cancellation and Regrant/Waiver of Restrictions***. Subject to Section 4 and Section 7.7 and the specific limitations on Options contained in this Plan, the Administrator from time to time may authorize, generally or in specific cases only, for the benefit of any Eligible Person, any adjustment in the exercise price, the vesting schedule, the number of shares subject to, or the term of, an Option granted under this Plan by cancellation of an outstanding Option and a subsequent regranting of the Option, by amendment, by substitution of an outstanding Option, by waiver or by other legally valid means. Such amendment or other action may result in, among other changes, an exercise price that is higher or lower than the exercise price of the original or

prior Option, provide for a greater or lesser number of Class A Ordinary Shares subject to the Option, or provide for a longer or shorter vesting or exercise period.

5.9 ***Early Exercise Options***. The Administrator may, in its discretion, designate any Option as an Early Exercise Option which, by express provision in the applicable Award Agreement, may be exercised prior to the date such Option has vested. If the Participant elects to exercise all or a portion of an Early Exercise Option before it is vested, the Class A Ordinary Shares acquired under the Option which are attributable to the unvested portion of the Option shall be Restricted Shares. The applicable Award Agreement will specify the extent (if any) to which and the time (if ever) at which the Participant will be entitled to dividends, voting and other rights in respect of such Restricted Shares prior to vesting, and the restrictions imposed on such shares and the conditions of release or lapse of such restrictions. Unless otherwise expressly provided in the applicable Award Agreement, such Restricted Shares shall be subject to the provisions of Sections 6.6 through 6.9, below.

6. SHARE AWARD PROGRAM.

6.1 ***Share Awards in General***. Each Share Award shall be evidenced by an Award Agreement in the form approved by the Administrator. The Award Agreement evidencing a Share Award shall contain the terms established by the Administrator for that Share Award, as well as any other terms, provisions, or restrictions that the Administrator may impose on the Share Award; in each case subject to the applicable provisions and limitations of this Section 6 and the other applicable provisions and limitations of this Plan. The Administrator may require that the recipient of a Share Award promptly execute and return to the Company his or her Award Agreement evidencing the Share Award. In addition, the Administrator may require that the spouse of any married recipient of a Share Award also promptly execute and return to the Company the Award Agreement evidencing the Share Award granted to the recipient or such other spousal consent form that the Administrator may require in connection with the grant of the Share Award.

6.2 ***Types of Share Awards***. The Administrator shall designate whether a Share Award shall be a Restricted Share Award, and such designation shall be set forth in the applicable Award Agreement.

6.3 ***Purchase Price***.

6.3.1 Pricing Limits. Subject to the following provisions of this Section 6.3, the Administrator will determine the purchase price per share of the Class A Ordinary Shares covered by each Share Award at the time of grant of the Award. In no case will such purchase price be less than the greater of:

(a) the par value of the Class A Ordinary Shares;

(b) 85% of the Fair Market Value of the Class A Ordinary Shares on the date of grant, or at the time the purchase is consummated; or

(c) 100% of the Fair Market Value of the Class A Ordinary Shares on the date of grant, or at the time the purchase is consummated, in the case of any person who owns shares possessing more than 10% of the total combined voting power of all classes of shares of the Company or one of its Affiliates.

6.3.2 Payment Provisions. The Company will not be obligated to record in the Company's register of members, or issue certificates evidencing, Class A Ordinary Shares awarded under this Section 6 unless and until it receives full payment of the purchase price therefor and all other conditions to the purchase, as determined by the Administrator, have been satisfied, at which point the relevant shares shall be issued and noted in the Company's register of members. The purchase price of any shares subject to a Share Award must be paid in full at the time of the purchase in such lawful consideration as may be permitted or required by the Administrator, which may include, without limitation, one or a combination of the methods set forth in clauses (a) through (f) in Section 5.3.2 and/or past services rendered to the Company or any of its Affiliates.

6.4 ***Vesting***. The restrictions imposed on the Class A Ordinary Shares subject to a Restricted Share Award (which may be based on performance criteria, passage of time or other factors or any combination thereof) will be set forth in the applicable Award Agreement. To the extent required to satisfy applicable securities laws, the restrictions imposed on the Class A Ordinary Shares subject to a Restricted Share Award (other than an Award granted to an officer, director, or consultant of the Company or any of its Affiliates, which may include more restrictive provisions) shall lapse as to such shares, subject to Section 6.8, at a rate of at least 20% of the shares subject to the Award per year over the five years after the date the Award is granted.

6.5 ***Term***. A Share Award shall either vest or be repurchased by the Company not more than 10 years after the date of grant. Each Share Award will be subject to earlier repurchase as provided in or pursuant to Sections 6.8 and 7.3. Any payment of cash or delivery of shares in payment for a Share Award may be delayed until a future date if specifically authorized by the Administrator in writing and by the Participant.

6.6 ***Share Certificates; Fractional Shares***. Share certificates evidencing Restricted Shares will bear a legend making appropriate reference to the restrictions imposed hereunder and will be held by the Company or by a third party designated by the

Administrator until the restrictions on such shares have lapsed, the shares have vested in accordance with the provisions of the Award Agreement and Section 6.4, and any related loan has been repaid. Fractional share interests will be disregarded, but may be accumulated. The Administrator, however, may determine that cash, other securities, or other property will be paid or transferred in lieu of any fractional share interests.

6.7 ***Dividend and Voting Rights***. Unless otherwise provided in the applicable Award Agreement, a Participant holding Restricted Shares will be entitled to cash dividend and voting rights for all Restricted Shares issued even though they are not vested, but such rights will terminate immediately as to any Restricted Shares which are repurchased by the Company.

6.8 ***Termination of Employment; Return to the Company***. Unless the Administrator otherwise expressly provides, Restricted Shares subject to an Award that remain subject to vesting conditions that have not been satisfied by the time specified in the applicable Award Agreement (which may include, without limitation, the Participant's Severance Date), will not vest and will be reacquired by the Company in such manner and on such terms as the Administrator provides, which terms shall include return or repayment of the lower of (a) the Fair Market Value of the Restricted Shares at the time of the termination, or (b) the original purchase price of the Restricted Shares, without interest, to the Participant to the extent not prohibited by law. The Award Agreement shall specify any other terms or conditions of the repurchase if the Award fails to vest.

6.9 ***Waiver of Restrictions***. Subject to Sections 4 and 7.7 and the specific limitations on Share Awards contained in this Plan, the Administrator from time to time may authorize, generally or in specific cases only, for the benefit of any Eligible Person, any adjustment in the vesting schedule, or the restrictions upon or the term of, a Share Award granted under this Plan by amendment, by substitution of an outstanding Share Award, by waiver or by other legally valid means.

7. PROVISIONS APPLICABLE TO ALL AWARDS.

7.1 *Rights of Eligible Persons, Participants and Beneficiaries*.

7.1.1 Employment Status. No person shall have any claim or rights to be granted an Award (or additional Awards, as the case may be) under this Plan, subject to any express contractual rights (set forth in a document other than this Plan) to the contrary.

7.1.2 No Employment/Service Contract. Nothing contained in this Plan (or in any other documents under this Plan or related to any Award) shall confer upon any Eligible Person or Participant any right to continue in the employ or other service of the Company or any of its Affiliates, constitute any contract or agreement of employment or other service or affect an employee's status as an employee at will, nor shall interfere in any way with the right of the Company or any Affiliate to change such person's compensation or other benefits, or to terminate his or her employment or other service, with or without cause at any time. Nothing in this Section 7.1.2, or in Section 7.3 or 7.15, however, is intended to adversely affect any express independent right of such person under a separate employment or service contract. An Award Agreement shall not constitute a contract of employment or service.

7.1.3 Plan Not Funded. Awards payable under this Plan will be payable in Class A Ordinary Shares or from the general assets of the Company, and (except as to the share reservation provided in Section 4.4) no special or separate reserve, fund or deposit will be made to assure payment of such Awards. No Participant, Beneficiary or other person will have any right, title or interest in any fund or in any specific asset (including Class A Ordinary Shares, except as expressly provided) of the Company or any of its Affiliates by reason of any Award hereunder. Neither the provisions of this Plan (or of any related documents), nor the creation or adoption of this Plan, nor any action taken pursuant to the provisions of this Plan will create, or be construed to create, a trust of any kind or a fiduciary relationship between the Company or any of its Affiliates and any Participant, Beneficiary or other person. To the extent that a Participant, Beneficiary or other person acquires a right to receive payment pursuant to any Award hereunder, such right will be no greater than the right of any unsecured general creditor of the Company.

7.1.4 Charter Documents. The Memorandum and Articles of Association of the Company, as may lawfully be amended from time to time, may provide for additional restrictions and limitations with respect to the Class A Ordinary Shares (including additional restrictions and limitations on the voting or transfer of Class A Ordinary Shares) or priorities, rights and preferences as to securities and interests prior in rights to the Class A Ordinary Shares. To the extent that these restrictions and limitations are greater than those set forth in this Plan or any Award Agreement, such restrictions and limitations shall apply to any Class A Ordinary Shares acquired pursuant to the exercise of Awards and are incorporated herein by this reference.

7.2 *No Transferability; Limited Exception to Transfer Restrictions*.

7.2.1 Limit On Exercise and Transfer. Unless otherwise expressly provided in (or pursuant to) this Section 7.2, by applicable law and by the Award Agreement, as the same may be amended:

(a) all Awards are non-transferable and will not be subject in any manner to sale, transfer, anticipation, alienation, assignment, pledge, encumbrance or charge;

(b) Awards will be exercised only by the Participant; and

(c) amounts payable or shares issuable pursuant to an Award will be delivered only to (or for the account of), and, in the case of Class A Ordinary Shares, registered in the name of, the Participant. In addition, the shares shall be subject to the restrictions set forth in the applicable Award Agreement.

7.2.2 Further Exceptions to Limits On Transfer. The exercise and transfer restrictions in Section 7.2.1 will not apply to:

(a) transfers to the Company;

(b) transfers by gift to "immediate family" as that term is defined in SEC Rule 16a-1(e) promulgated under the Exchange Act;

(c) the designation of a Beneficiary to receive benefits if the Participant dies or, if the Participant has died, transfers to or exercises by the Participant's Beneficiary, or, in the absence of a validly designated Beneficiary, transfers by will or the laws of descent and distribution; or

(d) if the Participant has suffered a disability, permitted transfers or exercises on behalf of the Participant by the Participant's duly authorized legal representative.

Notwithstanding anything else in this Section 7.2.2 to the contrary, but subject to compliance with all applicable laws, unless otherwise determined by the Administrator, Incentive Stock Options and Restricted Share Awards will be subject to any and all transfer restrictions under the Code applicable to such awards or necessary to maintain the intended tax consequences of such Awards. Notwithstanding clause (b) above but subject to compliance with all applicable laws, any contemplated transfer by gift to "immediate family" as referenced in clause (b) above is subject to the condition precedent that the transfer be approved by the Administrator in order for it to be effective.

7.2.3 Company's Call Right. The Company shall have the right (but not the obligation) to repurchase in one or more transactions in connection with the Participant's termination of employment by or services to the Company or any of its Affiliates, and the Participant (or any permitted transferee) shall be obligated to sell any of the shares acquired in accordance with Sections 5 and 6 of this Plan at the Repurchase Price (the "**Call Right**"). The Company may designate and assign one or more employees, officers or shareholders of the Company or other persons to exercise all or a part of the Company's Call Rights under this Section 7.2.3.

7.3 ***Adjustments; Changes in Control***.

7.3.1 Adjustments. Upon or in contemplation of any reclassification, recapitalization, share split (including a share split in the form of a share dividend) or reverse share split ("share split"); any merger, amalgamation, combination, consolidation or other reorganization; any split-up, spin-off, or similar extraordinary dividend

distribution in respect of the Class A Ordinary Shares (whether in the form of securities or property); any exchange of Class A Ordinary Shares or other securities of the Company, or any similar, unusual or extraordinary corporate transaction in respect of the Class A Ordinary Shares; or a sale of substantially all the assets of the Company as an entirety; then the Administrator shall, in such manner, to such extent (if any) and at such time as it deems appropriate and equitable in the circumstances:

(a) proportionately adjust any or all of (1) the number of Class A Ordinary Shares or the number and type of other securities that thereafter may be made the subject of Awards (including the specific share limits, maxima and numbers of shares set forth elsewhere in this Plan), (2) the number, amount and type of Class A Ordinary Shares (or other securities or property) subject to any or all outstanding Awards, (3) the grant, purchase, or exercise price of any or all outstanding Awards, or (4) the securities, cash or other property deliverable upon exercise or vesting of any outstanding Awards, or

(b) make provision for a settlement by a cash payment or for the assumption, substitution or exchange of any or all outstanding Awards (or the cash, securities or other property deliverable to the holder(s) of any or all outstanding Awards) based upon the distribution or consideration payable to holders of the Class A Ordinary Shares upon or in respect of such event.

The Administrator may adopt such valuation methodologies for outstanding Awards as it deems reasonable in the event of a cash, securities or other property settlement. In the case of Options, but without limitation on other methodologies, the Administrator may base such settlement solely upon the excess (if any) of the amount payable upon or in respect of such event over the exercise price of the Option to the extent of the then vested and exercisable shares subject to the Option.

The Administrator may make adjustments to and/or accelerate the exercisability of Options in a manner that disqualifies the Options as Incentive Stock Options without the written consent of the Option holders affected thereby.

In any of such events, the Administrator may take such action prior to such event to the extent that the Administrator deems the action necessary to permit the Participant to realize the benefits intended to be conveyed with respect to the underlying shares in the same manner as is or will be available to shareholders generally.

Any adjustment by the Administrator pursuant to this Section 7.3.1 shall be final, binding, and conclusive. Unless otherwise expressly provided by the Administrator, in no event shall a conversion of one or more outstanding shares of the Company's preferred shares (if any) or any new issuance of securities by the Company for consideration be deemed, in and of itself, to require an adjustment pursuant to this Section 7.3.1.

In the case of any event described in the first paragraph of this Section 7.3.1, if no action is formally taken by the Administrator in the circumstances with respect to then-outstanding Awards, the proportionate adjustments contemplated by clause (a) above shall nevertheless be deemed to have been made with respect to the Awards outstanding at the time of such event in order to preserve the intended level of incentives.

7.3.2 Consequences of a Change in Control Event. Subject to Sections 7.3.4 through 7.3.6, upon (or, as may be necessary to effectuate the purposes of this acceleration, immediately prior to) the occurrence of a Change in Control Event:

(a) each Option will become immediately vested and exercisable, and

(b) Restricted Shares will immediately vest free of forfeiture restrictions and/or restrictions giving the Company the right to repurchase the shares at their original purchase price;

provided, however, that the surviving corporation in a Change in Control Event does not assume the Call Right, and provided, further, that if the surviving corporation in a Change in Control Event does assume the Call Right, that notwithstanding anything to the contrary, any outstanding unvested Options and Restricted Shares shall be deemed vested upon the one-year anniversary of the consummation of the Change in Control Event, and provided, further, that the acceleration provisions of this Section 7.3.2 shall not apply, unless otherwise expressly provided by the Administrator, with respect to any Award to the extent that the Administrator has made other provision for the substitution, assumption, exchange or other continuation or settlement of the Award, or the Award would otherwise continue in accordance with its terms, in the circumstances..

The foregoing Change in Control Event provisions shall not in any way limit the authority of the Administrator to accelerate the vesting of one or more Awards in such circumstances (including, but not limited to, a Change in Control Event) as the Administrator may determine to be appropriate, regardless of whether accelerated vesting of all or a portion of the Award(s) is otherwise required or contemplated by the foregoing in the circumstances.

7.3.3 Early Termination of Awards. Any Award, the vesting of which has been accelerated to the extent required in the circumstances as contemplated by Section 7.3.2 (or would have been so accelerated but for Section 7.3.4 or 7.3.6), shall terminate upon the related Change in Control Event, subject to any provision that has been expressly made by the Administrator, through a plan of reorganization or otherwise, for the survival, substitution, assumption, exchange or other continuation or settlement of such Award and provided that, in the case of Options that will not

survive or be substituted for, assumed, exchanged, or otherwise continued or settled in the Change in Control Event, the holder of such Award shall be given reasonable advance notice of the impending termination and a reasonable opportunity to exercise his or her outstanding Options in accordance with their terms before the termination of such Awards (except that in no case shall more than ten days' notice of accelerated vesting and the impending termination be required and any acceleration may be made contingent upon the actual occurrence of the event). For purposes of this Section 7.3, an Award shall be deemed to have been "assumed" if (without limiting other circumstances in which an Award is assumed) the Award continues after the Change in Control Event, and/or is assumed and continued by a Parent (as such term is defined in the definition of Change in Control Event) following a Change in Control Event, and confers the right to purchase or receive, as applicable and subject to vesting and the other terms and conditions of the Award, for each Ordinary Share subject to the Award immediately prior to the Change in Control Event, the consideration (whether cash, shares, or other securities or property) received in the Change in Control Event by the shareholders of Company for each Ordinary Share sold or exchanged in such transaction (or the consideration received by a majority of the shareholders participating in such transaction if the shareholders were offered a choice of consideration); provided, however, that if the consideration offered for an Ordinary Share in the transaction is not solely the ordinary or common shares of a successor Company or a Parent, the Board may provide for the consideration to be received upon exercise or payment of the Award, for each share subject to the Award, to be solely ordinary or common shares (as applicable) of the successor Company or a Parent equal in Fair Market Value to the per share consideration received by the shareholders participating in the Change in Control Event.

7.3.4 Other Acceleration Rules. Any acceleration of Awards pursuant to this Section 7.3 shall comply with applicable legal requirements and, if necessary to accomplish the purposes of the acceleration or if the circumstances require, may be deemed by the Administrator to occur a limited period of time not greater than 30 days before the event that triggered such acceleration. Without limiting the generality of the foregoing, the Administrator may deem an acceleration to occur immediately prior to the applicable event and/or reinstate the original terms of an Award if an event giving rise to an acceleration does not occur. The Administrator may override the provisions of this Section 7.3 as to any Award by express provision in the applicable Award Agreement and may accord any Participant a right to refuse any acceleration, whether pursuant to the Award Agreement or otherwise, in such circumstances as the Administrator may approve. The portion of any Incentive Stock Option accelerated in connection with a Change in Control Event or any other action permitted hereunder shall remain exercisable as an Incentive Stock Option only to the extent the applicable US$100,000 limitation on Incentive Stock Options is not exceeded. To the extent exceeded, the accelerated portion of the Option shall be exercisable as a Nonqualified Option.

7.3.5 Possible Rescission of Acceleration. If the vesting of an Award has been accelerated expressly in anticipation of an event or upon shareholder approval of an event and the Administrator later determines that the event will not occur, the Administrator may rescind the effect of the acceleration as to any then outstanding and unexercised or otherwise unvested Awards.

7.3.6 Golden Parachute Limitation. Notwithstanding anything else contained in this Section 7.3 to the contrary, in no event shall an Award be accelerated under this Section 7.3 to an extent or in a manner which would not be fully deductible by the Company or one of its Affiliates for federal income tax purposes because of Section 280G of the Code, nor shall any payment hereunder be accelerated to the extent any portion of such accelerated payment would not be deductible by the Company or one of its Affiliates because of Section 280G of the Code. If a holder of an Award would be entitled to benefits or payments hereunder and under any other plan or program that would constitute "parachute payments" as defined in Section 280G of the Code, then the holder may by written notice to the Company designate the order in which such parachute payments will be reduced or modified so that the Company or one of its Affiliates is not denied federal income tax deductions for any "parachute payments" because of Section 280G of the Code. Notwithstanding the foregoing, if a Participant is a party to an employment or other agreement with the Company or one of its Affiliates, or is a participant in a severance program sponsored by the Company or one of its Affiliates that contains express provisions regarding Section 280G and/or Section 4999 of the Code (or any similar successor provision), the Section 280G and/or Section 4999 provisions of such employment or other agreement or plan, as applicable, shall control as to any Awards held by that Participant (for example, and without limitation, a Participant may be a party to an employment agreement with the Company or one of its Affiliates that provides for a "gross-up" as opposed to a "cut-back" in the event that the Section 280G thresholds are reached or exceeded in connection with a change in control and, in such event, the Section 280G and/or Section 4999 provisions of such employment agreement shall control as to any Awards held by that Participant).

7.4 ***Termination of Employment or Services***.

7.4.1 Events Not Deemed a Termination of Employment. Unless the Administrator otherwise expressly provides with respect to a particular Award, if a Participant's employment by or service to the Company or an Affiliate terminates but immediately thereafter the Participant continues in the employ of or service to another Affiliate or the Company, as applicable, the Participant shall be deemed to have not had a termination of employment or service for purposes of this Plan and the Participant's Awards. Unless the express policy of the Company or the Administrator otherwise provides, a Participant's employment relationship with the Company or any of its Affiliates shall not be considered terminated solely due to any sick leave, military leave, or any other leave of absence authorized by the Company or any Affiliate or the Administrator; provided that, unless reemployment upon the expiration of such

leave is guaranteed by contract or law, such leave is for a period of not more than 90 days. In the case of any Participant on an approved leave of absence, continued vesting of the Award while on leave from the employ of or service with the Company or any of its Affiliates will be suspended until the Participant returns to service, unless the Administrator otherwise provides or applicable law otherwise requires. In no event shall an Award be exercised after the expiration of the term of the Award set forth in the Award Agreement.

7.4.2 Effect of Change of Affiliate Status. For purposes of this Plan and any Award, if an entity ceases to be an Affiliate, a termination of employment or service will be deemed to have occurred with respect to each Eligible Person in respect of such Affiliate who does not continue as an Eligible Person in respect of another Affiliate that continues as such after giving effect to the transaction or other event giving rise to the change in status.

7.4.3 Administrator Discretion. Notwithstanding the provisions of Section 5.7 or 6.8, in the event of, or in anticipation of, a termination of employment or service with the Company or any of its Affiliates for any reason, the Administrator may accelerate the vesting and exercisability of all or a portion of the Participant's Award, and/or, subject to the provisions of Sections 5.4.2 and 7.3, extend the exercisability period of the Participant's Option upon such terms as the Administrator determines and expressly sets forth in or by amendment to the Award Agreement.

7.4.4 Termination of Consulting or Affiliate Services. If the Participant is an Eligible Person solely by reason of clause (c) of Section 3, the Administrator shall be the sole judge of whether the Participant continues to render services to the Company or any of its Affiliates, unless a written contract or the Award Agreement otherwise provides. If, in these circumstances, the Company or any Affiliate notifies the Participant in writing that a termination of the Participant's services to the Company or any Affiliate has occurred for purposes of this Plan, then (unless the contract or the Award Agreement otherwise expressly provides), the Participant's termination of services with the Company or Affiliate for purposes of this Plan shall be the date which is 10 days after the mailing of the notice by the Company or Affiliate or, in the case of a termination for Cause, the date of the mailing of the notice.

7.5 ***Compliance with Laws***.

7.5.1 General. This Plan, the granting, vesting and exercise of Awards under this Plan, and the offer, issuance and delivery of Class A Ordinary Shares, the acceptance of promissory notes and/or the payment of money under this Plan or under Awards are subject to compliance with all applicable federal and state laws, applicable foreign laws, rules and regulations (including but not limited to state and federal securities laws, and federal margin requirements) and to such approvals by any listing, regulatory or governmental authority as may, in the opinion of

counsel for the Company, be necessary or advisable in connection therewith. The person acquiring any securities under this Plan will, if requested by the Company, provide such assurances and representations to the Company as the Administrator may deem necessary or desirable to assure compliance with all applicable legal and accounting requirements.

7.5.2 Compliance with Securities Laws. No Participant shall sell, pledge or otherwise transfer Class A Ordinary Shares acquired pursuant to an Award or any interest in such shares except in accordance with the express terms of this Plan and the applicable Award Agreement. Any attempted transfer in violation of this Section 7.5 shall be void and of no effect. Without in any way limiting the provisions set forth above, no Participant shall make any disposition of all or any portion of Class A Ordinary Shares acquired or to be acquired pursuant to an Award, except in compliance with all applicable federal and state securities laws and unless and until:

(a) there is then in effect a registration statement under the Securities Act covering such proposed disposition and such disposition is made in accordance with such registration statement;

(b) such disposition is made in accordance with Rule 144 under the Securities Act; or

(c) such Participant notifies the Company of the proposed disposition and furnishes the Company with a statement of the circumstances surrounding the proposed disposition, and, if requested by the Company, furnishes to the Company an opinion of counsel acceptable to the Company's counsel, that such disposition will not require registration under the Securities Act and will be in compliance with all applicable state securities laws.

Notwithstanding anything else herein to the contrary, neither the Company or any Affiliate has any obligation to register the Class A Ordinary Shares or file any registration statement under either federal or state securities laws, nor does the Company or any Affiliate make any representation concerning the likelihood of a public offering of the Class A Ordinary Shares or any other securities of the Company or any Affiliate.

7.5.3 Share Legends. All certificates evidencing Class A Ordinary Shares issued or delivered under this Plan shall bear the following legends and/or any other appropriate or required legends under applicable laws:

"OWNERSHIP OF THIS CERTIFICATE, THE SHARES EVIDENCED BY THIS CERTIFICATE AND ANY INTEREST THEREIN ARE SUBJECT TO SUBSTANTIAL RESTRICTIONS ON TRANSFER UNDER APPLICABLE LAW AND UNDER AGREEMENTS WITH THE COMPANY, INCLUDING RESTRICTIONS ON SALE, ASSIGNMENT, TRANSFER, PLEDGE OR OTHER DISPOSITION."

"THE SHARES ARE SUBJECT TO THE COMPANY'S RIGHT OF FIRST REFUSAL AND CALL RIGHTS TO REPURCHASE THE SHARES UNDER THE COMPANY'S SHARE INCENTIVE PLAN AND AGREEMENTS WITH THE COMPANY THEREUNDER."

"THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED OR QUALIFIED UNDER THE SECURITIES ACT OF 1933, AS AMENDED ("ACT"), NOR HAVE THEY BEEN REGISTERED OR QUALIFIED UNDER THE SECURITIES LAWS OF ANY STATE. NO TRANSFER OF SUCH SECURITIES WILL BE PERMITTED UNLESS A REGISTRATION STATEMENT UNDER THE ACT IS IN EFFECT AS TO SUCH TRANSFER, THE TRANSFER IS MADE IN ACCORDANCE WITH RULE 144 UNDER THE ACT, OR IN THE OPINION OF COUNSEL TO THE COMPANY, REGISTRATION UNDER THE ACT IS UNNECESSARY IN ORDER FOR SUCH TRANSFER TO COMPLY WITH THE ACT AND WITH APPLICABLE STATE SECURITIES LAWS."

7.5.4 Delivery of Financial Statements. The Company shall deliver annually to Participants such financial statements of the Company as are required to satisfy applicable securities laws.

7.5.5 Confidential Information. Any financial or other information relating to the Company obtained by Participants in connection with or as a result of this Plan or their Awards shall be treated as confidential.

7.6 ***Tax Withholding***.

7.6.1 Tax Withholding. Upon any exercise, vesting, or payment of any Award or upon the disposition of Class A Ordinary Shares acquired pursuant to the exercise of an Incentive Stock Option prior to satisfaction of the holding period requirements of Section 422 of the Code, the Company or any of its Affiliates shall have the right at its option to:

(a) require the Participant (or the Participant's Personal Representative or Beneficiary, as the case may be) to pay or provide for payment of at least the minimum amount of any taxes which the Company or Affiliate may be required to withhold with respect to such Award event or payment;

(b) deduct from any amount otherwise payable (in respect of an Award or otherwise) in cash to the Participant (or the Participant's Personal Representative or Beneficiary, as the case may be) the minimum amount of any taxes which the Company or Affiliate may be required to withhold with respect to such Award event or payment; or

(c) reduce the number of Class A Ordinary Shares to be delivered by (or otherwise reacquire shares held by the Participant at least 6 months) the appropriate number of Class A Ordinary Shares, valued at their then Fair Market Value, to satisfy the minimum withholding obligation.

In any case where a tax is required to be withheld (including taxes in the PRC where applicable) in connection with the delivery of Class A Ordinary Shares under this Plan (including the sale of Class A Ordinary Shares as may be required to comply with foreign exchange rules in the PRC for Participants resident in the PRC), the Administrator may in its sole discretion (subject to Section 7.5) grant (either at the time of the Award or thereafter) to the Participant the right to elect, pursuant to such rules and subject to such conditions as the Administrator may establish, to have the Company reduce the number of shares to be delivered by (or otherwise reacquire) the appropriate number of shares, valued in a consistent manner at their Fair Market Value or at the sales price in accordance with authorized procedures for cashless exercises, necessary to satisfy the minimum applicable withholding obligation on exercise, vesting or payment. In no event shall the shares withheld exceed the minimum whole number of shares required for tax withholding under applicable law. The Company may, with the Administrator's approval, accept one or more promissory notes from any Eligible Person in connection with taxes required to be withheld upon the exercise, vesting or payment of any award under this Plan; provided that any such note shall be subject to terms and conditions established by the Administrator and the requirements of applicable law.

7.6.2 Tax Loans. If so provided in the Award Agreement or otherwise authorized by the Administrator, the Company may, to the extent permitted by law, authorize a loan to an Eligible Person in the amount of any taxes that the Company or any of its Affiliates may be required to withhold with respect to Class A Ordinary Shares received (or disposed of, as the case may be) pursuant to a transaction described in Section 7.6.1. Such a loan will be for a term and at a rate of interest and pursuant to such other terms and conditions as the Company may establish, subject to compliance with applicable law. Such a loan need not otherwise comply with the provisions of Section 5.3.3.

7.7 ***Plan and Award Amendments, Termination and Suspension***.

7.7.1 Board Authorization. The Board may, at any time, terminate or, from time to time, amend, modify or suspend this Plan, in whole or in part. No Awards may be granted during any period that the Board suspends this Plan.

7.7.2 Shareholder Approval. To the extent then required by applicable law or any applicable listing agency or required under Sections 162, 409A, 422 or 424 of the Code to preserve the intended tax consequences of this Plan, or deemed necessary or advisable by the Board, any amendment to this Plan shall be subject to shareholder approval.

7.7.3 Amendments to Awards. Without limiting any other express authority of the Administrator under (but subject to) the express limits of this Plan, the Administrator by agreement or resolution may waive conditions of or limitations on Awards to Participants that the Administrator in the prior exercise of its discretion has imposed, without the consent of a Participant, and (subject to the requirements of Sections 2.2 and 7.7.4) may make other changes to the terms and conditions of Awards.

7.7.4 Limitations on Amendments to Plan and Awards. No amendment, suspension or termination of this Plan or change of or affecting any outstanding Award shall, without written consent of the Participant, affect in any manner materially adverse to the Participant any rights or benefits of the Participant or obligations of the Company under any Award granted under this Plan prior to the effective date of such change. Changes, settlements and other actions contemplated by Section 7.3 shall not be deemed to constitute changes or amendments for purposes of this Section 7.7.

7.8 ***Privileges of Share Ownership***. Except as otherwise expressly authorized by the Administrator or this Plan or in the Award Agreement, a Participant will not be entitled to any privilege of share ownership as to any Class A Ordinary Shares not actually delivered to and held of record by the Participant. No adjustment will be made for dividends or other rights as a shareholder for which a record date is prior to such date of delivery.

7.9 ***Share-Based Awards in Substitution for Awards Granted by Other Company***. Awards may be granted to Eligible Persons in substitution for or in connection with an assumption of employee share options, share appreciation rights, restricted shares or other share-based awards granted by other entities to persons who are or who will become Eligible Persons in respect of the Company or one of its Affiliates, in connection with a distribution, merger, amalgamation or other reorganization by or with the granting entity or an affiliated entity, or the acquisition by the Company or one of its Affiliates, directly or indirectly, of all or a substantial part of the shares or assets of the employing entity. The Awards so granted need not comply with other specific terms of this Plan, provided the Awards reflect only adjustments giving effect to the assumption or substitution consistent with the conversion applicable to the Class A Ordinary Shares in the transaction and any change in the issuer of the security. Any shares that are delivered and any Awards that are granted by, or become obligations of, the Company, as a result of the assumption by the Company of, or in substitution for, outstanding awards previously granted by an acquired company (or previously granted by a predecessor employer (or direct or indirect parent thereof) in the case of persons that become employed by the Company or one of its Affiliates in connection with a business or asset acquisition or similar transaction) shall not be counted against the Share Limit or other limits on the number of shares available for issuance under this Plan.

7.10 ***Effective Date of the Plan***. This Plan is effective upon the Effective Date, subject to approval by the shareholders of the Company within twelve months after the date the Board approves this Plan.

7.11 ***Term of the Plan***. Unless earlier terminated by the Board, this Plan will terminate at the close of business on the day before the 10th anniversary of the Effective Date. After the termination of this Plan either upon such stated expiration date or its earlier termination by the Board, no additional Awards may be granted under this Plan, but previously granted Awards (and the authority of the Administrator with respect thereto, including the authority to amend such Awards) shall remain outstanding in accordance with their applicable terms and conditions and the terms and conditions of this Plan.

7.12 ***Governing Law/Severability***.

7.12.1 Choice of Law. This Plan, the Awards, all documents evidencing Awards and all other related documents will be governed by, and construed in accordance with, the laws of the Hong Kong.

7.12.2 Severability. If it is determined that any provision of this Plan or an Award Agreement is invalid and unenforceable, the remaining provisions of this Plan and/or the Award Agreement, as applicable, will continue in effect provided that the essential economic terms of this Plan and the Award can still be enforced.

7.13 ***Captions***. Captions and headings are given to the sections and subsections of this Plan solely as a convenience to facilitate reference. Such headings will not be deemed in any way material or relevant to the construction or interpretation of this Plan or any provision thereof.

7.14 ***Non-Exclusivity of Plan***. Nothing in this Plan will limit or be deemed to limit the authority of the Board or the Administrator to grant awards or authorize any other compensation, with or without reference to the Class A Ordinary Shares, under any other plan or authority.

7.15 ***No Restriction on Corporate Powers***. The existence of this Plan, the Award Agreements, and the Awards granted hereunder, shall not limit, affect or restrict in any way the right or power of the Board or the shareholders of the Company to make or authorize: (a) any adjustment, recapitalization, reorganization or other change in the Company's or any Affiliate's capital structure or its business; (b) any merger, amalgamation, consolidation or change in the ownership of the Company or any Affiliate; (c) any issue of bonds, debentures, capital, preferred or prior preference shares ahead of or affecting the Company's authorized shares or the rights thereof; (d) any dissolution or liquidation of the Company or any Affiliate; (e) any sale or transfer of all or any part of the Company or any Affiliate's assets or business; or (f) any other corporate act or proceeding by the Company or any Affiliate. No Participant, Beneficiary or any other person shall have any claim under any Award or Award Agreement against any member of the Board or the Administrator, or the Company or any employees, officers or agents of the Company or any Affiliate, as a result of any such action.

7.16 ***Other Company Compensation or Benefit Programs***. Payments and other benefits received by a Participant under an Award made pursuant to this Plan shall not be deemed a part of a Participant's compensation for purposes of the determination of benefits under any other employee welfare or benefit plans or arrangements, if any, provided by the Company or any Affiliate, except where the Administrator or the Board expressly otherwise provides or authorizes in writing. Awards under this Plan may be made in addition to, in combination with, as alternatives to or in payment of grants, awards or commitments under any other plans or arrangements of the Company or any Affiliate.

8. DEFINITIONS.

"**Administrator**" has the meaning given to such term in Section 2.1.

"**Affiliate**" means, with respect to a Person, any other Person that, directly or indirectly, Controls, is controlled by or is under common Control with such Person, and any shareholder, member or partner of such Person.

"**Award**" means an award of any Option or Share Award, or any combination thereof, whether alternative or cumulative, authorized by and granted under this Plan.

"**Award Agreement**" means any writing, approved by the Administrator, setting forth the terms of an Award that has been duly authorized and approved. An Award Agreement shall be deemed an Class A Ordinary Shares purchase agreement under the Company's Memorandum and Articles of Association.

"**Award Date**" means the date upon which the Administrator took the action granting an Award or such later date as the Administrator designates as the Award Date at the time of the grant of the Award.

"**Beneficiary**" means the person, persons, trust or trusts designated by a Participant, or, in the absence of a designation, entitled by will or the laws of descent and distribution, to receive the benefits specified in the Award Agreement and under this Plan if the Participant dies, and means the Participant's executor or administrator if no other Beneficiary is designated and able to act under the circumstances.

"**Board**" means the Board of Directors of the Company.

"**Cause**" with respect to a Participant means (unless otherwise expressly provided in the applicable Award Agreement, or another applicable contract with the Participant that defines such term for purposes of determining the effect that a "for cause" termination has on the Participant's options and/or share awards) a termination of employment or service based upon a finding by the Company or any of its Affiliates, acting in good faith and based on its reasonable belief at the time, that the Participant:

(a) has been negligent in the discharge of his or her duties to the Company or any Affiliate, has refused to perform stated or assigned duties or is incompetent in or (other than by reason of a disability or analogous condition) incapable of performing those duties;

(b) has been dishonest or committed or engaged in an act of theft, embezzlement or fraud, a breach of confidentiality, an unauthorized disclosure or use of inside information, customer lists, trade secrets or other confidential information;

(c) has breached a fiduciary duty, or willfully and materially violated any other duty, law, rule, regulation or policy of the Company or any of its Affiliates; or has been convicted of, or plead guilty or nolo contendere to, a felony or misdemeanor (other than minor traffic violations or similar offenses);

(d) has materially breached any of the provisions of any agreement with the Company or any of its Affiliates;

(e) has engaged in unfair competition with, or otherwise acted intentionally in a manner injurious to the reputation, business or assets of, the Company or any of its Affiliates; or

(f) has improperly induced a vendor or customer to break or terminate any contract with the Company or any of its Affiliates or induced a principal for whom the Company or any Affiliate acts as agent to terminate such agency relationship.

A termination for Cause shall be deemed to occur (subject to reinstatement upon a contrary final determination by the Administrator) on the date on which the Company or any Affiliate first delivers written notice to the Participant of a finding of termination for Cause or the Administrator provides such notice.

"**Change in Control Event**" means any of the following:

(a) Approval by shareholders of the Company (or, if no shareholder approval is required, by the Board alone) of the complete dissolution or liquidation of the Company, other than in the context of a Business Combination that does not constitute a Change in Control Event under paragraph (c) below;

(b) The acquisition by any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Exchange Act (a "**Person**")) of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 50% or more of either (1) the then-outstanding Class A Ordinary Shares of the Company (the "**Outstanding Company Class A Ordinary Shares**") or (2) the combined voting power of the then-outstanding voting securities of the Company entitled to vote generally in the election of directors (the "**Outstanding Company Voting Securities**"); provided, however, that, for purposes of this paragraph (b), the following acquisitions shall not constitute a Change in Control Event; (A) any acquisition directly from the Company, (B) any acquisition by the Company, (C) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any Affiliate or a successor, (D) any acquisition by any entity pursuant to a Business Combination, (E) any acquisition by a Person described in and satisfying the conditions of Rule 13d-1(b) promulgated under the Exchange Act, or (F) any acquisition by a Person who is the beneficial owner (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 50% or more of the Outstanding Company Class A Ordinary Shares and/or the Outstanding Company Voting Securities on the Effective Date (or an affiliate, heir, descendant, or related party of or to such Person);

(c) Consummation of a reorganization, amalgamation, merger, statutory share exchange or consolidation or similar corporate transaction involving the Company or any other entity a majority of whose outstanding voting shares or voting power is beneficially owned directly or indirectly by the Company (a "**Subsidiary**"), a sale or other disposition of all or substantially all of the assets of the Company, or the acquisition of assets or shares of another entity by the Company or any of its Subsidiaries (each, a "**Business Combination**"), in each case unless, following such Business Combination, (1) all or substantially all of the individuals and entities that were the beneficial owners of the Outstanding Company Class A Ordinary Shares and the Outstanding Company Voting Securities immediately prior to such Business Combination beneficially own, directly or indirectly, more than 50% of the then-outstanding ordinary or common shares and the combined voting power of the then-outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of the entity resulting from such Business Combination (including, without limitation, an entity that, as a result of such transaction, owns the Company or all or substantially all of the Company's assets directly or through one or more subsidiaries (a "**Parent**")), and (2) no Person (excluding any individual or entity described in clauses (C), (E) or (F) of paragraph (b) above) beneficially owns (within the meaning of Rule 13d-3 promulgated under the Exchange Act), directly or indirectly, more than 50% of, respectively, the then-outstanding ordinary or common shares of the entity resulting from such Business Combination or the combined voting power of the then-outstanding voting securities of such entity, except to the extent that the ownership in excess of 50% existed prior to the Business Combination.

"**Code**" means the Internal Revenue Code of 1986 of the United States, as amended from time to time.

"**Company**" means Staging Finance Holding Ltd., an exempted company organized under the Companies Law (2013 Revision) of the Cayman Islands, and its successors.

"**Control**" means the power or authority, whether exercised or not, to direct the business, management and policies of a Person, directly or indirectly, or by effective control whether through the ownership of voting securities, by contract or otherwise, which power or authority shall conclusively be presumed to exist upon possession of beneficial ownership or power to direct the vote of more than 50% of the votes entitled to be cast at a meeting of the members or shareholders of such Person or power to control the composition of the board of directors of such Person; the terms "Controlled" and "Controlling" have the meaning correlative to the foregoing.

"**Early Exercise Option**" shall mean an Option eligible for exercise prior to vesting in accordance with the provisions of Section 5.9 of this Plan. An Early Exercise Option may be a Nonqualified Option or an Incentive Stock Option, as designated by the Administrator in the applicable Award Agreement.

"**Effective Date**" means the date the Board approved this Plan.

"**Eligible Person**" has the meaning given to such term in Section 3 of this Plan.

"**Exchange Act**" means the Securities Exchange Act of 1934 of the United States, as amended from time to time.

"**Fair Market Value**," for purposes of this Plan and unless otherwise determined or provided by the Administrator in the circumstances, means as follows:

(a) If the ordinary shares of the Company are listed or admitted to trade on the New York Stock Exchange or other national securities exchange (the "**Exchange**"), the Fair Market Value shall equal the closing price of an ordinary share of the Company as reported on the composite tape for securities on the Exchange for the date in question, or, if no sales of ordinary shares of the Company were made on the Exchange on that date, the closing price of an Ordinary Share as reported on said composite tape for the next preceding day on which sales of ordinary shares of the Company were made on the Exchange. The Administrator may, however, provide with respect to one or more Awards that the Fair Market Value shall equal the last closing price of an ordinary share of the Company as reported on the composite tape for securities listed on the Exchange available on the date in question or the average of the high and low trading prices of an ordinary share of the Company as reported on the composite tape for securities listed on the Exchange for the date in question or the most recent trading day.

(b) If the ordinary shares of the Company are not listed or admitted to trade on a national securities exchange, the Fair Market Value shall equal the last price of an ordinary share of the Company as furnished by the National Association of Securities Dealers, Inc. (the "**NASD**") through the NASDAQ Global Market Reporting System (the "**Global Market**") for the date in question, or, if no sales of ordinary shares of the Company were reported by the NASD through the Global Market on that date, the last price of an ordinary share of the Company as furnished by the NASD through the Global Market for the next preceding day on which sales of ordinary shares of the Company were reported by the NASD. The Administrator may, however, provide with respect to one or more Awards that the Fair Market Value shall equal the last closing price of an ordinary share of the Company as furnished by the NASD through the Global Market available on the date in question or the average of the high and low trading prices of an ordinary share of the Company as furnished by the NASD through the Global Market for the date in question or the most recent trading day.

(c) If the ordinary shares of the Company are not listed or admitted to trade on a national securities exchange and is not reported on the Global Market Reporting System, the Fair Market Value shall equal the mean between the bid and asked price for an ordinary share of the Company on such date, as furnished by the NASD or a similar organization.

(d) If the ordinary shares of the Company are not listed or admitted to trade on a national securities exchange, are not reported on the Global Market Reporting System and if bid and asked prices for the shares are not furnished by the NASD or a similar organization, the Fair Market Value shall be the per share price reflected in the latest round of financing or share transfer of the Company immediately prior to the determination of such Fair Market Value, consistent with applicable law.

The Administrator also may adopt a different methodology for determining Fair Market Value with respect to one or more Awards if a different methodology is necessary or advisable to secure any intended favorable tax, legal or other treatment for the particular Award(s) (for example, and without limitation, the Administrator may provide that Fair Market Value for purposes of one or more Awards will be based on an average of closing prices (or the average of high and low daily trading prices) for a specified period preceding the relevant date).

Any determination as to Fair Market Value made pursuant to this Plan shall be determined without regard to any restriction other than a restriction which, by its terms, will never lapse, and shall be conclusive and binding on all persons with respect to Awards granted under this Plan.

"**Incentive Stock Option**" means an Option that is designated and intended as an "incentive stock option" within the meaning of Section 422 of the Code, the award of which contains such provisions (including but not limited to the receipt of shareholder approval of this Plan, if the award is made prior to such approval) and is made under such circumstances and to such persons as may be necessary to comply with that section.

"**Nonqualified Option**" means an Option that is not an "incentive stock option" within the meaning of Section 422 of the Code and includes any Option designated or intended as a Nonqualified Option and any Option designated or intended as an Incentive Stock Option that fails to meet the applicable legal requirements thereof.

"**Option**" means an option to purchase Class A Ordinary Shares granted under Section 5 of this Plan. The Administrator will designate any Option granted to an employee of the Company or an Affiliate as a Nonqualified Option or an Incentive Stock Option and may also designate any Option as an Early Exercise Option.

"**Class A Ordinary Shares**" means the Company's Class A Ordinary Shares, par value US$ 0.0001 per share, and such other securities or property as may become the subject of Awards, or become subject to Awards, pursuant to an adjustment made under Section 7.3.1 of this Plan.

"**Participant**" means an Eligible Person who has been granted and holds an Award under this Plan.

"**Person**" means any individual, sole proprietorship, partnership, limited partnership, limited liability company, firm, joint venture, estate, trust, unincorporated organization, association, corporation, institution, public benefit corporation, entity or governmental or regulatory authority or other enterprise or entity of any kind or nature.

"**Personal Representative**" means the person or persons who, upon the disability or incompetence of a Participant, has acquired on behalf of the Participant, by legal proceeding or otherwise, the power to exercise the rights or receive benefits under this Plan by virtue of having become the legal representative of the Participant.

"**Plan**" means this Staging Finance Holding Ltd. Share Incentive Plan, as it may hereafter be amended from time to time.

"Public Offering Date" means the date the ordinary shares of the Company are first registered under the Exchange Act and listed or quoted on a recognized national securities exchange or in the NASDAQ Global Market Quotation System.

"Repurchase Price" means, subject to the provisions in the applicable Award Agreement, (i) in the event of the repurchase of Restricted Shares, the lesser of (a) the price paid by the Participant to acquire such Restricted Shares or (b) the Fair Market Value of such Restricted Shares determined as of the exercise date of the Call Right, or (ii) in the event of the repurchase of shares other than Restricted Shares, the Fair Market Value of such shares determined as of the exercise date of the Call Right.

"**Restricted Shares**" means Class A Ordinary Shares awarded to a Participant under this Plan, subject to payment of such consideration and such conditions on vesting (which may include, among others, the passage of time, specified performance objectives or other factors) and such transfer and other restrictions as are established in or pursuant to this Plan and the related Award Agreement, to the extent such remain unvested and restricted under the terms of the applicable Award Agreement.

"**Restricted Share Award**" means an award of Restricted Shares.

"**Securities Act**" means the Securities Act of 1933 of the United States, as amended from time to time.

"**Severance Date**" with respect to a particular Participant means, unless otherwise provided in the applicable Award Agreement:

(a) if the Participant is an Eligible Person under clause (a) of Section 3 and the Participant's employment by the Company or any of its Affiliates terminates (regardless of the reason), the last day that the Participant is actually employed by the Company or such Affiliate (unless, immediately following such termination of employment, the Participant is a member of the Board or, by express written agreement with the Company or any of its Affiliates, continues to provide other services to the Company or any Affiliate as an Eligible Person under clause (c) of Section 3, in which case the Participant's Severance Date shall not be the date of such termination of employment but shall be determined in accordance with clause (b) or (c) below, as applicable, in connection with the termination of the Participant's other services);

(b) if the Participant is not an Eligible Person under clause (a) of Section 3 but is an Eligible Person under clause (b) thereof, and the Participant ceases to be a member of the Board (regardless of the reason), the last day that the Participant is actually a member of the Board (unless, immediately following such termination, the Participant

is an employee of the Company or any of its Affiliates or, by express written agreement with the Company or any of its Affiliates, continues to provide other services to the Company or any Affiliate as an Eligible Person under clause (c) of Section 3, in which case the Participant's

Severance Date shall not be the date of such termination but shall be determined in accordance with clause (a) above or (c) below, as applicable, in connection with the termination of the Participant's employment or other services);

(c) if the Participant is not an Eligible Person under clause (a) or clause (b) of Section 3 but is an Eligible Person under clause (c) thereof, and the Participant ceases to provide services to the Company or any of its Affiliates as determined in accordance with Section 7.4.4 (regardless of the reason), the last day that the Participant actually provides services to the Company or such Affiliate as an Eligible Person under clause (c) of Section 3 (unless, immediately following such termination, the Participant is an employee of the Company or any of its Affiliates or is a member of the Board, in which case the Participant's Severance Date shall not be the date of such termination of services but shall be determined in accordance with clause (a) or (b) above, as applicable, in connection with the termination of the Participant's employment or membership on the Board).

"**Share Award**" means an award of Class A Ordinary Shares under Section 6 of this Plan. A Share Award may be a Restricted Share Award or an award of unrestricted Class A Ordinary Shares.

"**Total Disability**" means a "total and permanent disability" within the meaning of Section 22(e)(3) of the Code and, with respect to Awards other than Incentive Stock Options, such other disabilities, infirmities, afflictions, or conditions as the Administrator may include.

Staging Finance Holding Ltd.
SHARE INCENTIVE PLAN

TABLE OF CONTENTS

TABLE OF CONTENTS
(Continued)

TABLE OF CONTENTS
(Continued)

TABLE OF CONTENTS
(Continued)

LEXINFINTECH HOLDINGS LTD.

2017 SHARE INCENTIVE PLAN

ARTICLE 1

PURPOSE

The purpose of this 2017 Share Incentive Plan (the "Plan") is to promote the success and enhance the value of LexinFintech Holdings Ltd., a company formed under the laws of the Cayman Islands (the "Company"), by linking the personal interests of the Directors, Employees, and Consultants to those of the Company's shareholders and by providing such individuals with an incentive for outstanding performance to generate superior returns to the Company's shareholders. The Plan is further intended to provide flexibility to the Company in its ability to motivate, attract, and retain the services of Directors, Employees, and Consultants upon whose judgment, interest, and special effort the successful conduct of the Company's operation is largely dependent.

ARTICLE 2

DEFINITIONS AND CONSTRUCTION

Wherever the following terms are used in the Plan, they shall have the meanings specified below, unless the context clearly indicates otherwise. The singular pronoun shall include the plural where the context so indicates.

2.1 "Applicable Laws" means the legal requirements relating to the Plan and the Awards under applicable provisions of the corporate, securities, tax and other laws, rules, regulations and government orders, and the rules of any applicable stock exchange or national market system, of any jurisdiction applicable to Awards granted to residents therein.

2.2 "Applicable Accounting Standards" shall mean Generally Accepted Accounting Principles in the United States, International Financial Reporting Standards or such other accounting principles or standards as may apply to the Company's financial statements under United States federal securities laws from time to time.

2.3 "Award" means an Option, Restricted Share or Restricted Share Unit award granted to a Participant pursuant to the Plan or any other equity incentive award granted to a Participant by the Company pursuant to the authorizations of the Committee.

2.4 "Award Agreement" means any written agreement, contract, or other instrument or document evidencing the grant of an Award entered into by and between the Company and a Participant and any amendment thereto, including through electronic medium.

2.5 "Board" means the Board of Directors of the Company.

2.6 "Cause" with respect to a Participant means (unless otherwise expressly provided in the applicable Award Agreement, or another applicable contract with the Participant that defines such term for purposes of determining the effect that a "for cause" termination has on the Participant's Awards) a termination of employment or service based upon a finding by the Service Recipient, acting in good faith and based on its reasonable belief at the time, that the Participant:

(a) has been negligent in the discharge of his or her duties to the Service Recipient, has refused to perform stated or assigned duties or is incompetent in or (other than by reason of a disability or analogous condition) incapable of performing those duties;

(b) has been dishonest or committed or engaged in an act of theft, embezzlement or fraud, a breach of confidentiality, an unauthorized disclosure or use of inside information, customer lists, trade secrets or other confidential information;

(c) has breached a fiduciary duty, or willfully and materially violated any other duty, law, rule, regulation or policy of the Service Recipient; or has been convicted of, or plead guilty or nolo contendere to, a felony or misdemeanor (other than minor traffic violations or similar offenses);

(d) has materially breached any of the provisions of any agreement with the Service Recipient;

(e) has engaged in unfair competition with, or otherwise acted intentionally in a manner injurious to the reputation, business or assets of, the Service Recipient; or

(f) has improperly induced a vendor or customer to break or terminate any contract with the Service Recipient or induced a principal for whom the Service Recipient acts as agent to terminate such agency relationship.

A termination for Cause shall be deemed to occur (subject to reinstatement upon a contrary final determination by the Committee) on the date on which the Service Recipient first delivers written notice to the Participant of a finding of termination for Cause.

2.7 "Code" means the Internal Revenue Code of 1986 of the United States, as amended.

2.8 "Committee" means the Board or a committee of the Board described in Article 10.

2.9 "Consultant" means any consultant or adviser if: (a) the consultant or adviser renders bona fide services to a Service Recipient; (b) the services rendered by the consultant or adviser are not in connection with the offer or sale of securities in a capital-raising transaction and do not directly or

indirectly promote or maintain a market for the Company's securities; and (c) the consultant or adviser is a natural person who has contracted directly with the Service Recipient to render such services.

2.10 "Corporate Transaction", unless otherwise defined in an Award Agreement, means any of the following transactions, provided, however, that the Committee shall determine under (d) and (e) whether multiple transactions are related, and its determination shall be final, binding and conclusive:

(a) an amalgamation, arrangement or consolidation or scheme of arrangement (i) in which the Company is not the surviving entity, except for a transaction the principal purpose of which is to change the jurisdiction in which the Company is incorporated or (ii) following which the holders of the voting securities of the Company do not continue to hold more than 50% of the combined voting power of the voting securities of the surviving entity;

(b) the sale, transfer or other disposition of all or substantially all of the assets of the Company;

(c) the complete liquidation or dissolution of the Company;

(d) any reverse takeover or series of related transactions culminating in a reverse takeover (including, but not limited to, a tender offer followed by a reverse takeover) in which the Company is the surviving entity but (A) the Company's equity securities outstanding immediately prior to such takeover are converted or exchanged by virtue of the takeover into other property, whether in the form of securities, cash or otherwise, or (B) in which securities possessing more than fifty percent (50%) of the total combined voting power of the Company's outstanding securities are transferred to a person or persons different from those who held such securities immediately prior to such takeover or the initial transaction culminating in such takeover, but excluding any such transaction or series of related transactions that the Committee determines shall not be a Corporate Transaction; or

(e) acquisition in a single or series of related transactions by any person or related group of persons (other than the Company or by a Company-sponsored employee benefit plan) of beneficial ownership (within the meaning of Rule 13d-3 of the Exchange Act) of securities possessing more than fifty percent (50%) of the total combined voting power of the Company's outstanding securities but excluding any such transaction or series of related transactions that the Committee determines shall not be a Corporate Transaction.

2.11 "Director" means a member of the Board or a member of the board of directors of any Parent, Subsidiary or Related Entity of the Company.

2.12 "Disability" unless otherwise defined in an Award Agreement, means that the Participant qualifies to receive long-term disability payments under the Service Recipient's long-term disability insurance program, as it may be amended from time to time, to which the Participant provides services regardless of whether the Participant is covered by such policy. If the Service Recipient to which the Participant provides service does not have a long-term disability plan in place, "Disability" means that a Participant is unable to carry out the responsibilities and functions of the position held by the Participant by reason of any medically determinable physical or mental impairment for a period of not less than ninety (90) consecutive days. A Participant will not be considered to have incurred a Disability unless he or she furnishes proof of such impairment sufficient to satisfy the Committee in its discretion.

2.13 "Effective Date" shall have the meaning set forth in Section 11.1.

2.14 "Employee" means any person, including an officer or a Director of any Group Entity, who is in the employment of a Service Recipient, subject to the control and direction of the Service Recipient as to both the work to be performed and the manner and method of performance. The payment of a director's fee by a Service Recipient shall not be sufficient to constitute "employment" by the Service Recipient.

2.15 "Exchange Act" means the Securities Exchange Act of 1934 of the United States, as amended.

2.16 "Fair Market Value" means, as of any date, the value of Shares determined as follows:

(a) If the Shares are listed on one or more established stock exchanges or national market systems, including without limitation, the New York Stock Exchange and the Nasdaq Stock Market, its Fair Market Value shall be the closing sales price for such shares (or the closing bid, if no sales were reported) as quoted on the principal exchange or system on which the Shares are listed (as determined by the Committee) on the date of determination (or, if no closing sales price or closing bid was reported on that date, as applicable, on the last trading date such closing sales price or closing bid was reported), as reported in The Wall Street Journal or such other source as the Committee deems reliable;

(b) If the Shares are regularly quoted on an automated quotation system (including the OTC Bulletin Board) or by a recognized securities dealer, its Fair Market Value shall be the closing sales price for such shares as quoted on such system or by such securities dealer on the date of determination, but if selling prices are not reported, the Fair Market Value of a Share shall be the mean between the high bid and low asked prices for the Shares on the date of determination (or, if no such prices were reported on that date, on the last date such prices were reported), as reported in The Wall Street Journal or such other source as the Committee deems reliable; or

(c) In the absence of an established market for the Shares of the type described in (a) and (b), above, the Fair Market Value thereof shall be determined by the Committee in good faith and in its discretion by reference to (i) the placing price of the latest private placement of the Shares and the development of the Company's business operations and the general economic and market conditions since such latest private placement, (ii) other third party transactions involving the Shares and the development of the Company's business operation and the general economic and market conditions since such sale, (iii) an independent valuation of the Shares, or (iv) such other methodologies or information as the Committee determines to be indicative of Fair Market Value and relevant.

2.17 "Group Entity" means any of the Company and Parents, Subsidiaries and Related Entities of the Company.

2.18 "Incentive Share Option" means an Option that is intended to meet the requirements of Section 422 of the Code or any successor provision thereto.

2.19 "Independent Director" means (i) before the Shares or other securities representing the Shares are listed on a stock exchange, a member of the Board who is a Non-Employee Director; and (ii) after the Shares or other securities representing the Shares are listed on a stock exchange, a member of the Board who meets the independence standards under the applicable corporate governance rules of the stock exchange.

2.20 "Non-Employee Director" means a member of the Board who qualifies as a "Non-Employee Director" as defined in Rule 16b-3(b)(3) of the Exchange Act, or any successor definition adopted by the Board.

2.21 "Non-Qualified Share Option" means an Option that is not intended to be an Incentive Share Option.

2.22 "Option" means a right granted to a Participant pursuant to Article 5 of the Plan to purchase a specified number of Shares at a specified price during specified time periods. An Option may be either an Incentive Share Option or a Non-Qualified Share Option.

2.23 "Participant" means a person who, as a member of the Board, Consultant or Employee, has been granted an Award pursuant to the Plan.

2.24 "Parent" means a parent corporation under Section 424(e) of the Code.

2.25 "Plan" means this 2017 Share Incentive Plan, as it may be amended from time to time.

2.26 "Related Entity" means any business, corporation, partnership, limited liability company or other entity in which the Company, a Parent or Subsidiary of the Company holds a substantial ownership interest, directly or indirectly, or controls through contractual arrangements and consolidates the financial results according to the Applicable Accounting Standards, but which is not a Subsidiary and which the Board designates as a Related Entity for purposes of the Plan.

2.27 "Restricted Share" means a Share awarded to a Participant pursuant to Article 6 that is subject to certain restrictions and may be subject to risk of forfeiture.

2.28 "Restricted Share Unit" means the right granted to a Participant pursuant to Article 7 to receive a Share at a future date.

2.29 "Securities Act" means the Securities Act of 1933 of the United States, as amended.

2.30 "Service Recipient" means the Company, any Parent, Subsidiary or Related Entity of the Company to which a Participant provides services as an Employee, a Consultant or a Director.

2.31 "Share" means Class A ordinary shares, par value US$0.0001 per share, of the Company, and such other securities of the Company that may be substituted for Shares pursuant to Article 9.

2.32 "Subsidiary" means any corporation or other entity of which a majority of the outstanding voting shares or voting power is beneficially owned directly or indirectly by the Company.

2.33 "Trading Date" means the closing of the first sale to the general public of the Shares pursuant to a registration statement filed with and declared effective by the U.S. Securities and Exchange Commission under the Securities Act.

ARTICLE 3

SHARES SUBJECT TO THE PLAN

3.1 Number of Shares.

(a) Subject to the provisions of Article 9 and Section 3.1(b), the maximum aggregate number of Shares which may be issued pursuant to all Awards (including Incentive Share Options) under the Plan shall be 22,859,634, plus an annual increase on the first day of each fiscal year of the Company during the ten-year term of this Plan commencing with the fiscal year beginning January 1, 2019, by an amount equal to 1.0% of the total number of Shares issued and outstanding on the last day of the immediately preceding fiscal year; provided that the aggregate number of Shares underlying the Awards to be granted under this Plan prior to the completion of the Company's initial public offering shall not exceed 5,000,000.

(b) To the extent that an Award terminates, expires, or lapses for any reason, then any Shares subject to the Award shall again be available for the grant of an Award pursuant to the Plan. Shares delivered by the Participant or withheld by the Company upon the exercise of any Award under the Plan, in payment of the exercise price thereof or tax withholding thereon, may again be optioned, granted or awarded hereunder, subject to the limitations of Section 3.1(a). If any Awards are forfeited by the Participant or repurchased by the Company, the Shares underlying such Awards may again be optioned, granted or awarded hereunder, subject to the limitations of Section 3.1(a). To the extent permitted by Applicable Laws, Shares issued in assumption of, or in substitution for, any outstanding awards of any entity acquired in any form of combination by a Group Entity shall not be counted against Shares available for grant pursuant to the Plan. Notwithstanding the provisions of this Section 3.1(b), no Shares may again be optioned, granted or awarded if such action would cause an Incentive Share Option to fail to qualify as an incentive stock option under Section 422 of the Code.

3.2 Shares Distributed. Any Shares distributed pursuant to an Award may consist, in whole or in part, of authorized and unissued Shares, treasury shares (subject to Applicable Laws) or Shares purchased on the open market. Additionally, in the discretion of the Committee, American Depositary Shares in an amount equal to the number of Shares which otherwise would be distributed pursuant to an Award may be distributed in lieu of Shares in

settlement of any Award. If the number of Shares represented by an American Depositary Share is other than on a one-to-one basis, the limitations of Section 3.1 shall be adjusted to reflect the distribution of American Depositary Shares in lieu of Shares.

ARTICLE 4

ELIGIBILITY AND PARTICIPATION

4.1 Eligibility. Persons eligible to participate in this Plan include Employees, Consultants, and all Directors, as determined by the Committee.

4.2 Participation. Subject to the provisions of the Plan, the Committee may, from time to time, select from among all eligible individuals, those to whom Awards shall be granted and shall determine the nature and amount of each Award. No individual shall have any right to be granted an Award pursuant to this Plan.

4.3 Jurisdictions. In order to assure the viability of Awards granted to Participants in various jurisdictions, the Committee may provide for such special terms as it may consider necessary or appropriate to accommodate differences in local law, tax policy, or custom applicable in the jurisdiction in which the Participant resides or is employed. Moreover, the Committee may

approve such supplements to, or amendments, restatements, or alternative versions of, the Plan as it may consider necessary or appropriate for such purposes without thereby affecting the terms of the Plan as in effect for any other purpose; *provided, however*, that no such supplements, amendments, restatements, or alternative versions shall increase the share limitations contained in Section 3.1 of the Plan. Notwithstanding the foregoing, the Committee may not take any actions hereunder, and no Awards shall be granted, that would violate any Applicable Laws.

ARTICLE 5

OPTIONS

5.1 General. The Committee is authorized to grant Options to Participants on the following terms and conditions:

(a) Exercise Price. The exercise price per Share subject to an Option shall be determined by the Committee and set forth in the Award Agreement which may be a fixed or variable price related to the Fair Market Value of the Shares. The exercise price per Share subject to an Option may be amended or adjusted in the absolute discretion of the Committee, the determination of which shall be final, binding and conclusive. For the avoidance of doubt, to the extent not prohibited by Applicable Laws or any exchange rule, a downward adjustment of the exercise prices of Options mentioned in the preceding sentence shall be effective without the approval of the Company's shareholders or the approval of the affected Participants.

(b) Time and Conditions of Exercise. The Committee shall determine the time or times at which an Option may be exercised in whole or in part, including exercise prior to vesting; *provided* that the term of any Option granted under the Plan shall not exceed ten years, except as provided in Section 12.1. The Committee shall also determine any conditions, if any, that must be satisfied before all or part of an Option may be exercised.

(c) Payment. The Committee shall determine the methods by which the exercise price of an Option may be paid, the form of payment, including, without limitation (i) cash or check denominated in U.S. Dollars, (ii) to the extent permissible under the Applicable Laws, cash or check in Chinese Renminbi, (iii) cash or check denominated in any other local currency as approved by the Committee, (iv) Shares held for such period of time as may be required by the Committee in order to avoid adverse financial accounting consequences and having a Fair Market Value on the date of delivery equal to the aggregate exercise price of the Option or exercised portion thereof, (v) after the Trading Date the delivery of a notice that the Participant has placed a market sell order with a broker with respect to Shares then issuable upon exercise of the Option, and that the broker has been directed to pay a sufficient portion of the net proceeds of the sale to the Company in satisfaction of the Option exercise price; *provided* that payment of such proceeds is then made to the Company upon settlement of such sale, (vi) other property acceptable to the Committee with a Fair Market Value equal to the exercise price, or (vii) any combination of the foregoing. Notwithstanding any other provision of the Plan to the contrary, no Participant who is a member of the Board or an "executive officer" of the Company within the meaning of Section 13(k) of the Exchange Act shall be permitted to pay the exercise price of an Option in any method which would violate Section 13(k) of the Exchange Act.

(d) Evidence of Grant. All Options shall be evidenced by an Award Agreement between the Company and the Participant. The Award Agreement shall include such additional provisions as may be specified by the Committee.

(e) Effects of Termination of Employment or Service on Options. Termination of employment or service shall have the following effects on Options granted to the Participants unless otherwise provided in the Award Agreement:

(i) Dismissal for Cause. Unless otherwise provided in the Award Agreement, if a Participant's employment by or service to the Service Recipient is terminated by the Service Recipient for Cause, the Participant's Options will terminate upon such termination, whether or not the Option is then vested and/or exercisable;

(ii) Death or Disability. Unless otherwise provided in the Award Agreement, if a Participant's employment by or service to the Service Recipient terminates as a result of the Participant's death or Disability:

(a) the Participant (or his or her legal representative or beneficiary, in the case of the Participant's Disability or death, respectively), will have until the date that is 12 months after the Participant's termination of Employment to exercise the Participant's Options (or portion thereof) to the extent that such Options were vested and exercisable on the date of the Participant's termination of Employment on account of death or Disability;

(b) the Options, to the extent not vested and exercisable on the date of the Participant's termination of Employment or service, shall terminate upon the Participant's termination of Employment or service on account of death or Disability; and

(c) the Options, to the extent exercisable for the 12-month period following the Participant's termination of Employment or service and not exercised during such period, shall terminate at the close of business on the last day of the 12-month period.

(iii) Other Terminations of Employment or Service. Unless otherwise provided in the Award Agreement, if a Participant's employment by or service to the Service Recipient terminates for any reason other than a termination by the Service Recipient for Cause or because of the Participant's death or Disability:

(a) the Participant will have until the date that is 90 days after the Participant's termination of Employment or service to exercise his or her Options (or portion thereof) to the extent that such Options were vested and exercisable on the date of the Participant's termination of Employment or service;

(b) the Options, to the extent not vested and exercisable on the date of the Participant's termination of Employment or service, shall terminate upon the Participant's termination of Employment or service; and

(c) the Options, to the extent exercisable for the 90-day period following the Participant's termination of Employment or service and not exercised during such period, shall terminate at the close of business on the last day of the 90-day period.

5.2 Incentive Share Options. Incentive Share Options may be granted to Employees of the Company, a Parent or Subsidiary of the Company. Incentive Share Options may not be granted to Employees of a Related Entity or to Independent Directors or Consultants. The terms of any Incentive Share Options granted pursuant to the Plan, in addition to the requirements of Section 5.1, must comply with the following additional provisions of this Section 5.2:

(a) Individual Dollar Limitation. The aggregate Fair Market Value (determined as of the time the Option is granted) of all Shares with respect to which Incentive Share Options are first exercisable by a Participant in any calendar year may not exceed $100,000 or such other limitation as imposed by Section 422(d) of the Code, or any successor provision. To the extent that Incentive Share Options are first exercisable by a Participant in excess of such limitation, the excess shall be considered Non-Qualified Share Options.

(b) Exercise Price. The exercise price of an Incentive Share Option shall be equal to the Fair Market Value on the date of grant. However, the exercise price of any Incentive Share Option granted to any individual who, at the date of grant, owns Shares possessing more than ten percent of the total combined voting power of all classes of shares of the Company may not be less than 110% of Fair Market Value on the date of grant and such Option may not be exercisable for more than five years from the date of grant.

(c) Transfer Restriction. The Participant shall give the Company prompt notice of any disposition of Shares acquired by exercise of an Incentive Share Option within (i) two years from the date of grant of such Incentive Share Option or (ii) one year after the transfer of such Shares to the Participant.

(d) Expiration of Incentive Share Options. No Award of an Incentive Share Option may be made pursuant to this Plan after the tenth anniversary of the Effective Date.

(e) Right to Exercise. During a Participant's lifetime, an Incentive Share Option may be exercised only by the Participant.

ARTICLE 6

RESTRICTED SHARES

6.1 Grant of Restricted Shares. The Committee, at any time and from time to time, may grant Restricted Shares to Participants as the Committee, in its sole discretion, shall determine. The Committee, in its sole discretion, shall determine the number of Restricted Shares to be granted to each Participant.

6.2 Restricted Shares Award Agreement. Each Award of Restricted Shares shall be evidenced by an Award Agreement that shall specify the period of restriction, the number of Restricted Shares granted, and such other terms and conditions as the Committee, in its sole discretion, shall determine. Unless the Committee determines otherwise, Restricted Shares shall be held by the Company as escrow agent until the restrictions on such Restricted Shares have lapsed.

6.3 Issuance and Restrictions. Restricted Shares shall be subject to such restrictions on transferability and other restrictions as the Committee may impose (including, without limitation, limitations on the right to vote Restricted Shares or the right to receive dividends on the Restricted Share). These restrictions may lapse separately or in combination at such times, pursuant to such circumstances, in such installments, or otherwise, as the Committee determines at the time of the grant of the Award or thereafter.

6.4 Forfeiture/Repurchase. Except as otherwise determined by the Committee at the time of the grant of the Award or thereafter, upon termination of employment or service during the applicable restriction period, Restricted Shares that are at that time subject to restrictions shall be forfeited or repurchased in accordance with the Award Agreement; *provided, however*, the Committee may (a) provide in any Restricted Share Award Agreement that

restrictions or forfeiture and repurchase conditions relating to Restricted Shares will be waived in whole or in part in the event of terminations resulting from specified causes, and (b) in other cases waive in whole or in part restrictions or forfeiture and repurchase conditions relating to Restricted Shares.

6.5 Certificates for Restricted Shares. Restricted Shares granted pursuant to the Plan may be evidenced in such manner as the Committee shall determine. If certificates representing Restricted Shares are registered in the name of the Participant, certificates must bear an appropriate legend referring to the terms, conditions, and restrictions applicable to such Restricted Shares, and the Company may, at its discretion, retain physical possession of the certificate until such time as all applicable restrictions lapse.

6.6 Removal of Restrictions. Except as otherwise provided in this Article 6, Restricted Shares granted under the Plan shall be released from escrow as soon as practicable after the last day of the period of restriction. The Committee, in its discretion, may accelerate the time at which any restrictions shall lapse or be removed. After the restrictions have lapsed, the Participant shall be entitled to have any legend or legends under Section 6.5 removed from his or her Share certificate, and the Shares shall be freely transferable by the Participant, subject to applicable legal restrictions. The Committee (in its discretion) may establish procedures regarding the release of Shares from escrow and the removal of legends, as necessary or appropriate to minimize administrative burdens on the Company.

ARTICLE 7

RESTRICTED SHARE UNITS

7.1 Grant of Restricted Share Units. The Committee, at any time and from time to time, may grant Restricted Share Units to Participants as the Committee, in its sole discretion, shall determine. The Committee, in its sole discretion, shall determine the number of Restricted Share Units to be granted to each Participant.

7.2 Restricted Share Units Award Agreement. Each Award of Restricted Share Units shall be evidenced by an Award Agreement that shall specify any vesting conditions, the number of Restricted Share Units granted, and such other terms and conditions as the Committee, in its sole discretion, shall determine.

7.3 Performance Objectives and Other Terms. The Committee, in its discretion, may set performance objectives or other vesting criteria which, depending on the extent to which they are met, will determine the number or value of Restricted Share Units that will be paid out to the Participants.

7.4 Form and Timing of Payment of Restricted Share Units. At the time of grant, the Committee shall specify the date or dates on which the Restricted Share Units shall become fully vested and nonforfeitable. Upon vesting, the Committee, in its sole discretion, may pay Restricted Share Units in the form of cash, in Shares or in a combination thereof.

7.5 Forfeiture/Repurchase. Except as otherwise determined by the Committee at the time of the grant of the Award or thereafter, upon termination of employment or service during the applicable restriction period, Restricted Share Units that are at that time unvested shall be forfeited or repurchased in accordance with the Award Agreement; *provided*, *however*, the Committee may (a) provide in any Restricted Share Unit Award Agreement that restrictions or forfeiture and repurchase conditions relating to Restricted Share Units will be waived in whole or in part in the event of terminations resulting from specified causes, and (b) in other cases waive in whole or in part restrictions or forfeiture and repurchase conditions relating to Restricted Share Units.

ARTICLE 8

PROVISIONS APPLICABLE TO AWARDS

8.1 Award Agreement. Awards under the Plan shall be evidenced by Award Agreements that set forth the terms, conditions and limitations for each Award which may include the term of an Award, the provisions applicable in the event the Participant's employment or service terminates, and the Company's authority to unilaterally or bilaterally amend, modify, suspend, cancel or rescind an Award.

8.2 No Transferability; Limited Exception to Transfer Restrictions.

8.2.1 Limits on Transfer. Unless otherwise expressly provided in (or pursuant to) this Section 8.2, by Applicable Laws and by the Award Agreement, as the same may be amended:

(a) all Awards are non-transferable and will not be subject in any manner to sale, transfer, anticipation, alienation, assignment, pledge, encumbrance or charge;

(b) Awards will be exercised only by the Participant; and

(c) amounts payable or shares issuable pursuant to an Award will be delivered only to (or for the account of), and, in the case of Shares, registered in the name of, the Participant.

In addition, the shares shall be subject to the restrictions set forth in the applicable Award Agreement.

8.2.2 Further Exceptions to Limits on Transfer. The exercise and transfer restrictions in Section 8.2.1 will not apply to:

(a) transfers to the Company or a Subsidiary;

(b) transfers by gift to "immediate family" as that term is defined in SEC Rule 16a-1(e) promulgated under the Exchange Act;

(c) the designation of a beneficiary to receive benefits if the Participant dies or, if the Participant has died, transfers to or exercises by the Participant's beneficiary, or, in the absence of a validly designated beneficiary, transfers by will or the laws of descent and distribution;

(d) if the Participant has suffered a disability, permitted transfers or exercises on behalf of the Participant by the Participant's duly authorized legal representative; or

(e) subject to the prior approval of the Committee or an executive officer or director of the Company authorized by the Committee, transfer to one or more natural persons who are the Participant's family members or entities owned and controlled by the Participant and/or the Participant's family members, including but not limited to trusts or other entities whose beneficiaries or beneficial owners are the Participant and/or the Participant's family members, or to such other persons or entities as may be expressly approved by the Committee, pursuant to such conditions and procedures as the Committee or may establish. Any permitted transfer shall be subject to the condition that the Committee receives evidence satisfactory to it that the transfer is being made for estate and/or tax planning purposes and on a basis consistent with the Company's lawful issue of securities.

Notwithstanding anything else in this Section 8.2.2 to the contrary, but subject to compliance with all Applicable Laws, Incentive Share Options, Restricted Shares and Restricted Share Units will be subject to any and all transfer restrictions under the Code applicable to such Awards or necessary to maintain the intended tax consequences of such Awards. Notwithstanding clause (b) above but subject to compliance with all Applicable Laws, any contemplated transfer by gift to "immediate family" as referenced in clause (b) above is subject to the condition precedent that the transfer be approved by the Administrator in order for it to be effective.

8.3 Beneficiaries. Notwithstanding Section 8.2, a Participant may, in the manner determined by the Committee, designate a beneficiary to exercise the rights of the Participant and to receive any distribution with respect to any Award upon the Participant's death. A beneficiary, legal guardian, legal representative, or other person claiming any rights pursuant to the Plan is subject to all terms and conditions of the Plan and any Award Agreement applicable to the Participant, except to the extent the Plan and Award Agreement otherwise provide, and to any additional restrictions deemed necessary or appropriate by the Committee.

If the Participant is married and resides in a community property state, a designation of a person other than the Participant's spouse as his or her beneficiary with respect to more than 50% of the Participant's interest in the Award shall not be effective without the prior written consent of the Participant's spouse. If no beneficiary has been designated or survives the Participant, payment shall be made to the person entitled thereto pursuant to the Participant's will or the laws of descent and distribution. Subject to the foregoing, a beneficiary designation may be changed or revoked by a Participant at any time provided the change or revocation is filed with the Committee.

8.4 Share Certificates. Notwithstanding anything herein to the contrary, the Company shall not be required to issue or deliver any certificates evidencing the Shares pursuant to the exercise of any Award, unless and until the Committee has determined, with advice of counsel, that the issuance and delivery of such certificates is in compliance with all Applicable Laws. All Share certificates delivered pursuant to the Plan are subject to any stop-transfer orders and other restrictions as the Committee deems necessary or advisable to comply with all Applicable Laws. The Committee may place legends on any Share certificate to reference restrictions applicable to the Shares. In addition to the terms and conditions provided herein, the Committee may require that a Participant make such reasonable covenants, agreements, and representations as the Committee, in its discretion, deems advisable in order to comply with any such Applicable Laws. The Committee shall have the right to require any Participant to comply with any timing or other restrictions with respect to the settlement or exercise of any Award, including a window-period limitation, as may be imposed in the discretion of the Committee.

8.5 Paperless Administration. Subject to Applicable Laws, the Committee may make Awards, provide applicable disclosure and procedures for exercise of Awards by an internet website or interactive voice response system for the paperless administration of Awards.

8.6 Stand-Alone and Tandem Awards. Awards granted pursuant to the Plan may, in the discretion of the Committee, be granted either alone, in addition to, or in tandem with, any other Award granted pursuant to the Plan. Awards granted in addition to or in tandem with other Awards may be granted either at the same time as or at a different time from the grant of such other Awards.

8.7 Foreign Currency. A Participant may be required to provide evidence that any currency used to pay the exercise price of any Award was acquired and taken out of the jurisdiction in which the Participant resides in accordance with Applicable Laws, including foreign exchange control laws and regulations. In the event the exercise price for an Award is paid in Chinese Renminbi or other foreign currency, as permitted by the Committee, the amount payable will be determined by conversion from U.S. dollars at the official rate promulgated by the People's Bank of China for Chinese Renminbi, or for jurisdictions other than the People's Republic of China, the exchange rate as selected by the Committee on the date of exercise.

ARTICLE 9

CHANGES IN CAPITAL STRUCTURE

9.1 Adjustments. In the event of any dividend, share split, combination or exchange of Shares, amalgamation, arrangement or consolidation, spin-off, recapitalization or other distribution (other than normal cash dividends) of Company assets to its shareholders, or any other change affecting the shares of Shares or the share price of a Share, the Committee shall make such proportionate adjustments, if any, as the Committee in its discretion may deem appropriate to reflect such change with respect to (a) the aggregate number and type of shares that may be issued under the Plan (including, but not limited to, adjustments of the limitations in Section 3.1); (b) the terms and conditions of any outstanding Awards (including, without limitation, any applicable performance targets or criteria with respect thereto); and (c) the grant or exercise price per share for any outstanding Awards under the Plan.

9.2 Corporate Transactions. Except as may otherwise be provided in any Award Agreement or any other written agreement entered into by and between the Company and a Participant, if the Committee anticipates the occurrence, or upon the occurrence, of a Corporate Transaction, the Committee may, in its sole discretion, provide for (i) any and all Awards outstanding hereunder to terminate at a specific time in the future and shall give each Participant the

right to exercise the vested portion of such Awards during a period of time as the Committee shall determine, or (ii) the purchase of any Award for an amount of cash equal to the amount that could have been attained upon the exercise of such Award (and, for the avoidance of doubt, if as of such date the Committee determines in good faith that no amount would have been attained upon the exercise of such Award, then such Award may be terminated by the Company without payment), or (iii) the replacement of such Award with other rights or property selected by the Committee in its sole discretion or the assumption of or substitution of such Award by the successor or surviving corporation, or a Parent or Subsidiary thereof, with appropriate adjustments as to the number and kind of Shares and prices, or (iv) payment of Award in cash based on the value of Shares on the date of the Corporate Transaction plus reasonable interest on the Award through the date when such Award would otherwise be vested or have been paid in accordance with its original terms, if necessary to comply with Section 409A of the Code.

9.3 Outstanding Awards — Other Changes. In the event of any other change in the capitalization of the Company or corporate change other than those specifically referred to in this Article 9, the Committee may, in its absolute discretion, make such adjustments in the number and class of shares subject to Awards outstanding on the date on which such change occurs and in the per share grant or exercise price of each Award as the Committee may consider appropriate to prevent dilution or enlargement of rights.

9.4 No Other Rights. Except as expressly provided in the Plan, no Participant shall have any rights by reason of any subdivision or consolidation of Shares of any class, the payment of any dividend, any increase or decrease in the number of shares of any class or any dissolution, liquidation, merger, or consolidation of the Company or any other corporation. Except as expressly provided in the Plan or pursuant to action of the Committee under the Plan, no issuance by the Company of shares of any class, or securities convertible into shares of any class, shall affect, and no adjustment by reason thereof shall be made with respect to, the number of shares subject to an Award or the grant or exercise price of any Award.

ARTICLE 10

ADMINISTRATION

10.1 Committee. The Plan shall be administered by the Board or a committee of one or more members of the Board to whom the Board shall delegate the authority to grant or amend Awards to Participants other than any of the Committee members. Any grant or amendment of Awards to any Committee member shall then require an affirmative vote of a majority of the Board members who are not on the Committee.

10.2 Action by the Committee. A majority of the Committee shall constitute a quorum. The acts of a majority of the members of the Committee present at any meeting at which a quorum is present, and acts approved in writing by a majority of the Committee in lieu of a meeting, shall be deemed the acts of the Committee. Each member of the Committee is entitled to, in good faith, rely or act upon any report or other information furnished to that member by any officer or other employee of a Group Entity, the Company's independent certified public accountants, or any executive compensation consultant or other professional retained by the Company to assist in the administration of the Plan.

10.3 Authority of the Committee. Subject to any specific designation in the Plan, the Committee has the exclusive power, authority and discretion to:

(a) designate Participants to receive Awards;

(b) determine the type or types of Awards to be granted to each Participant;

(c) determine the number of Awards to be granted and the number of Shares to which an Award will relate;

(d) determine the terms and conditions of any Award granted pursuant to the Plan, including, but not limited to, the exercise price, grant price, or purchase price, any restrictions or limitations on the Award, any schedule for lapse of forfeiture restrictions or restrictions on the exercisability of an Award, and accelerations or waivers thereof, any provisions related to non-competition and recapture of gain on an Award, based in each case on such considerations as the Committee in its sole discretion determines;

(e) determine whether, to what extent, and pursuant to what circumstances an Award may be settled in, or the exercise price of an Award may be paid in, cash, Shares, other Awards, or other property, or an Award may be canceled, forfeited, or surrendered;

(f) prescribe the form of each Award Agreement, which need not be identical for each Participant;

(g) decide all other matters that must be determined in connection with an Award;

(h) establish, adopt, or revise any rules and regulations as it may deem necessary or advisable to administer the Plan;

(i) interpret the terms of, and any matter arising pursuant to, the Plan or any Award Agreement;

(j) reduce the exercise price per Share underlying an Option; and

(k) make all other decisions and determinations that may be required pursuant to the Plan or as the Committee deems necessary or advisable to administer the Plan.

10.4 Decisions Binding. The Committee's interpretation of the Plan, any Awards granted pursuant to the Plan, any Award Agreement and all decisions and determinations by the Committee with respect to the Plan are final, binding, and conclusive on all parties.

ARTICLE 11

EFFECTIVE AND EXPIRATION DATE

11.1 Effective Date. This Plan shall become effective on the date of its adoption by the Board and the shareholders of the Company (the "Effective Date").

11.2 Expiration Date. The Plan will expire on, and no Award may be granted pursuant to the Plan after the tenth anniversary of the Effective Date. Any Awards that are outstanding on the tenth anniversary of the Effective Date shall remain in force according to the terms of the Plan and the applicable Award Agreement.

ARTICLE 12

AMENDMENT, MODIFICATION, AND TERMINATION

12.1 Amendment, Modification, And Termination. With the approval of the Board, at any time and from time to time, the Committee may terminate, amend or modify the Plan; *provided, however*, that (a) to the extent necessary and desirable to comply with Applicable Laws or stock exchange rules, the Company shall obtain shareholder approval of any Plan amendment in such a manner and to such a degree as required, unless the Company decides to follow home country practice, and (b) unless the Company decides to follow home country practice, shareholder approval is required for any amendment to the Plan that (i) increases the number of Shares available under the Plan (other than any adjustment as provided by Article 9), or (ii) permits the Committee to extend the term of the Plan or the exercise period for an Option beyond ten years from the date of grant.

12.2 Awards Previously Granted. Except with respect to amendments made pursuant to Section 12.1, no termination, amendment, or modification of the Plan shall adversely affect in any material way any Award previously granted pursuant to the Plan without the prior written consent of the Participant.

ARTICLE 13

GENERAL PROVISIONS

13.1 No Rights to Awards. No Participant, employee, or other person shall have any claim to be granted any Award pursuant to the Plan, and neither the Company nor the Committee is obligated to treat Participants, employees, and other persons uniformly.

13.2 No Shareholders Rights. No Award gives the Participant any of the rights of a Shareholder of the Company unless and until Shares are in fact issued to such person in connection with such Award.

13.3 Taxes. No Shares shall be delivered under the Plan to any Participant until such Participant has made arrangements acceptable to the Committee for the satisfaction of any income and employment tax withholding obligations under Applicable Laws. The relevant Group Entity shall have the authority and the right to deduct or withhold, or require a Participant to remit to the Company, an amount sufficient to satisfy all applicable taxes (including the Participant's payroll tax obligations) required or permitted by Applicable Laws to be withheld with respect to any taxable event concerning a Participant arising as a result of this Plan. The Committee may in its discretion and in satisfaction of the foregoing requirement allow a Participant to elect to have the Company withhold Shares otherwise issuable under an Award (or allow the return of Shares) having a Fair Market Value equal to the sums required to be withheld. Notwithstanding any other provision of the Plan, the number of Shares which may be withheld with respect to the issuance, vesting, exercise or payment of any Award (or which may be repurchased from the Participant of such Award after such Shares were acquired by the Participant from the Company) in order to satisfy any income and payroll tax liabilities applicable to the Participant with respect to the issuance, vesting, exercise or payment of the Award shall, unless specifically approved by the Committee, be limited to the number of Shares which have a Fair Market Value on the date of withholding or repurchase equal to the aggregate amount of such liabilities based on the minimum statutory withholding rates for the applicable income and payroll tax purposes that are applicable to such supplemental taxable income.

13.4 No Right to Employment or Services. Nothing in the Plan or any Award Agreement shall interfere with or limit in any way the right of the Service Recipient to terminate any Participant's employment or services at any time, nor confer upon any Participant any right to continue in the employment or services of any Service Recipient.

13.5 Unfunded Status of Awards. The Plan is intended to be an "unfunded" plan for incentive compensation. With respect to any payments not yet made to a Participant pursuant to an Award, nothing contained in the Plan or any Award Agreement shall give the Participant any rights that are greater than those of a general creditor of the relevant Group Entity.

13.6 Indemnification. To the extent allowable pursuant to Applicable Laws, each member of the Committee or of the Board shall be indemnified and held harmless by the Company from any loss, cost, liability, or expense that may be imposed upon or reasonably incurred by such member in connection with or resulting from any claim, action, suit, or proceeding to which he or she may be a party or in which he or she may be involved by reason of any action or failure to act pursuant to the Plan and against and from any and all amounts paid by him or her in satisfaction of judgment in such action, suit, or proceeding against him or her; *provided* he or she gives the Company an opportunity, at its own expense, to handle and defend the same before he or she undertakes to handle and defend it on his or her own behalf. The foregoing right of indemnification shall not be exclusive of any other rights of indemnification to which such persons may be entitled pursuant to the Company's Memorandum of Association and Articles of Association, as a matter of law, or otherwise, or any power that the Company may have to indemnify them or hold them harmless.

13.7 Relationship to other Benefits. No payment pursuant to the Plan shall be taken into account in determining any benefits pursuant to any pension, retirement, savings, profit sharing, group insurance, welfare or other benefit plan of any Group Entity except to the extent otherwise expressly provided in writing in such other plan or an agreement thereunder.

13.8 Expenses. The expenses of administering the Plan shall be borne by the Group Entities.

13.9 Titles and Headings. The titles and headings of the Sections in the Plan are for convenience of reference only and, in the event of any conflict, the text of the Plan, rather than such titles or headings, shall control.

13.10 Fractional Shares. No fractional Shares shall be issued and the Committee shall determine, in its discretion, whether cash shall be given in lieu of fractional Shares or whether such fractional Shares shall be eliminated by rounding up or down as appropriate.

13.11 Limitations Applicable to Section 16 Persons. Notwithstanding any other provision of the Plan, the Plan, and any Award granted or awarded to any Participant who is then subject to Section 16 of the Exchange Act, shall be subject to any additional limitations set forth in any applicable exemptive rule under Section 16 of the Exchange Act (including any amendment to Rule 16b-3 of the Exchange Act) that are requirements for the application of such exemptive rule. To the extent permitted by the Applicable Laws, the Plan and Awards granted or awarded hereunder shall be deemed amended to the extent necessary to conform to such applicable exemptive rule.

13.12 Government and Other Regulations. The obligation of the Company to make payment of awards in Shares or otherwise shall be subject to all Applicable Laws, and to such approvals by government agencies as may be required. The Company shall be under no obligation to register any of the Shares paid pursuant to the Plan under the Securities Act or any other similar law in any applicable jurisdiction. If the Shares paid pursuant to the Plan may in certain circumstances be exempt from registration pursuant to the Securities Act or other Applicable Laws, the Company may restrict the transfer of such Shares in such manner as it deems advisable to ensure the availability of any such exemption.

13.13 Governing Law. The Plan and all Award Agreements shall be construed in accordance with and governed by the laws of the Cayman Islands.

13.14 Section 409A. To the extent that the Committee determines that any Award granted under the Plan is or may become subject to Section 409A of the Code, the Award Agreement evidencing such Award shall incorporate the terms and conditions required by Section 409A of the Code. To the extent applicable, the Plan and the Award Agreements shall be interpreted in accordance with Section 409A of the Code and the U.S. Department of Treasury regulations and other interpretative guidance issued thereunder, including without limitation any such regulation or other guidance that may be issued after the Effective Date. Notwithstanding any provision of the Plan to the contrary, in the event that following the Effective Date the Committee determines that any Award may be subject to Section 409A of the Code and related Department of Treasury guidance (including such Department of Treasury guidance as may be issued after the Effective Date), the Committee may adopt such amendments to the Plan and the applicable Award agreement or adopt other policies and procedures (including amendments, policies and procedures with retroactive effect), or take any other actions, that the Committee determines are necessary or appropriate to (a) exempt the Award from Section 409A of the Code and/or preserve the intended tax treatment of the benefits provided with respect to the Award, or (b) comply with the requirements of Section 409A of the Code and related U.S. Department of Treasury guidance.

13.15 Appendices. With the approval of the Board, the Committee may approve such supplements, amendments or appendices to the Plan as it may consider necessary or appropriate for purposes of compliance with Applicable Laws or otherwise and such supplements, amendments or appendices shall be considered a part of the Plan; provided, however, that no such supplements shall increase the share limitation contained in Section 3.1 of the Plan.

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Exhibit 10.3

EMPLOYMENT AGREEMENT

This EMPLOYMENT AGREEMENT (the "Agreement") is entered into as of _____, 20 by and between LexinFintech Holdings Ltd., an exempted company incorporated and existing under the laws of the Cayman Islands (the "Company") and _____, an individual with passport/ID number _____ (the "Executive").

RECITALS

WHEREAS, the Company desires to employ the Executive and to assure itself of the services of the Executive during the term of Employment (as defined below) and under the terms and conditions of the Agreement;

WHEREAS, the Executive desires to be employed by the Company during the term of Employment and under the terms and conditions of the Agreement;

AGREEMENT

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements herein contained, the Company and the Executive agree as follows:

1. **EMPLOYMENT**

The Company hereby agrees to employ the Executive and the Executive hereby accepts such employment, on the terms and conditions hereinafter set forth (the "Employment").

2. **TERM**

Subject to the terms and conditions of the Agreement, the initial term of the Employment shall be ___ years, commencing on _____, 20 (the "Effective Date") and ending on _____, ___ (the "Initial Term"), unless terminated earlier pursuant to the terms of the Agreement. Upon expiration of the Initial Term of the Employment, the Employment shall be automatically extended for successive periods of ___ months each (each, an "Extension Period") unless either party shall have given 60 days advance written notice to the other party, in the manner set forth in Section 19 below, prior to the end of the Extension Period in question, that the term of this Agreement that is in effect at the time such written notice is given is not to be extended or further extended, as the case may be (the period during which this Agreement is effective being referred to hereafter as the "Term").

3. **POSITION AND DUTIES**

(a) During the Term, the Executive shall serve as _____ of the Company or in such other position or positions with a level of duties and responsibilities consistent with the foregoing with the Company and/or its subsidiaries and affiliated entities as the board of directors of the Company (the "Board") may specify from time to time and shall have the duties, responsibilities and obligations customarily assigned to individuals serving in the position or positions in which the Executive serves hereunder and as assigned by the Board, or with the Board's authorization, by the Company's Chief Executive Officer.

(b) The Executive agrees to serve without additional compensation, if elected or appointed thereto, as a director of the Company or any subsidiaries or affiliated entities of the Company (collectively, the "Group") and as a member of any committees of the board of directors of any such entity, provided that the Executive is indemnified for serving in any and all such capacities on a basis no less favorable than is currently provided to any other director of any member of the Group.

(c) The Executive agrees to devote all of his/her working time and efforts to the performance of his/her duties for the Company and to faithfully and diligently serve the Company in accordance with the Agreement and the guidelines, policies and procedures of the Company approved from time to time by the Board.

4. **NO BREACH OF CONTRACT**

The Executive hereby represents to the Company that: (i) the execution and delivery of the Agreement by the Executive and the performance by the Executive of the Executive's duties hereunder shall not constitute a breach of, or otherwise contravene, the terms of any other agreement or policy to which the Executive is a party or by which the Executive is otherwise bound, except that the Executive does not make any representation with respect to agreements required to be entered into by and between the Executive and any member of the Group pursuant to the applicable law of the jurisdiction in which the Executive is based, if any; (ii) that the Executive is not in possession of any information (including, without limitation, confidential information and trade secrets) the knowledge of which would prevent the Executive from freely entering into the Agreement and carrying out his/her duties hereunder; and (iii) that the Executive is not bound by any confidentiality, trade secret or similar agreement with any person or entity other than any member of the Group.

5. **LOCATION**

The Executive will be based in _____, ___ or any other location as requested by the Company during the Term.

6. **COMPENSATION AND BENEFITS**

(a) Cash Compensation. As compensation for the performance by the Executive of his/her obligations hereunder, during the Term, the Company shall pay the Executive cash compensation (inclusive of the statutory benefit contributions that the Company is required to set

aside for the Executive under applicable law) pursuant to Schedule A hereto, subject to annual review and adjustment by the Board or any committee designated by the Board.

(b) Equity Incentives. During the Term, the Executive shall be eligible to participate, at a level comparable to similarly situated executives of the Company, in such long-term compensation arrangements as may be authorized from time to time by the Board, including any share incentive plan the Company may adopt from time to time in its sole discretion.

(c) Benefits. During the Term, the Executive shall be entitled to participate in all of the employee benefit plans and arrangements made available by the Company to its similarly situated executives, including, but not limited to, any retirement plan, medical insurance plan and travel/holiday policy, subject to and on a basis consistent with the terms, conditions and overall administration of such plans and arrangements.

7. **TERMINATION OF THE AGREEMENT**

The Employment may be terminated as follows:

(a) Death. The Employment shall terminate upon the Executive's death.

(b) Disability. The Employment shall terminate if the Executive has a disability, including any physical or mental impairment which, as reasonably determined by the Board, renders the Executive unable to perform the essential functions of his/her position at the Company, even with reasonable accommodation that does not impose an undue burden on the Company, for more than 180 days in any 12-month period, unless a longer period is required by applicable law, in which case that longer period shall apply.

(c) Cause. The Company may terminate the Executive's employment hereunder for Cause. The occurrence of any of the following, as reasonably determined by the Company, shall be a reason for Cause, provided that, if the Company determines that the circumstances constituting Cause are curable, then such circumstances shall not constitute Cause unless and until the Executive has been informed by the Company of the existence of Cause and given an opportunity of ten business days to cure, and such Cause remains uncured at the end of such ten-day period:

(1) continued failure by the Executive to satisfactorily perform his/her duties;

(2) willful misconduct or gross negligence by the Executive in the performance of his/her duties hereunder, including insubordination;

(3) the Executive's conviction or entry of a guilty or *nolo contendere* plea of any felony or any misdemeanor involving moral turpitude;

(4) the Executive's commission of any act involving dishonesty that results in material financial, reputational or other harm, monetary or otherwise, to any member of the Group, including but not

limited to an act constituting misappropriation or embezzlement of the property of any member of the Group as determined in good faith by the Board; or

(5) any material breach by the Executive of this Agreement.

(d) Good Reason. The Executive may terminate his/her employment hereunder for "Good Reason" upon the occurrence, without the written consent of the Executive, of an event constituting a material breach of this Agreement by the Company that has not been fully cured within ten business days after written notice thereof has been given by the Executive to the Company setting forth in sufficient detail the conduct or activities the Executive believes constitute grounds for Good Reason, including but not limited to:

(1) the failure by the Company to pay to the Executive any portion of the Executive's current compensation or to pay to the Executive any portion of an installment of deferred compensation under any deferred compensation program of the Company, within 20 business days of the date such compensation is due; or

(2) any material breach by the Company of this Agreement.

(e) Without Cause by the Company; Without Good Reason by the Executive. The Company may terminate the Executive's employment hereunder at any time without Cause upon 60-day prior written notice to the Executive. The Executive may terminate the Executive's employment voluntarily for any reason or no reason at any time by giving 60-day prior written notice to the Company.

(f) Notice of Termination. Any termination of the Executive's employment under the Agreement shall be communicated by written notice of termination ("Notice of Termination") from the terminating party to the other party. The notice of termination shall indicate the specific provision(s) of the Agreement relied upon in effecting the termination.

(g) Date of Termination. The "Date of Termination" shall mean (i) the date set forth in the Notice of Termination, or (ii) if the Executive's employment is terminated by the Executive's death, the date of his/her death.

(h) Compensation upon Termination.

(1) Death. If the Executive's employment is terminated by reason of the Executive's death, the Company shall have no further obligations to the Executive under this Agreement and the Executive's benefits shall be determined under the Company's retirement, insurance and other benefit and compensation plans or programs then in effect in accordance with the terms of such plans and programs.

(2) By Company without Cause or by the Executive for Good Reason. If the Executive's employment is terminated by the Company other than for Cause or by the Executive for Good Reason, the Company shall (i) continue to pay and otherwise provide to the Executive, during any notice period, all compensation, base salary and previously earned but unpaid incentive compensation, if any, and shall continue to allow the Executive to participate in any benefit plans in accordance with the terms of such plans during such notice period; and (ii) pay to the Executive, in lieu of benefits under any severance plan or policy of the Company, any such amount as may be agreed between the Company and the Executive.

(3) By Company for Cause or by the Executive other than for Good Reason. If the Executive's employment shall be terminated by the Company for Cause or by the Executive other than for Good Reason, the Company shall pay the Executive his/her base salary at the rate in effect at the time Notice of Termination is given through the Date of Termination, and the Company shall have no additional obligations to the Executive under this Agreement.

(i) Return of Company Property. The Executive agrees that following the termination of the Executive's employment for any reason, or at any time prior to the Executive's termination upon the request of the Company, he/she shall return all property of the Group that is then in or thereafter comes into his/her possession, including, but not limited to, any Confidential Information (as defined below) or Intellectual Property (as defined below), or any other documents, contracts, agreements, plans, photographs, projections, books, notes, records, electronically stored data and all copies, excerpts or summaries of the foregoing, as well as any automobile or other materials or equipment supplied by the Group to the Executive, if any.

(j) Requirement for a Release. Notwithstanding the foregoing, the Company's obligations to pay or provide any benefits shall (1) cease as of the date the Executive breaches any of the provisions of Sections 8, 9 and 11 hereof, and (2) be conditioned on the Executive signing the Company's customary release of claims in favor of the Group and the expiration of any revocation period provided for in such release.

8. **CONFIDENTIALITY AND NONDISCLOSURE**

(a) Confidentiality and Non-Disclosure.

(1) The Executive acknowledges and agrees that: (A) the Executive holds a position of trust and confidence with the Company and that his/her employment by the Company will require that the

Executive have access to and knowledge of valuable and sensitive information, material, and devices relating to the Company and/or its business, activities, products, services, customers and vendors, including, but not limited to, the following, regardless of the form in which the same is accessed, maintained or stored: the identity of the Company's actual and prospective customers and, as applicable, their representatives; prior, current or future research or development activities of the Company; the products and services provided or offered by the Company to customers or potential customers and the manner in which such services are performed or to be performed; the product and/or service needs of actual or prospective customers; pricing and cost information; information concerning the development, engineering, design, specifications, acquisition or disposition of products and/or services of the Company; user base personal data, programs, software and source codes, licensing information, personnel information, advertising client information, vendor information, marketing plans and techniques, forecasts, and other trade secrets ("Confidential Information"); and (B) the direct and indirect disclosure of any such Confidential Information would place the Company at a competitive disadvantage and would do damage, monetary or otherwise, to the Company's business.

(2) During the Term and at all times thereafter, the Executive shall not, directly or indirectly, whether individually, as a director, stockholder, owner, partner, employee, consultant, principal or agent of any business, or in any other capacity, publish or make known, disclose, furnish, reproduce, make available, or utilize any of the Confidential Information without the prior express written approval of the Company, other than in the proper performance of the duties contemplated herein, unless and until such Confidential Information is or shall become general public knowledge through no fault of the Executive.

(3) In the event that the Executive is required by law to disclose any Confidential Information, the Executive agrees to give the Company prompt advance written notice thereof and to provide the Company with reasonable assistance in obtaining an order to protect the Confidential Information from public disclosure.

(4) The failure to mark any Confidential Information as confidential shall not affect its status as Confidential Information under this Agreement.

(b) Third Party Information in the Executive's Possession. The Executive agrees that he/she shall not, during the Term, (i) improperly use or disclose any proprietary information or trade secrets of any former employer or other person or

entity with which the Executive has an agreement or duty to keep in confidence information acquired by Executive, if any, or (ii) bring into the premises of Company any document or confidential or proprietary information belonging to such former employer, person or entity unless consented to in writing by such former employer, person or entity. The Executive will indemnify the Company and hold it harmless from and against all claims, liabilities, damages and expenses, including reasonable attorneys' fees and costs of litigation, arising out of or in connection with any violation of the foregoing.

(c) Third Party Information in the Company's Possession. The Executive recognizes that the Company may have received, and in the future may receive, from third parties their confidential or proprietary information subject to a duty on the Company's part to maintain the confidentiality of such information and to use it only for certain limited purposes. The Executive agrees that the Executive owes the Company and such third parties, during the Term and thereafter, a duty to hold all such confidential or proprietary information in strict confidence and not to disclose such information to any person or firm, or otherwise use such information, in a manner inconsistent with the limited purposes permitted by the Company's agreement with such third party.

This Section 8 shall survive the termination of the Agreement for any reason. In the event the Executive breaches this Section 8, the Company shall have right to seek remedies permissible under applicable law.

9. **INTELLECTUAL PROPERTY**

(a) Prior Inventions. The Executive has attached hereto, as Schedule B, a list of patents duly registered with relevant authorities, original works of authorship and trade secrets made or conceived by or belonging to the Executive (whether made solely by the Executive or jointly with others) that (i) were developed by Executive prior to the Executive's employment by the Company (collectively, "Prior Inventions"), (ii) relate to the Company' actual or proposed business, products or research and development, and (iii) are not assigned to the Company hereunder; or, if no such list is attached, the Executive represents that there are no such Prior Inventions. Except to the extent set forth in Schedule B, the Executive hereby acknowledges that, if in the course of his/her service for the Company, the Executive incorporates into a Company product, process or machine a Prior Invention owned by the Executive or in which he/she has an interest, the Company is hereby granted and shall have a nonexclusive, royalty-free, irrevocable, perpetual, worldwide right and license (which may be freely transferred by the Company to any other person or entity) to make, have made, modify, use, sell, sublicense and otherwise distribute such Prior Invention as part of or in connection with such product, process or machine.

(b) Assignment of Intellectual Property. The Executive hereby assigns to the Company or its designees, without further consideration and free and clear of any lien or encumbrance, the Executive's entire right, title and interest (within

the United States and all foreign jurisdictions) to any and all inventions, discoveries, improvements, developments, works of authorship, concepts, ideas, plans, specifications, software, formulas, databases, designees, processes and contributions to Confidential Information created, conceived, developed or reduced to practice by the Executive (alone or with others) during the Term which (i) are related to the Company's current or anticipated business, activities, products, or services, (ii) result from any work performed by Executive for the Company, or (iii) are created, conceived, developed or reduced to practice with the use of Company property, including any and all Intellectual Property Rights (as defined below) therein ("Work Product"). Any Work Product which falls within the definition of "work made for hire", as such term is defined in the U.S. Copyright Act, shall be considered a "work made for hire", the copyright in which vests initially and exclusively in the Company. The Executive waives any rights to be attributed as the author of any Work Product and any "droit morale" (moral rights) in Work Product. The Executive agrees to immediately disclose to the Company all Work Product. For purposes of this Agreement, "Intellectual Property" shall mean any patent, copyright, trademark or service mark, trade secret, or any other proprietary rights protection legally available.

(c) Patent and Copyright Registration. The Executive agrees to execute and deliver any instruments or documents and to do all other things reasonably requested by the Company in order to more fully vest the Company with all ownership rights in the Work Product. If any Work Product is deemed by the Company to be patentable or otherwise registrable, the Executive shall assist the Company (at the Company's expense) in obtaining letters of patent or other applicable registration therein and shall execute all documents and do all things, including testifying (at the Company's expense) as necessary or appropriate to apply for, prosecute, obtain, or enforce any Intellectual Property right relating to any Work Product. Should the Company be unable to secure the Executive's signature on any document deemed necessary to accomplish the foregoing, whether due to the Executive's disability or other reason, the Executive hereby irrevocably designates and appoints the Company and each of its duly authorized officers and agents as the Executive's agent and attorney-in-fact to act for and on the Executive's behalf and stead to take any of the actions required of Executive under the previous sentence, with the same effect as if executed and delivered by the Executive, such appointment being coupled with an interest.

This Section 9 shall survive the termination of the Agreement for any reason. In the event the Executive breaches this Section 9, the Company shall have right to seek remedies permissible under applicable law.

10. **CONFLICTING EMPLOYMENT**

The Executive hereby agrees that, during the Term, he/she will not engage in any other employment, occupation, consulting or other business activity related to the business in which the Company is now involved or becomes involved during the Term, nor will the Executive engage in any other activities that conflict with his/her obligations to the Company without the prior written consent of the Company.

11. **NON-COMPETITION AND NON-SOLICITATION**

(a) Non-Competition. In consideration of the compensation provided to the Executive by the Company hereunder, the adequacy of which is hereby acknowledged by the parties hereto, the Executive agree that during the Term and for a period of one year following the termination of the Employment for whatever reason, the Executive shall not engage in Competition (as defined below) with the Group. For purposes of this Agreement, "Competition" by the Executive shall mean the Executive's engaging in, or otherwise directly or indirectly being employed by or acting as a consultant or lender to, or being a director, officer, employee, principal, agent, stockholder, member, owner or partner of, or permitting the Executive's name to be used in connection with the activities of, any other business or organization which competes, directly or indirectly, with the Group in the Business; provided, however, it shall not be a violation of this Section 11(a) for the Executive to become the registered or beneficial owner of up to five percent (5%) of any class of the capital stock of a publicly traded corporation in Competition with the Group, provided that the Executive does not otherwise participate in the business of such corporation.

For purposes of this Agreement, "Business" means the operation of online consumer finance platform connecting investors and customers and offering loan products and investment products, provision of related services and any other business which the Group engages in, or is preparing to become engaged in.

(b) Non-Solicitation; Non-Interference. During the Term and for a period of one year following the termination of the Executive's employment for any reason, the Executive agrees that he/she will not, directly or indirectly, for the Executive's benefit or for the benefit of any other person or entity, do any of the following:

(1) solicit or seek to solicit from any customer doing business with the Group during the Term business of the same or of a similar nature to the Business;

(2) solicit or seek to solicit from any known potential customer of the Group business of the same or of a similar nature to that which, whether or not has been the subject of a known written or oral bid, offer or proposal by the Group, or of substantial preparation with a view to making such a bid, proposal or offer;

(3) solicit or seek to solicit the employment or services of, or hire or engage, any person who is employed or engaged by the Group;

(4) assume employment with or provide services to any competitors of the Group, or engage, whether as principal, partner, licensor or otherwise, any of the Group's competitors, without the Group's prior written consent; or

(5) otherwise interfere with the business or accounts of the Group, including, but not limited to, with respect to any relationship or agreement between the Group and any vendor or supplier.

(c) Injunctive Relief; Indemnity of Company. The Executive agrees that any breach or threatened breach of subsections (a) and (b) of this Section 11 would result in irreparable injury and damage to the Company for which an award of money to the Company would not be an adequate remedy. The Executive therefore also agrees that in the event of said breach or any reasonable threat of breach, the Company shall be entitled to seek an immediate injunction and restraining order to prevent such breach and/or threatened breach and/or continued breach by the Executive and/or any and all persons and/or entities acting for and/or with the Executive. The terms of this paragraph shall not prevent the Company from pursuing any other available remedies for any breach or threatened breach hereof, including, but not limited to, remedies available under this Agreement and the recovery of damages. The Executive and the Company further agree that the provisions of this Section 11 are reasonable. The Executive agrees to indemnify and hold harmless the Company from and against all reasonable expenses (including reasonable fees and disbursements of counsel) which may be incurred by the Company in connection with, or arising out of, any violation of this Agreement by the Executive. This Section 11 shall survive the termination of the Agreement for any reason.

12. WITHHOLDING TAXES

Notwithstanding anything else herein to the contrary, the Company may withhold (or cause there to be withheld, as the case may be) from any amounts otherwise due or payable under or pursuant to the Agreement such national, state, provincial, local or any other income, employment, or other taxes as may be required to be withheld pursuant to any applicable law or regulation.

13. ASSIGNMENT

The Agreement is personal in its nature and neither of the parties hereto shall, without the consent of the other, assign or transfer the Agreement or any rights or obligations hereunder; provided, however, that the Company may assign or transfer the Agreement or any rights or obligations hereunder to any member of the Group without such consent. If the Executive should die while any amounts would still be payable to the Executive hereunder if the Executive had continued to live, all such amounts unless otherwise provided herein shall be paid in accordance with the terms of this Agreement to the Executive's devisee, legatee, or other designee or, if there be no such designee, to the Executive's estate. The Company will require any and all successors (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company to expressly assume and agree to perform this Agreement

in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place. Failure of the Company to obtain such assumption and agreement prior to the effectiveness of any such succession shall be a breach of this Agreement and shall entitle the Executive to compensation from the Company in the same amount and on the same terms as the Executive would be entitled to hereunder if the Company had terminated the Executive's employment other than for Cause, except that for purposes of implementing the foregoing, the date on which any such succession becomes effective shall be deemed the Date of Termination. As used in this Section 13, "Company" shall mean the Company as herein before defined and any successor to its business and/or assets as aforesaid which executes and delivers the agreement provided for in this Section 13 or which otherwise becomes bound by all the terms and provisions of this Agreement by operation of law.

14. SEVERABILITY

If any provision of the Agreement or the application thereof is held invalid, the invalidity shall not affect other provisions or applications of the Agreement which can be given effect without the invalid provisions or applications and to this end the provisions of the Agreement are declared to be severable.

15. ENTIRE AGREEMENT

The Agreement constitutes the entire agreement and understanding between the Executive and the Company regarding the terms of the Employment and supersedes all prior or contemporaneous oral or written agreements concerning such subject matter. The Executive acknowledges that he/she has not entered into the Agreement in reliance upon any representation, warranty or undertaking which is not set forth in the Agreement.

16. GOVERNING LAW

The Agreement shall be governed by and construed in accordance with the law of the State of New York, U.S.A.

17. AMENDMENT

The Agreement may not be amended, modified or changed (in whole or in part), except by a formal, definitive written agreement expressly referring to the Agreement, which agreement is executed by both of the parties hereto.

18. WAIVER

Neither the failure nor any delay on the part of a party to exercise any right, remedy, power or privilege under the Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any right, remedy, power or privilege preclude any other or further exercise of the same or of any right, remedy, power or privilege, nor shall any waiver of any right, remedy, power or privilege with respect to any occurrence be construed as a waiver of such right, remedy, power or privilege with respect to any other occurrence. No waiver shall be effective unless it is in writing and is signed by the party asserted to have granted such waiver.

19. NOTICES

All notices, requests, demands and other communications required or permitted under the Agreement shall be in writing and shall be deemed to have been duly given and made if (i) delivered by hand, (ii) otherwise delivered against receipt therefor, (iii) sent by a recognized courier with next-day or second-day delivery to the last known address of the other party; or (iv) sent by e-mail with confirmation of receipt.

20. COUNTERPARTS

The Agreement may be executed in any number of counterparts, each of which shall be deemed an original as against any party whose signature appears thereon, and all of which together shall constitute one and the same instrument. The Agreement shall become binding when one or more counterparts hereof, individually or taken together, shall bear the signatures of all of the parties reflected hereon as the signatories. Photographic copies of such signed counterparts may be used in lieu of the originals for any purpose.

21. NO INTERPRETATION AGAINST DRAFTER

Each party recognizes that the Agreement is a legally binding contract and acknowledges that such party has had the opportunity to consult with legal counsel of choice. In any construction of the terms of the Agreement, the same shall not be construed against either party on the basis of that party being the drafter of such terms.

[Remainder of the page intentionally left blank.]

IN WITNESS WHEREOF, the Agreement has been executed as of the date first written above.

COMPANY:

LexinFintech Holdings Ltd.
a Cayman Islands exempted company

By: _____
Name:
Title:

EXECUTIVE:

_____
Name:
Address:

Schedule A

Cash Compensation

	Amount	Pay Period
Base Salary		
Cash Bonus		

Schedule B

List of Prior Inventions

Title	Date	Identifying Number or Brief Description

_____No inventions or improvements

_____Additional Sheets Attached

Signature of Executive:_____

Print Name of Executive:_____

Date:_____

Exhibit 10.4

INDEMNIFICATION AGREEMENT

THIS INDEMNIFICATION AGREEMENT (this "Agreement") is made as of_____, 20 by and between LexinFintech Holdings Ltd., an exempted company with limited liability incorporated and existing under the laws of the Cayman Islands (the "Company"), and _____ (Passport/ID Number:_____) (the "Indemnitee").

WHEREAS, the Indemnitee has agreed to serve as a director or officer of the Company and in such capacity will render valuable services to the Company; and

WHEREAS, in order to induce and encourage highly experienced and capable persons such as the Indemnitee to render valuable services to the Company, the board of directors of the Company (the "Board") has determined that this Agreement is not only reasonable and prudent, but necessary to promote and ensure the best interests of the Company and its shareholders;

NOW, THEREFORE, in consideration of the premises and mutual agreements hereinafter set forth, and other good and valuable consideration, including, without limitation, the service of the Indemnitee, the receipt of which hereby is acknowledged, and in order to induce the Indemnitee to render valuable services the Company, the Company and the Indemnitee hereby agree as follows:

1. Definitions. As used in this Agreement:

(a) "Change in Control" shall mean a change in control of the Company of a nature that would be required to be reported in response to Item 6(e) of Schedule 14A of Regulation 14A (or in response to any similar item on any similar or successor schedule or form) promulgated under the United States Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder (collectively, the "Act"), whether or not the Company is then subject to such reporting requirement; provided, however, that, without limitation, such a Change in Control shall be deemed to have occurred (irrespective of the applicability of the initial clause of this definition) if (i) any "person" (as such term is used in Sections 13(d) and 14(d) of the Act, but excluding any trustee or other fiduciary holding securities pursuant to an employee benefit or welfare plan or employee share plan of the Company or any subsidiary or affiliate of the Company, or any entity organized, appointed, established or holding securities of the Company with voting power for or pursuant to the terms of any such plan) becomes the "beneficial owner" (as defined in Rule 13d-3 under the Act), directly or indirectly, of securities of the Company representing 30% or more of the combined voting power of the Company's then outstanding securities without the prior approval of at least two-thirds of the Continuing Directors (as defined below) in office immediately prior to such person's attaining such interest; (ii) the Company is a party to a merger, consolidation, scheme of arrangement, sale of assets or other reorganization, or a proxy contest, as a consequence of which Continuing Directors in office immediately prior to such transaction or event constitute less than a majority of the Board (or any successor entity) thereafter; or (iii) within any period of two consecutive years, Continuing Directors cease for any reason to constitute at least a majority of the Board.

(b) "Continuing Director" shall mean an individual who at the beginning of any period of two consecutive years serves on the Board, and shall for the purpose of this definition include any new director whose election or nomination for election by the Company's shareholders was approved by a vote of at least two-thirds of the directors then still in office who were directors at the beginning of such period.

(c) "Disinterested Director" with respect to any request by the Indemnitee for indemnification or advancement of expenses hereunder shall mean a director of the Company who neither is nor was a party to the Proceeding (as defined below) in respect of which indemnification or advancement is being sought by the Indemnitee.

(d) The term "Expenses" shall mean, without limitation, expenses of Proceedings, including attorneys' fees, disbursements and retainers, accounting and witness fees, expenses related to preparation for service as a witness and to service as a witness, travel and deposition costs, expenses of investigations, judicial or administrative proceedings and appeals, amounts paid in settlement of a Proceeding by or on behalf of the Indemnitee, costs of attachment or similar bonds, any expenses of attempting to establish or establishing a right to indemnification or advancement of expenses, under this Agreement, the Company's Memorandum of Association and Articles of Association as currently in effect (the "Articles"), applicable law or otherwise, and reasonable compensation for time spent by the Indemnitee in connection with the investigation, defense or appeal of a Proceeding or action for indemnification for which the Indemnitee is not otherwise compensated by the Company or any third party. The term "Expenses" shall not include the amount of judgments, fines, interest or penalties, or excise taxes assessed with respect to any employee benefit or welfare plan, which are actually levied against or sustained by the Indemnitee to the extent sustained after final adjudication.

(e) The term "Independent Legal Counsel" shall mean any firm of attorneys reasonably selected by the Board, so long as such firm has not represented the Company, the Company's subsidiaries or affiliates, the Indemnitee, any entity controlled by the Indemnitee, or any party adverse to the Company, within the preceding five (5) years. Notwithstanding the foregoing, the term "Independent Legal Counsel" shall not include any person who, under applicable standards of professional conduct then prevailing, would have a conflict of interest in representing either the Company or the Indemnitee in an action to determine the Indemnitee's right to indemnification or advancement of expenses under this Agreement, the Company's Articles, applicable law or otherwise.

(f) The term "Proceeding" shall mean any threatened, pending or completed action, suit, arbitration, alternate dispute resolution mechanism, or other proceeding (including, without limitation, an appeal therefrom), formal or informal, whether brought in the name of the Company or otherwise, whether of a civil, criminal, administrative or investigative nature, and whether by, in or involving a court or an administrative, other governmental or private entity or body (including, without limitation, an investigation by the Company or its Board), by reason of (i) the fact that the Indemnitee is or was a director or officer of the Company, or is or was serving at the request of the Company as an agent of another enterprise, whether or not the Indemnitee is serving in such capacity at the time any liability or expense is incurred for which indemnification or reimbursement is to be provided under this Agreement, (ii) any actual or alleged act or omission or neglect or breach of duty, including, without limitation, any actual or alleged error or misstatement or misleading statement, which the Indemnitee commits or suffers while acting in any such capacity, or (iii) the Indemnitee attempting to establish or establishing a right to indemnification or advancement of expenses pursuant to this Agreement, the Company's Articles, applicable law or otherwise.

(g) The phrase "serving at the request of the Company as an agent of another enterprise" or any similar terminology shall mean, unless the context otherwise requires, serving at the request of the Company as a director, officer, employee or agent of another corporation, partnership, joint venture, limited liability company, trust, employee benefit or welfare plan or other enterprise, foreign or domestic. The phrase "serving at the request of the Company" shall include, without limitation, any service as a director/an executive officer of the Company which imposes duties on, or involves services by, such director/executive officer with respect to the Company or any of the Company's subsidiaries, affiliates, employee benefit or welfare plans, such plan's participants or beneficiaries or any other enterprise, foreign or domestic. In the event that the Indemnitee shall be a director, officer, employee or agent of another corporation, partnership, joint venture, limited liability company, trust, employee benefit or welfare plan or other enterprise, foreign or domestic, 50% or more of the ordinary shares, combined voting power or total equity interest of which is owned by the Company or any subsidiary or affiliate thereof, then it shall be presumed conclusively that the Indemnitee is so acting at the request of the Company.

2. Services by the Indemnitee. The Indemnitee agrees to serve as a director or officer of the Company under the terms of the Indemnitee's agreement with the Company for so long as the Indemnitee is duly elected or appointed or until such time as the Indemnitee tenders a resignation in writing or is removed from the Indemnitee's position; provided, however, that the Indemnitee may at any time and for any reason resign from such position (subject to any other contractual obligation or other obligation imposed by operation of law).

3. Proceedings by or in the Right of the Company. The Company shall indemnify the Indemnitee if the Indemnitee is a party to or threatened to be made a party to or is otherwise involved in any Proceeding by or in the right of the Company to procure a judgment in its favor by reason of the fact that the Indemnitee is or was a director or officer of the Company, or is or was serving at the request of the Company as an agent of another enterprise, against all Expenses, judgments, fines, interest or penalties, and excise taxes assessed with respect to any employee benefit or welfare plan, which are actually and reasonably incurred by the Indemnitee in connection with the defense or settlement of such a Proceeding, if the Indemnitee acted in good faith and in a manner the Indemnitee reasonably believed to be in, or not opposed to, the best interests of the Company; except that no indemnification under this section shall be made in respect of any claim, issue or matter as to which such person shall have been adjudicated by final judgment by a court of competent jurisdiction to be liable to the Company for willful misconduct in the performance of his/her duty to the Company, unless and only to the extent that the court in which such Proceeding was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such amounts which such other court shall deem proper.

4. Proceeding Other Than a Proceeding by or in the Right of the Company. The Company shall indemnify the Indemnitee if the Indemnitee is a party to or threatened to be made a party to or is otherwise involved in any Proceeding (other than a Proceeding by or in the right of the Company), by reason of the fact that the Indemnitee is or was a director or officer of the Company, or is or was serving at the request of the Company as an agent of another enterprise, against all Expenses, judgments, fines, interest or penalties, which are actually and reasonably incurred by the Indemnitee in connection with such a Proceeding, to the fullest extent permitted by applicable law; provided, however, that any settlement of a Proceeding must be approved in advance in writing by the Company (which approval shall not be unreasonably withheld).

5. Indemnification for Costs, Charges and Expenses of Witness or Successful Party. Notwithstanding any other provision of this Agreement (except as set forth in subparagraph 9(a) hereof), and without a requirement for determination as required by Paragraph 8 hereof, to the extent that the Indemnitee (a) has prepared to serve or has served as a witness in any Proceeding in any way relating to (i) the Company or any of the Company's subsidiaries, affiliates, employee benefit or welfare plans or such plan's participants or beneficiaries or (ii) anything done or not done by the Indemnitee as a director or officer of the Company or in connection with serving at the request of the Company as an agent of another enterprise, or (b) has been successful in defense of any Proceeding or in defense of any claim, issue or matter therein, on the merits or otherwise, including the dismissal of a Proceeding without prejudice or the settlement of a Proceeding without an admission of liability, the Indemnitee shall be indemnified against all Expenses actually and reasonably incurred by the Indemnitee in connection therewith to the fullest extent permitted by applicable law.

6. Partial Indemnification. If the Indemnitee is entitled under any provision of this Agreement to indemnification by the Company for a portion of the Expenses, judgments, fines, interest or penalties, which are actually and reasonably incurred by the Indemnitee in the investigation, defense, appeal or settlement of any Proceeding, but not, however, for the total amount of the Indemnitee's Expenses, judgments, fines, interest or penalties, then the Company shall nevertheless indemnify the Indemnitee for the portion of such Expenses, judgments, fines, interest or penalties to which the Indemnitee is entitled.

7. Advancement of Expenses. The Expenses incurred by the Indemnitee in any Proceeding shall be paid promptly by the Company in advance of the final disposition of the Proceeding at the written request of the Indemnitee to the fullest extent permitted by applicable law; provided, however, that the Indemnitee shall set forth in such request reasonable evidence that such Expenses have been incurred by the Indemnitee in connection with such Proceeding, a statement that such Expenses do not relate to any matter described in subparagraph 9(a) of this Agreement, and an undertaking in writing to repay any advances if it is ultimately determined as provided in subparagraph 8(b) of this Agreement that the Indemnitee is not entitled to indemnification under this Agreement.

8. Indemnification Procedure; Determination of Right to Indemnification.

(a) Promptly after receipt by the Indemnitee of notice of the commencement of any Proceeding, the Indemnitee shall, if a claim for indemnification or advancement of Expenses in respect thereof is to be made against the Company under this Agreement, notify the Company of the commencement thereof in writing. The failure and delay to so notify the Company will not relieve the Company from any liability which the Company may have to the Indemnitee under this Agreement unless the Company shall have lost significant substantive or procedural rights with respect to the defense of any Proceeding as a result of such omission to so notify.

(b) The Indemnitee shall be conclusively presumed to have met the relevant standards of conduct, if any, as defined by applicable law, for indemnification pursuant to this Agreement and shall be absolutely entitled to such indemnification, unless a determination is made that the Indemnitee

has not met such standards by (i) the Board by a majority vote of a quorum thereof consisting of Disinterested Directors, (ii) the shareholders of the Company by majority vote of a quorum thereof consisting of shareholders who are not parties to the Proceeding due to which a claim for indemnification is made under this Agreement, (iii) Independent Legal Counsel as set forth in a written opinion (it being understood that such Independent Legal Counsel shall make such determination only if the quorum of Disinterested Directors referred to in clause (i) of this subparagraph 8(b) is not obtainable or if the Board by a majority vote of a quorum thereof consisting of Disinterested Directors so directs), or (iv) a court of competent jurisdiction; provided, however, that if a Change in Control shall have occurred and the Indemnitee so requests in writing, such determination shall be made only by a court of competent jurisdiction.

(c) If a claim for indemnification or advancement of Expenses under this Agreement is not paid by the Company within thirty (30) days after receipt by the Company of written notice thereof, the rights provided by this Agreement shall be enforceable by the Indemnitee in any court of competent jurisdiction. Such judicial proceeding shall be made de novo. The burden of proving that indemnification or advances are not appropriate shall be on the Company. Neither the failure of the directors or shareholders of the Company or Independent Legal Counsel to have made a determination prior to the commencement of such action that indemnification or advancement of Expenses is proper in the circumstances because the Indemnitee has met the applicable standard of conduct, if any, nor an actual determination by the directors or shareholders of the Company or Independent Legal Counsel that the Indemnitee has not met the applicable standard of conduct shall be a defense to an action by the Indemnitee or create a presumption for the purpose of such an action that the Indemnitee has not met the applicable standard of conduct. The termination of any Proceeding by judgment, order, settlement or conviction, or upon a plea of *nolo contendere* or its equivalent, shall not, of itself (i) create a presumption that the Indemnitee did not act in good faith and in a manner which he reasonably believed to be in the best interests of the Company and/or its shareholders, and, with respect to any criminal Proceeding, that the Indemnitee had reasonable cause to believe that his conduct was unlawful or (ii) otherwise adversely affect the rights of the Indemnitee to indemnification or advancement of Expenses under this Agreement, except as may be provided herein.

(d) If a court of competent jurisdiction shall determine that the Indemnitee is entitled to any indemnification or advancement of Expenses hereunder, the Company shall pay all Expenses actually and reasonably incurred by the Indemnitee in connection with such adjudication (including, but not limited to, any appellate proceedings).

(e) With respect to any Proceeding for which indemnification or advancement of Expenses is requested, the Company will be entitled to participate therein at its own expense and, except as otherwise provided below, to the extent that it may wish, the Company may assume the defense thereof, with counsel reasonably satisfactory to the Indemnitee. After notice from the Company to the Indemnitee of its election to assume the defense of a Proceeding, the Company will not be liable to the Indemnitee under this Agreement for any Expenses subsequently incurred by the Indemnitee in connection with the defense thereof, other than

as provided below. The Company shall not settle any Proceeding in any manner which would impose any penalty or limitation on the Indemnitee without the Indemnitee's written consent. The Indemnitee shall have the right to employ his/her own counsel in any Proceeding, but the fees and expenses of such counsel incurred after notice from the Company of its assumption of the defense of the Proceeding shall be at the expense of the Indemnitee, unless (i) the employment of counsel by the Indemnitee has been authorized by the Company, (ii) the Indemnitee shall have reasonably concluded that there may be a conflict of interest between the Company and the Indemnitee in the conduct of the defense of a Proceeding, or (iii) the Company shall not in fact have employed counsel to assume the defense of a proceeding, in each of which cases the fees and expenses of the Indemnitee's counsel shall be advanced by the Company. The Company shall not be entitled to assume the defense of any Proceeding brought by or on behalf of the Company or as to which the Indemnitee has reasonably concluded that there may be a conflict of interest between the Company and the Indemnitee.

9. Limitations on Indemnification. No payments pursuant to this Agreement shall be made by the Company:

(a) To indemnify or advance funds to the Indemnitee for Expenses with respect to (i) Proceedings initiated or brought voluntarily by the Indemnitee and not by way of defense, except with respect to Proceedings brought to establish or enforce a right to indemnification under this Agreement or any other statute or law or otherwise as required under applicable law or (ii) Expenses incurred by the Indemnitee in connection with preparing to serve or serving, prior to a Change in Control, as a witness in cooperation with any party or entity who or which has threatened or commenced any action or proceeding against the Company, or any director, officer, employee, trustee, agent, representative, subsidiary, parent corporation or affiliate of the Company, but such indemnification or advancement of Expenses in each such case may be provided by the Company if the Board finds it to be appropriate;

(b) To indemnify the Indemnitee for any Expenses, judgments, fines, interest or penalties, sustained in any Proceeding for which payment is actually made to the Indemnitee under a valid and collectible insurance policy, except in respect of any excess beyond the amount of payment under such insurance;

(c) To indemnify the Indemnitee for any Expenses, judgments, fines, interest or penalties sustained in any Proceeding for an accounting of profits made from the purchase or sale by the Indemnitee of securities of the Company pursuant to the provisions of Section 16(b) of the Act or similar provisions of any foreign or United States federal, state or local statute or regulation;

(d) To indemnify the Indemnitee for any Expenses, judgments, fines, interest or penalties, for which the Indemnitee is indemnified by the Company otherwise than pursuant to this Agreement;

(e) To indemnify the Indemnitee for any Expenses (including without limitation any Expenses relating to a Proceeding attempting to enforce this Agreement), judgments, fines, interest or penalties, on account of the Indemnitee's conduct if such conduct shall be finally adjudged to have been knowingly fraudulent, deliberately dishonest or to have constituted willful misconduct, including, without limitation, breach of the duty of loyalty;

(f) If a court of competent jurisdiction finally determines that any indemnification hereunder is unlawful. In this respect, the Company and the Indemnitee have been advised that the Securities and Exchange Commission takes the position that indemnification for liabilities arising under securities laws is against public policy and is, therefore, unenforceable;

(g) To indemnify the Indemnitee in connection with Indemnitee's personal tax matter; or

(h) To indemnify the Indemnitee with respect to any claim related to any dispute or breach arising under any contract or similar obligation between the Company or any of its subsidiaries or affiliates and such Indemnitee.

10. Continuation of Indemnification. All agreements and obligations of the Company contained herein shall continue during the period that the Indemnitee is a director or officer of the Company (or is or was serving at the request of the Company as an agent of another enterprise, foreign or domestic) and shall continue thereafter so long as the Indemnitee shall be subject to any possible Proceeding by reason of the fact that the Indemnitee was a director or officer of the Company or serving in any other capacity referred to in this Paragraph 10.

11. Indemnification Hereunder Not Exclusive. The indemnification provided by this Agreement shall not be deemed to be exclusive of any other rights to which the Indemnitee may be entitled under the Company's Articles, any agreement, vote of shareholders or vote of Disinterested Directors, provisions of applicable law, or otherwise, both as to action or omission in the Indemnitee's official capacity and as to action or omission in another capacity on behalf of the Company while holding such office.

12. Successors and Assigns.

(a) This Agreement shall be binding upon the Indemnitee, and shall inure to the benefit of, the Indemnitee and the Indemnitee's heirs, executors, administrators and assigns, whether or not the Indemnitee has ceased to be a director or officer, and the Company and its successors and assigns. Upon the sale of all or substantially all of the business, assets or share capital of the Company to, or upon the merger of the Company into or with, any corporation, partnership, joint venture, trust or other person, this Agreement shall inure to the benefit of and be binding upon both the Indemnitee and such purchaser or successor person. Subject to the foregoing, this Agreement may not be assigned by either party without the prior written consent of the other party hereto.

(b) If the Indemnitee is deceased and is entitled to indemnification under any provision of this Agreement, the Company shall indemnify the Indemnitee's estate and the Indemnitee's spouse, heirs, executors, administrators and assigns against, and the Company shall, and does hereby agree to assume, any and all Expenses actually and reasonably incurred by or for the Indemnitee or the Indemnitee's estate, in connection with the investigation, defense, appeal or settlement of any Proceeding. Further, when requested in writing by the spouse of the Indemnitee, and/or the Indemnitee's heirs, executors, administrators and assigns, the Company shall provide appropriate evidence of the Company's agreement set out herein to indemnify the Indemnitee against and to itself assume such Expenses.

13. Subrogation. In the event of payment under this Agreement, the Company shall be subrogated to the extent of such payment to all of the rights of recovery of the Indemnitee, who shall execute all documents required and shall do all acts that may be necessary to secure such rights and to enable the Company effectively to bring suit to enforce such rights.

14. Severability. Each and every paragraph, sentence, term and provision of this Agreement is separate and distinct so that if any paragraph, sentence, term or provision thereof shall be held to be invalid, unlawful or unenforceable for any reason, such invalidity, unlawfulness or unenforceability shall not affect the validity, unlawfulness or enforceability of any other paragraph, sentence, term or provision hereof. To the extent required, any paragraph, sentence, term or provision of this Agreement may be modified by a court of competent jurisdiction to preserve its validity and to provide the Indemnitee with the broadest possible indemnification permitted under applicable law. The Company's inability, pursuant to a court order or decision, to perform its obligations under this Agreement shall not constitute a breach of this Agreement.

15. Savings Clause. If this Agreement or any paragraph, sentence, term or provision hereof is invalidated on any ground by any court of competent jurisdiction, the Company shall nevertheless indemnify the Indemnitee as to any Expenses, judgments, fines, interest or penalties, which are incurred with respect to any Proceeding to the fullest extent permitted by any (a) applicable paragraph, sentence, term or provision of this Agreement that has not been invalidated or (b) applicable law.

16. Interpretation; Governing Law. This Agreement shall be construed as a whole and in accordance with its fair meaning and any ambiguities shall not be construed for or against either party. Headings are for convenience only and shall not be used in construing meaning. This Agreement shall be governed and interpreted in accordance with the laws of the State of New York.

17. Amendments. No amendment, waiver, modification, termination or cancellation of this Agreement shall be effective unless in writing signed by the party against whom enforcement is sought. The indemnification rights afforded to the Indemnitee hereby are contract rights and may not be diminished, eliminated or otherwise affected by amendments to the Company's Articles, or by other agreements, including directors' and officers' liability insurance policies, of the Company.

18. Counterparts. This Agreement may be executed in one or more counterparts, all of which shall be considered one and the same agreement and shall become effective when one or more counterparts have been signed by each party and delivered to the other.

19. Notices. Any notice required to be given under this Agreement shall be directed to the Chief Financial Officer of the Company at 27/F CES Tower, No. 3099 Keyuan South Road, Nanshan District, Shenzhen 518052, People's Republic of China, and to the Indemnitee at or to such other address as either shall designate to the other in writing.

[The remainder of this page is intentionally left blank.]

IN WITNESS WHEREOF, the parties have executed this Indemnification Agreement as of the date first written above.

LEXINFINTECH HOLDINGS LTD.

By: _____
Name:
Title:

INDEMNITEE

By: _____
Name:

[Signature Page to Indemnification Agreement]

Exhibit 10.5

Exclusive Business Cooperation Agreement

This Exclusive Business Cooperation Agreement (this "**Agreement**") is made and entered into by and between the following parties on November 4, 2014 in Beijing, the People's Republic of China.

Party A: **Beijing Shijitong Technology Co., Ltd.**

Address: Room 1505, Buildings 1, No.108 Zhichun Road, Haidian District, Beijing

Party B: **Shenzhen Fenqile Network Technology Co., Ltd.**

Address: Suite 08, Overseas Students Pioneer Building, No. 29 Nanhuan Road, Gaoxin Area, Nanshan District, Shenzhen

Party A and Party B shall be hereinafter referred to as a **"Party"** individually, and as the **"Parties"** collectively.

Whereas,

1. Party A is a wholly foreign-owned enterprise registered in the People's Republic of China's (hereinafter "**China**" or "**PRC**") with necessary resources for providing technical services and commercial consulting services;

2. Party B is a domestic company registered in China and is approved by competent Chinese government authorities to engage in enterprise image planning, enterprise marketing planning, investment consulting, entrusted asset management, project investment, economic information consulting; electronic commerce; technical development of electronic products, network products, scientific and technological products; technical development and sales of software; domestic trade; goods and technology import and export business; guarantee business (excluding financing guarantee business and other restricted businesses). Party B's current business and any business to be operated and developed at any time during the term of this Agreement are collectively referred to as "**Principal Business**".

3. Party A is willing to, with its advantages in technology, human resources, and information, provide Party B with technical support, consulting services and other services on an exclusive basis in relation to the Principal Business during the term of this Agreement, and Party B is willing to accept such services provided by Party A or Party A's designee(s), each on the terms set forth herein.

Now, therefore, the Parties hereby agree as follows through mutual negotiations:

1. **Services to be Provided by Party A**

1.1 Pursuant to the terms and conditions set forth herein, Party B hereby appoints Party A as Party B's exclusive services provider to provide Party B with full-range business support and technical and consulting services during the term of this

Agreement, which may include all such services as may be determined from time to time by Party A within Party B's scope of the Principal Business, such as but not limited to technical services, network support, business consultations, intellectual property licenses, equipment or office premise leasing, marketing consultancy, system integration, product research and development, and system maintenance.

1.2 Party B agrees to accept the consultations and services provided by Party A. Party B further agrees that unless with Party A's prior written consent, during the term of this Agreement, Party B shall not directly or indirectly accept any same or similar services provided by any third party and shall not establish similar cooperation relationships with any third party regarding the matters contemplated by this Agreement. Party A may appoint other parties, who may enter into certain agreements described in Section 1.3 with Party B, to provide Party B with the services under this Agreement.

1.3 Service Mode

1.3.1 Party A and Party B agree that during the term of this Agreement, both Parties may, directly or through their respective affiliates, enter into further technical service agreements or consulting service agreements, which shall specify the specific contents, manner, personnel, and fees for the specific technical services and consulting services to be provided by Party A.

1.3.2 To fulfill this Agreement, Party A and Party B agree that during the term of this Agreement, both Parties may, directly or through their respective affiliates, enter into intellectual property (including, but not limited to, software, trademark, patent and know-how) license agreements which shall permit Party B to, based on its business needs, use Party A's relevant intellectual property rights at any time and from time to time.

1.3.3 To fulfill this Agreement, Party A and Party B agree that during the term of this Agreement, both Parties may, directly or through their respective affiliates, enter into equipment or property leases which shall permit Party B to, based on its business needs, use Party A's relevant equipment or property at any time and from time to time.

1.3.4 Party B hereby grants to Party A an irrevocable and exclusive option to purchase from Party B, at Party A's sole discretion, any or all of the assets of Party B, to the extent permitted under PRC law, and at the lowest purchase price permitted by PRC law. Upon exercise of such option by Party A, The Parties shall enter into a separate asset transfer agreement, specifying the terms and conditions of the transfer of the assets.

2. **The Calculation and Payment of Service Fees**

Both Parties agree that Party B shall pay Party A consulting service fees in the amount and on the date stipulated in the invoice. Party A shall have the right to adjust the service fee rate at any time in accordance with the quantity and content of consulting services it provides to Party B.

2.1 Party B shall pay service fees to Party A in the following manner for the services provided by Party A hereunder.

2.1.1 Service fee equivalent to a certain ratio of the balance of Party B's current-year revenue deducting the cost recognized by Party A, which ratio shall be otherwise determined by Party A annually based on Party B's actual profitability; and

2.1.2 Service fee otherwise agreed upon by the Parties for specific technical services provided by Party A from time to time upon Party B's request.

2.2 Party B shall pay the service fees determined pursuant to Section 2.1 to Party A's designated bank account in a lump sum within three (3) months following the end of each Gregorian Calendar year.

2.3 With fifteen (15) days following the end of each financial year, Party B shall provide Party A with current-year financial statements and all business records, business contracts and financial information necessary for the issuance of financial statements. If Party A disputes with the financial information provided by Party B, it may appoint an independent accountant with good reputation to audit relevant information and Party B shall cooperate.

3. **Intellectual Property Rights and Confidentiality Clauses**

3.1 Party A shall have exclusive and proprietary ownership, rights and interests in any and all intellectual properties arising out of or created during the performance of this Agreement, including but not limited to copyrights, patents, patent applications, trademarks, software, technical secrets, trade secrets, regardless of whether they have been developed by Party A or Party B. Party B shall execute all appropriate documents, take all appropriate actions, submit all filings and/or applications, render all appropriate assistance and otherwise conduct as deemed necessary by Party A at its sole discretion, so as to vest any ownership, right or interest of any such intellectual property rights in Party A, and/or perfect the protections for any such intellectual property rights of Party A.

3.2 The Parties acknowledge that the existence and the terms of this Agreement and any oral or written information exchanged between the Parties in connection with the preparation and performance of this Agreement constitute confidential information. Each Party shall maintain confidentiality of all such confidential information, and without obtaining written consent of the other Party, it shall not disclose any relevant confidential information to any third party, except for the information that: (i) is or becomes available to the general public (other than through the receiving Party's unauthorized disclosure); (ii) is required to be disclosed by applicable laws or regulations or rules or regulations of any stock exchange;

or (iii) is necessary to be disclosed by any Party to its shareholders, directors, employees, legal counsels or financial advisors regarding the transaction contemplated hereunder, provided that such shareholders, directors, employees, legal counsels or financial advisors shall be bound by the confidentiality obligations similar to those set forth in this Section. Disclosure of any confidential information by the shareholders, director, employees of or agencies engaged by any Party shall be deemed disclosure by such Party itself and such Party shall be held liable for breach of this Agreement. This Section shall survive the termination of this Agreement for any reason.

3.3 The Parties agree that this Section shall survive changes to, and rescission or termination of, this Agreement.

4. **Representation and Warranties**

4.1 Party A hereby represents and warrants as follows:

4.1.1 Party A is a wholly foreign-owned enterprise legally established and validly existing under the laws of China;

4.1.2 Party A has taken all necessary corporate actions, obtained all necessary authorizations as well as all consents and approvals from third parties and government agencies (if required) for the execution, delivery and performance of this Agreement. Party A's execution, delivery and performance of this Agreement do not violate any restrictions in law or otherwise binding or having an impact on Party A.

4.1.3 This Agreement constitutes Party A's legal, valid and binding obligations, enforceable against it in accordance with its terms.

4.2 Party B hereby represents and warrants as follows:

4.2.1 Party B is a company legally established and validly existing under the laws of China and has obtained all government permits and licenses for engaging in the Principal Business.

4.2.2 Party B's execution and performance of this Agreement is within its corporate capacity and the scope of its business operations; Party B has taken necessary corporate actions and given appropriate authorization and has obtained the consent and approval from third parties and government agencies, and will not violate any restrictions in law or otherwise binding or having an impact on Party B.

4.2.3 This Agreement constitutes Party B's legal, valid and binding obligations, and shall be enforceable against it in accordance with its terms.

5. **Effectiveness and Term**

5.1 This Agreement is executed on the date first above written and shall take effect as of such date. This Agreement shall have an indefinite term and remain effective unless terminated in accordance with the provisions of this Agreement or terminated in writing by Party A.

5.2 During the term of this Agreement, each Party shall renew its operation term prior to the expiration thereof so as to enable this Agreement to remain effective. This Agreement shall be terminated upon the expiration of the operation term of a Party if the application for the renewal of its operation term is not approved by relevant government authorities.

6. **Termination**

6.1 Party B shall not terminate this Agreement prior to expiration of the term of this Agreement.

6.2 During the term of this Agreement, Party A shall have the right to terminate this Agreement upon giving 30 days' prior written notice to Party B at any time.

6.3 The rights and obligations of the Parties under Sections 3, 7 and 8 shall survive the termination of this Agreement.

7. **Governing Law and Dispute Resolution**

7.1 The execution, effectiveness, construction, performance, amendment and termination of this Agreement and the dispute resolution hereunder shall be governed by the laws of China.

7.2 In the event of any dispute with respect to the construction and performance of this Agreement, the Parties shall first resolve the dispute through friendly negotiations. In the event that the Parties fail to reach an agreement within 30 days after either Party requests to the other Party for resolution of the dispute through negotiations, either Party may submit the relevant dispute to the China International Economic and Trade Arbitration Commission for arbitration in accordance with its then effective arbitration rules. The arbitration shall be conducted in Beijing. The arbitration award shall be final and binding on both Parties.

7.3 Upon occurrence of any disputes arising from the construction and performance of this Agreement or pending arbitration of any dispute, except for the matters under dispute, the Parties shall continue to exercise their respective rights and perform their respective obligations hereunder.

8. **Indemnification**

Party B shall indemnify and hold harmless Party A from any losses, injuries, obligations or expenses incurred by Party A due to any lawsuit, claims or other demands against Party A arising from or caused by the consultations and services provided by Party A at the request of Party B, except where such losses, injuries, obligations or expenses arise from the gross negligence or willful misconduct of Party A.

9. **Notices**

9.1 All notices and other communications required or permitted to be given pursuant to this Agreement shall be delivered personally or sent by registered mail with postage prepaid, commercial courier service or facsimile transmission to the address of such Party set forth below. Each notice shall be followed by a confirmation copy sent by email. The dates on which notices shall be deemed to have been effectively given shall be determined as follows:

9.1.1 Notices given by personal delivery, courier service, registered mail with postage prepaid shall be deemed effectively given on the date of receipt or rejection at the address specified for notices.

9.1.2 Notices given by facsimile transmission shall be deemed effectively given on the date of successful transmission (as evidenced by an automatically generated confirmation of transmission).

9.2 The addresses of the Parties for receiving notices are as follows:

Party A: **Beijing Shijitong Technology Co., Ltd.**

Addres: 6/F, Block B, Huazhong University of Science and Technology, Virtual University Park, Nanshan Science Zone, Nanshan District, Shenzhen

Attn: XIAO Wenjie

Tel.: 0755-86530952

Party B: **Shenzhen Fenqile Network Technology Co., Ltd.**

Address: 6/F, Block B, Huazhong University of Science and Technology, Virtual University Park, Nanshan Science Zone, Nanshan District, Shenzhen

Attn: XIAO Wenjie

Tel.: 0755-86530952

9.3 Either Party may at any time change its address for notices by a notice delivered to the other Party in accordance with the terms hereof.

10. **Assignment**

10.1 Without Party A's prior written consent, Party B shall not assign its rights and obligations hereunder to any third party.

10.2 Party B agrees that Party A may assign its obligations and rights hereunder to any third party and in the case of such assignment, Party A is only required to give written notice to Party B and does not need to seek any consent from Party B.

11. **Severability**

In the event that one or several provisions hereof are found to be invalid, illegal or unenforceable in any aspect in accordance with any laws or regulations, the validity, legality or enforceability of the remaining provisions of this Agreement shall not be affected or compromised in any aspect. The Parties shall negotiate in good faith to replace such invalid, illegal or unenforceable provisions with effective provisions that accomplish to the greatest extent permitted by law the intentions of the Parties, and the economic effect of such effective provisions shall be as close as possible to the economic effect of those invalid, illegal or unenforceable provisions.

12. **Modification and Supplement**

Any amendments and supplements to this Agreement shall be in writing. Any amendment agreements and supplementary agreements signed by the Parties with respect to this Agreement shall form an integral part of this Agreement and have the same legal effect as this Agreement.

13. **Language and Counterparts**

This Agreement is written in Chinese in two counterparts of equal legal force, with each Party holding one.

[Signature page follows]

IN WITNESS WHEREOF, the Parties have caused their authorized representatives to execute this Exclusive Business Cooperation Agreement as of the date first above written.

Party A: Beijing Shijitong Technology Co., Ltd. (Seal)

Signature: /s/XIAO Wenjie

Name: XIAO Wenjie

Title: Legal Representative

/s/Seal of Beijing Shijitong Technology Co., Ltd.

Party B: Shenzhen Fenqile Network Technology Co., Ltd. (Seal)

Signature: /s/XIAO Wenjie

Name: XIAO Wenjie

Title: Legal Representative

/s/Seal of Shenzhen Fenqile Network Technology Co., Ltd.

Exhibit 10.6

EXCLUSIVE OPTION AGREEMENT

This Exclusive Option Agreement ("**this Agreement**") is made and entered into by and among the following Parties as of March 1, 2016 in Beijing, the People's Republic of China ("**China**"):

Party A: **Beijing Shijitong Technology Co., Ltd**, a wholly foreign-owned enterprise duly registered in China, with its address at Room 1505, Buildings 1, No.108 Zhichun Road, Haidian District, Beijing;

Party B: **XIAO Wenjie**, a Chinese citizen whose ID number is **********;

LIU Qiangdong, a Chinese citizen whose ID number is **********;

Tibet Xianfeng Management Consultation Co., Ltd. a limited liability company organized and existing under the laws of China, with its address at Room 2-5, 2/F, Liuwu Building, Liuwu New District, Lhasa; and

Shenzhen Xinjie Investment Co., Ltd., a limited liability company organized and existing under the laws of China, with its address at 6/F, Block B, Shenzhen Industry-University-Research Cooperation Base of Huazhong University of Science and Technology, No.9 Yuexing 3rd Road, Gaoxin Zone, Yuehai Sub-district, Nanshan District, Shenzhen

Party C: **Shenzhen Fenqile Network Technology Co., Ltd.,** a limited liability company organized and existing under the laws of China, with its address at 6/F, Block B, Shenzhen Industry-University-Research Cooperation Base of Huazhong University of Science and Technology, No.9 Yuexing 3rd Road, Gaoxin Zone, Yuehai Sub-district, Nanshan District, Shenzhen.

In this Agreement, Party A, Party B and Party C shall be hereinafter referred to as a "**Party**" individually, and the "**Parties**" collectively.

WHEREAS:

Party B is a shareholder of Party C and holds 100% of the Equity Interest in Party C as of the execution date hereof;

Now Therefore, the Parties hereby agree as follows through mutual negotiations:

1. Sale and Purchase of Equity Interest

1.1 Grant of Option

In consideration of the payment of RMB 10.00 by Party A, the receipt and sufficiency of which is hereby acknowledged by Party B, Party B hereby irrevocably grants Party A an irrevocable and exclusive right to purchase, or designate one or more persons (each, a "**Designee**") to purchase in whole or in part the equity interests in Party C now or then held by Party B

(regardless of whether Party B's capital contribution and/or shareholding percentage is changed or not in the future) at any time and from time to time at Party A's sole and absolute discretion to the extent permitted by Chinese laws and at the price described in Section 1.3 herein (such right being the "**Equity Interest Purchase Option**"). Except for Party A and the Designee(s), no other person shall be entitled to the Equity Interest Purchase Option or other rights with respect to the equity interests held by Party B. Party C hereby agrees to the grant by Party B of the Equity Interest Purchase Option to Party A. The term "**person**" as used herein shall refer to individuals, corporations, joint ventures, partnerships, enterprises, trusts or non-corporate organizations.

1.2 Steps for Exercise of Equity Interest Purchase Option

Subject to the provisions of the laws and regulations of China, Party A may exercise the Equity Interest Purchase Option by issuing a written notice to Party B (the "**Equity Interest Purchase Option Notice**"), specifying: (i) Party A's decision to exercise the Equity Interest Purchase Option; (ii) the portion of equity interests Party A proposes to be purchase from Party B (the "**Optioned Interests**"); and (iii) the date for purchasing/transferring the Optioned Interests.

1.3 Equity Interest Purchase Price

Unless an appraisal is required by the laws of China for the Equity Interest Purchase Option exercised by Party A, the purchase price of the Optioned Interests (the "**Equity Interest Purchase Price**") shall be the minimum price to the extent permitted by law.

1.4 Transfer of Optioned Interests

For each exercise of the Equity Interest Purchase Option:

1.4.1 Party B shall cause Party C to promptly convene a shareholders meeting, at which a resolution shall be adopted approving Party B's transfer of the Optioned Interests to Party A and/or the Designee(s);

1.4.2 Party B shall obtain written statements from the other shareholders of Party C (if any) giving consent to the transfer of the equity interest to Party A and/or the Designee(s) and waiving any right of first refusal related thereto;

1.4.3 Party B shall execute a share transfer contract with Party A and/or each Designee (whichever is applicable) with respect to each transfer ("**Transfer Contract**"), in accordance with the provisions of this Agreement and the Equity Interest Purchase Option Notice;

1.4.4 The relevant Parties shall execute all other necessary contracts, agreements or documents, obtain all necessary government licenses and permits and take all necessary actions to transfer valid ownership of the Optioned Interests to Party A and/or the Designee(s), unencumbered by any security interests, and cause Party A and/or the Designee(s) to become the registered owner(s) of the Optioned Interests. For the purposes of this Section and this

Agreement, "**Security Interests**" shall include securities, mortgages, third party's rights or interests, any stock options, acquisition right, right of first refusal, right to offset, title retention or other security arrangements, but shall be deemed to exclude any security interest created by this Agreement and Party B's Equity Pledge Agreement. "**Party B's Equity Pledge Agreement**" as used in this Section and this Agreement shall refer to the Equity Pledge Agreement executed by and among Party A, Party B and Party C on the date of this Agreement ("**Equity Pledge Agreement**"), whereby Party B pledges all of its equity interests in Party C to Party A, in order to guarantee Party C's performance of its obligations under the Exclusive Business Cooperation Contract and other agreements executed by and between Party C and Party A.

2. Covenants

2.1 Covenants regarding Party C

Party B (as a shareholder of Party C) and Party C hereby covenant as follows:

2.1.1 Without prior written consent of Party A, they shall not in any manner supplement, change or amend the articles of association and bylaws of Party C, increase or decrease its registered capital, or otherwise change its structure of registered capital;

2.1.2 They shall maintain Party C's corporate existence in accordance with good financial and business standards and practices, obtain and maintain all government permits and licenses necessary for Party C to engage in its business, and prudently and effectively operate its business and handle its affairs;

2.1.3 Without prior written consent of Party A, they shall not at any time after the execution date hereof, sell, transfer, mortgage or otherwise dispose of any assets of Party C or legal or beneficial interest in the business or revenues of Party C, or allow creation of any encumbrance or security interest thereon;

2.1.4 Without prior written consent of Party A, they shall not incur, inherit, guarantee or allow the existence of any debt, except for (i) debts incurred in the ordinary course of business other than through borrowing loans; and (ii) debts that have been disclosed to Party A and for which Party A's written consent has been obtained;

2.1.5 They shall always operate all of Party C's businesses during the ordinary course of business to maintain the asset value of Party C and refrain from any action/omission that may affect Party C's operating status and asset value;

2.1.6 Without prior written consent of Party A, they shall not cause Party C to execute any major contract, except for contracts executed in the ordinary course of business (for the purpose of this subsection, a contract with a value exceeding RMB 100,000 shall be deemed a major contract);

2.1.7 Without prior written consent of Party A, they shall not cause Party C to provide any person with any loan or credit;

2.1.8 They shall provide Party A with information on Party C's business operations and financial condition at Party A's request;

2.1.9 If requested by Party A, they shall procure and maintain insurance in respect of Party C's assets and business from an insurance carrier acceptable to Party A, at an amount and type of coverage typical for companies that operate similar businesses;

2.1.10 Without prior written consent of Party A, they shall not cause or permit Party C to merge, consolidate with, acquire or invest in any person;

2.1.11 Without prior written consent of Party A, they shall not liquidate, dissolve or deregister Party C;

2.1.12 They shall immediately notify Party A of the occurrence or possible occurrence of any litigation, arbitration or administrative proceedings relating to Party C's assets, business or revenue;

2.1.13 To maintain the ownership by Party C of all of its assets, they shall execute all necessary or appropriate documents, take all necessary or appropriate actions and file all necessary or appropriate complaints or raise necessary and appropriate defenses against all claims;

2.1.14 Without prior written consent of Party A, they shall ensure that Party C shall not in any manner distribute dividends to its shareholder, provided that upon Party A's written request, Party C shall immediately distribute all distributable profits to its shareholders; and

2.1.15 At the request of Party A, they shall appoint any persons designated by Party A as the director of Party C.

2.2 Covenants of Party B

Party B hereby covenants as follows:

2.2.1 Without prior written consent of Party A, Party B shall not sell, transfer, mortgage or otherwise dispose any legal or beneficial interest in the equity interests in Party C held by Party B, or allow creation of any encumbrance or security interest thereon, except for the pledge created on these equity interests in accordance with Party B's Equity Pledge Agreement;

2.2.2 Party B shall cause the shareholder and/or the board of directors and/or executive director of Party C to disapprove the sale, transfer, mortgage or otherwise disposition of any legal or beneficial interest in the equity interests in Party C held by Party B, or allow the creation of encumbrance or any security interest thereon, without prior written consent of Party A, except for the pledge created on these equity interests in accordance with Party B's Equity Pledge Agreement;

2.2.3 Party B shall cause the shareholder or the board of directors and/or executive director of Party C to disapprove Party C's merger or consolidation with any person, or the acquisition of or investment in any person, without prior written consent of Party A;

2.2.4 Party B shall immediately notify Party A of the occurrence or possible occurrence of any litigation, arbitration or administrative proceedings relating to the equity interests in Party C held by Party B;

2.2.5 Party B shall cause the shareholder or executive director and/or the board of directors of Party C to vote their approval of the transfer of the Optioned Interests as set forth in this Agreement and to take any and all other actions that may be requested by Party A;

2.2.6 To the extent necessary to maintain Party B's ownership in Party C, Party B shall execute all necessary or appropriate documents, take all necessary or appropriate actions and file all necessary or appropriate complaints or raise necessary and appropriate defenses against all claims;

2.2.7 Party B shall, at the request of Party A, appoint any designee of Party A as the director and/or executive director of Party C;

2.2.8 Party B shall, at the request of Party A at any time, promptly and unconditionally transfer its equity interests in Party C to Party A's Designee(s) in accordance with the Equity Interest Purchase Option under this Agreement, and Party B hereby waives its right of first refusal (if any) to the share transfer by the other existing shareholder of Party C (if any); and

2.2.9 If Party B receives from Party C any profit, profit sharing, stock dividend, or liquidation proceeds, Party B shall promptly donate the same to Party A or any of its Designee(s) on the premise of complying with Chinese laws; and

2.2.10 Party B shall strictly abide by the provisions of this Agreement and other contracts jointly or separately executed by and among Party B and/or Party C and Party A, perform the obligations hereunder and thereunder, and refrain from any action/omission that may affect the effectiveness and enforceability hereof and thereof. To the extent that Party B has any residual rights with respect to the equity interests subject to this Agreement hereunder or under Party B's Equity Pledge Agreement or under the Power of Attorney Agreement granted in favor of Party A, Party B shall not exercise such rights except in accordance with the written instructions of Party A.

3. <u>Representations and Warranties</u>

Party B and Party C hereby represent and warrant to Party A, jointly and severally, as of the date of this Agreement and each date of transfer of the Optioned Interests, that:

3.1 They have the authority to execute and deliver this Agreement and any share transfer contracts to which they are a party concerning the Optioned Interests to be transferred thereunder (each, a **"Transfer Contracts"**), and to perform their obligations under this Agreement and any Transfer Contracts. Party B and Party C agree to enter into Transfer Contracts consistent with the terms of this Agreement upon Party A's exercise of the Equity Interest Purchase Option. This Agreement and the Transfer Contracts to which Party B and Party C are a party constitute or will constitute their legal, valid and binding obligations and shall be enforceable against them in accordance with the provisions thereof;

3.2 The execution and delivery of this Agreement or any Transfer Contracts and the obligations under this Agreement or any Transfer Contracts shall not: (i) cause any violation of any applicable Chinese laws; (ii) be inconsistent with the articles of association, bylaws or other organizational documents of Party C; (iii) cause the violation of any contracts or instruments to which they are a party or which are binding on them, or constitute any breach under any contracts or instruments to which they are a party or which are binding on them; (iv) cause any violation of any condition for the grant and/or continued effectiveness of any licenses or permits issued to either of them; or (v) cause the suspension or revocation of or imposition of additional conditions to any licenses or permits issued to either of them;

3.3 Party B has a good and merchantable title to the equity interests in Party C held by Party B. Except for that disclosed in Party B's Equity Pledge Agreement or other written instruments, Party B has not created any security interest on such equity interests;

3.4 Party C has a good and merchantable title to all of its assets, and except otherwise disclosed in writing, has not created any security interest or purchase option on the aforementioned assets;

3.5 Party C does not have any outstanding debts, except for (i) debt incurred in the ordinary course of business; and (ii) debts that have been disclosed to Party A and for which Party A's written consent has been obtained;

3.6 There are no pending or threatened litigation, arbitration or administrative proceedings involving the equity interests in Party C, assets of Party C or Party C; and

3.7 Party C has complied with all laws and regulations of China applicable to asset acquisitions;

4. Effective Date

This Agreement shall become effective upon the execution date hereof, and shall be terminated upon the complete transfer of all options held by Party B in Party C to Party A and/or its Designee(s) pursuant to this Agreement.

5. Governing Law and Resolution of Disputes

5.1 Governing Law

The execution, effectiveness, construction, performance, amendment and termination of this Agreement and the resolution of disputes hereunder shall be governed by the formally published and publicly available laws of China. Matters not covered by formally published and publicly available laws of China shall be governed by international legal principles and practices.

5.2 Dispute Resolution

In the event of any dispute with respect to the construction and performance of this Agreement, the Parties shall first resolve the dispute through friendly negotiations. In the event the Parties fail to reach an agreement within 30 days after either Party requests to the other Parties for resolution of the dispute through negotiations, either Party may submit the relevant dispute to the China International Economic and Trade Arbitration Commission for arbitration, in accordance with its then effective arbitration rules. The arbitration shall be conducted in Beijing, and the language shall be Chinese. The arbitration award shall be final and binding on all Parties.

6. Taxes and Fees

Each Party shall pay any and all transfer and registration tax, expenses and fees incurred by or levied on itself in accordance with the laws of China in connection with the preparation and execution of this Agreement and the Transfer Contracts, as well as the consummation of the transactions contemplated under this Agreement and the Transfer Contracts.

7. Notices

7.1 All notices and other communications required or permitted to be given pursuant to this Agreement shall be delivered personally or sent by registered mail with postage prepaid, commercial courier service or facsimile transmission to the address of such Party set forth below. Each notice shall be followed by a confirmation copy sent by email. The dates on which notices shall be deemed to have been effectively given shall be determined as follows:

7.1.1 Notices given by personal delivery, courier service, registered mail with postage prepaid shall be deemed effectively given on the date of receipt or rejection at the address specified for notices.

7.1.2 Notices given by facsimile transmission shall be deemed effectively given on the date of successful transmission (as evidenced by an automatically generated confirmation of transmission).

7.2 The addresses of the Parties for receiving notices are as follows:

Party A: **Beijing Shijitong Technology Co., Ltd.**

Address: 6/F, Block B, Huazhong University of Science and Technology, Virtual University Park, Nanshan Science Zone, Nanshan District, Shenzhen
Attn: XIAO Wenjie
Tel.: 0755-86530952

Party B: **XIAO Wenjie, LIU Qiangdong, Tibet Xianfeng Management Consultation Co., Ltd and Shenzhen Xinjie Investment Co., Ltd.**
Address: 6/F, Block B, Huazhong University of Science and Technology, Virtual University Park, Nanshan Science Zone, Nanshan District, Shenzhen
Tel.: 0755-86530952

Party C: **Shenzhen Fenqile Network Technology Co., Ltd.**
Address: 6/F, Block B, Huazhong University of Science and Technology, Virtual University Park, Nanshan Science Zone, Nanshan District, Shenzhen
Attn: XIAO Wenjie
Tel.: 0755-86530952

7.3 Any Party may at any time change its address for notices by a notice delivered to the other Parties in accordance with the terms hereof.

8. Confidentiality

The Parties acknowledge that any oral or written information exchanged between the Parties in connection with the preparation and performance this Agreement constitute confidential information. Each Party shall maintain confidentiality of all such confidential information, and without obtaining the written consent of the other Party, it shall not disclose any relevant confidential information to any third parties, except for the information that: (i) is or becomes available to the general public (other than through the receiving Party's unauthorized disclosure); (ii) is required to be disclosed by applicable laws or regulations or rules or regulations of any stock exchange; or (iii) is necessary to be disclosed by any Party to its legal counsels or financial advisors regarding the transaction contemplated hereunder, provided that such legal counsels or financial advisors shall be bound by the confidentiality obligations similar to those set forth in this Section. Disclosure of any confidential information by the employees of or agencies engaged by any Party shall be deemed disclosure by such Party itself and such Party shall be held liable for breach of this Agreement. This Section shall survive the termination of this Agreement for any reason.

9. Further Warranties

The Parties agree to promptly execute documents that are reasonably required for or are conducive to the implementation of the provisions and purposes of this Agreement and take further actions that are reasonably required for or are conducive to the implementation of the provisions and purposes of this Agreement.

10. Miscellaneous

10.1 Amendment, change and supplement

Any amendment, change and supplement to this Agreement shall be made only by a written contract executed by all of the Parties.

10.2 Entire Agreement

Except for the amendments, supplements or changes made in writing after the execution hereof, this Agreement shall constitute the entire agreement reached by and among the Parties hereto with respect to the subject matter hereof, and shall supersede all prior oral and written consultations, representations and contracts reached with respect to the subject matter of this Agreement.

10.3 Headings

The headings of this Agreement are inserted for convenience only, and shall not be used to interpret, explain or otherwise affect the meanings of the provisions of this Agreement.

10.4 Language

This Agreement is written in Chinese in six counterparts of equal legal force, with each Party holding one.

10.5 Severability

In the event that one or several provisions hereof are found to be invalid, illegal or unenforceable in any aspect in accordance with any laws or regulations, the validity, legality or enforceability of the remaining provisions of this Agreement shall not be affected or compromised in any aspect. The Parties shall negotiate in good faith to replace such invalid, illegal or unenforceable provisions with effective provisions that accomplish to the greatest extent permitted by law the intentions of the Parties, and the economic effect of such effective provisions shall be as close as possible to the economic effect of those invalid, illegal or unenforceable provisions.

10.6 Successors

This Agreement shall be binding on and shall inure to the interest of the respective successors of the Parties and the permitted assignees of such Parties.

10.7 Survival

10.7.1 Any obligations arising out of or due hereunder before the expiration or early termination of this Agreement shall survive the expiration or early termination thereof.

10.7.2 Sections 5, 7, 8 and this Section 10.7 shall survive the expiration or termination of this Agreement.

10.8 Waivers

Any Party may waive the terms and conditions of this Agreement, provided that such a waiver must be made in writing and shall require the signatures of all the Parties. No waiver by any Party in certain circumstances with respect to a breach by other Parties shall operate as a waiver by such Party with respect to any similar breach in other circumstances.

10.9 Termination of the Original Contract

The Exclusive Option Agreement executed by and among Party A, Party B (other than Shenzhen Xinjie Investment Co., Ltd.) and Party C on April 27, 2015 shall be automatically terminated as at the execution date hereof.

[Signature page follows]

IN WITNESS WHEREOF, the Parties have caused their respective duly authorized representatives to execute this Exclusive Option Agreement as of the date first above written.

Party A: Beijing Shijitong Technology Co., Ltd. (Seal)
Signature: /s/XIAO Wenjie
Name: XIAO Wenjie
Title: Legal Representative
/s/Seal of Beijing Shijitong Technology Co., Ltd.

Party B:
Signature: /s/XIAO Wenjie
Name: XIAO Wenjie Signature:/s/LIU Qiangdong
Name: LIU Qiangdong

Signature: /s/LIU Qiangdong
Name: LIU Qiangdong

Tibet Xianfeng Management Consultation Co., Ltd. (Seal)
Signature: /s/Chen Keyi
Name: Chen Keyi
Title: Legal Representative
/s/Seal of Tibet Xianfeng Management Consultation Co., Ltd.

Shenzhen Xinjie Investment Co., Ltd. (Seal)
Signature: /s/XIAO Wenjie
Name: XIAO Wenjie
Title: Legal Representative
/s/Seal of Shenzhen Xinjie Investment Co., Ltd.

Party C: Shenzhen Fenqile Network Technology Co., Ltd. (Seal)
Signature: /s/XIAO Wenjie
Name: XIAO Wenjie
Title: Legal Representative
/s/Seal of Shenzhen Fenqile Network Technology Co., Ltd.

Equity Pledge Agreement

This Equity Pledge Agreement (this "**Agreement**") is made and entered into by and among the following parties on March 1, 2016, in Beijing, the People's Republic of China ("**China**" or "**PRC**"):

Party A: **Beijing Shijitong Technology Co., Ltd. ("Pledgee")**

Address: Room 1505, Buildings 1, No.108 Zhichun Road, Haidian District, Beijing

Party B: **XIAO Wenjie** ("**Party B1**"), a Chinese citizen whose ID number is **********;

LIU Qiangdong ("**Party B2**"), a Chinese citizen whose ID number is **********;

Tibet Xianfeng Management Consultation Co., Ltd. ("**Party B3**"), a limited liability company organized and existing under the laws of China, with its address at Room 2-5, 2/F, Liuwu Building, Liuwu New District, Lhasa; and

Shenzhen Xinjie Investment Co., Ltd. ("**Party B4**")**,** a limited liability company organized and existing under the laws of China, with its address at 6/F, Block B, Shenzhen Industry-University-Research Cooperation Base of Huazhong University of Science and Technology, No.9 Yuexing 3rd Road, Gaoxin Zone, Yuehai Sub-district, Nanshan District, Shenzhen

Party B1, Party B2, Party B3 and Party B4 are collectively referred to as the "**Pledgers**" or "**Party B**".

Party C: **Shenzhen Fenqile Network Technology Co., Ltd.**

Address: 6/F, Block B, Shenzhen Industry-University-Research Cooperation Base of Huazhong University of Science and Technology, No.9 Yuexing 3rd Road, Gaoxin Zone, Yuehai Sub-district, Nanshan District, Shenzhen

In this Agreement, The Pledgee, the Pledgers and Party C are hereinafter referred to individually as a **"Party"** and collectively the **"Parties"**.

Whereas:

1. The Pledgers are citizens/limited liability companies of China who as of the date hereof hold 100% of equity interests of Party C in total. Party C is a limited liability company registered in Shenzhen, China, engaging in enterprise image planning, enterprise marketing planning, investment consulting, entrusted asset management, project investment, economic information consulting; electronic commerce; technical development of electronic products, network products, scientific and technological products; technical development and sales of software; domestic trade; goods and technology import and export business;

guarantee business (excluding financing guarantee business and other restricted businesses). Party B1, Party B2, Party B3 and Party B4 respectively hold 26.5464%, 0.1072%, 0.0131% and 73.3333% of Party C's equity interests. Party C acknowledges the respective rights and obligations of the Pledgers and the Pledgee hereunder and agrees to provide any necessary assistance for the registration of the Pledge;

2. The Pledgee is a wholly foreign-owned enterprise registered in Beijing, China. The Pledgee and Party C entered into an Exclusive Business Cooperation Agreement (**"Exclusive Business Cooperation Agreement"**) on November 4, 2014; the Pledgee entered into an Exclusive Option Agreement ("**Exclusive Option Agreement**") with the Pledgers and Party C on March 1, 2016; the Pledgers and Pledgee signed an Power of Attorney ("**Power of Attorney**") on March 1, 2016;

3. To ensure the performance by Party C and the Pledgers of their obligations under the Exclusive Business Cooperation Agreement, Exclusive Option Agreement, Power of Attorney (collectively referred to as "**Transaction Documents**"), the Pledgers pledge with the Pledgee all of their equity in Party C as security for the performance of the Exclusive Business Cooperation Agreement, the Exclusive Option Agreement, and the Power of Attorney by Party C and the Pledgers.

To perform the provisions of the Transaction Documents, the Parties hereby agree as follows through mutual negotiations.

1. Definitions

Unless otherwise specified herein, the terms below shall have the following meanings:

1.1 **"Pledge":** shall refer to the security interest created by the Pledgers in favor of the Pledgee pursuant to Section 2 of this Agreement, i.e., the right of the Pledgee to be paid in priority from the proceeds from the transfer, auction or sale of the Equity Interest.

1.2 **"Equity Interest":** shall refer to all equity interests currently held by and hereafter acquired by the Pledgers in Party C.

1.3 **"Term of Pledge":** shall refer to the term set forth in Section 3 of this Agreement.

1.4 **"Transaction Documents":** shall refer to the Exclusive Business Cooperation Agreement, the Exclusive Option Agreement, the Power of Attorney and any revision, amendment and/or restatement thereto.

1.5 **"Contractual Obligations"**: shall refer to all the obligations of the Pledgers under the Exclusive Option Agreement, the Power of Attorney and this Agreement; as well as all the obligations of Party C under the Exclusive Business Cooperation Agreement, the Exclusive Option Agreement and this

Agreement.

1.6 **"Secured Indebtedness**": shall refer to any and all direct, indirect, derivative losses and losses of predictable benefits incurred due to any default by the Pledgers and/or Party C, the amount of which shall be determined based on the pledgee's reasonable business plan and profit forecast; service fees payable by Party C under the Exclusive Business Cooperation Agreement; and all costs and expenses incurred by the Pledgee in enforcing the Pledgers and/or Party C to perform their contractual obligations.

1.7 **"Event of Default":** shall refer to any of the circumstances as enumerated in Section 7 of this Agreement.

1.8 **"Notice of Default":** shall refer to the notice issued by the Pledgee in accordance with this Agreement declaring an Event of Default.

2. Pledge

2.1 The Pledgers agree to pledge all the Equity Interest that it lawfully owns and has the right to dispose of to the Pledgee as security for payment of the Secured Indebtedness under this Agreement, and Party C hereby assents to such pledge.

2.2 During the Term of Pledge, the Pledgee is entitled to receive dividends distributed on the Equity Interest. The Pledgers may receive dividends distributed on the Equity Interest only with prior written consent of the Pledgee. Dividends received by the Pledgers on Equity Interest shall be, as required by the Pledgee, (1) deposited into an account designated and supervised by the Pledgee and applied first to pay the Secured Indebtedness; or (2) unconditionally donated to the Pledgee or any other person designated by the Pledgee to the extent permitted under applicable PRC laws.

2.3 The Pledgers may subscribe for capital increase in Party C only with prior written consent of the Pledgee. Any equity interest obtained by the Pledgers as a result of the Pledgers' subscription of the increased registered capital of the Company shall also be deemed as Equity Interest.

2.4 In the event that Party C is to be liquidated or dissolved under compulsory laws of China, any interest distributed to the Pledgers upon Party C's dissolution or liquidation shall, at the request of the Pledgee, be (i) deposited into an account designate and supervised by the Pledgee and applied first to pay the Secured Indebtedness; or (ii) unconditionally donated to the Pledgee or any other person designated by the Pledgee to the extent permitted under applicable PRC laws.

3. Term of Pledge

3.1 The Pledge shall become effective on such date when it is registered with competent administration for industry and commerce (the "**AIC**") at the location of Party C. The Pledge shall remain effective until full discharge of all Contractual Obligations. All Parties agree that the Pledgers and Party C shall (i) register the Pledge in the shareholders' register of Party C within 3 business days following execution of this Agreement, and (ii) submit an application to the AIC for the registration of the Pledge of the Equity Interest contemplated herein within 30 business days following the execution of this Agreement. The Pledgers and Party C shall submit to the AIC all necessary documents and complete all necessary formalities to ensure that the Pledge of the Equity Interest shall be registered with the AIC as soon as possible.

3.2 During the Term of Pledge, in the event that the Pledgers and/or Party C fail to perform the Contractual Obligations, the Pledgee shall have the right, but not the obligation, to dispose of the Pledge in accordance with the provisions of this Agreement.

4. Custody of Equity Interest Records

4.1 During the Term of Pledge, the Pledgers shall deliver to the Pledgee's custody the capital contribution certificate for the Equity Interest and the shareholders' register indicating the Pledge within one week following execution of this Agreement. The Pledgee shall have custody of such documents during the entire Term of Pledge.

4.2 During the Term of Pledge, the Pledgers shall have the right to collect dividends accrued on the Equity Interest.

5. Representations and Warranties of the Pledgers and Party C

As of the execution date of this Agreement, the Pledgers and Party C hereby jointly and severally represent and warrant to the Pledgee that:

5.1 The Pledgers are the sole legal and beneficial owner of the Equity Interest.

5.2 Except for the Pledge, the Pledgers have not created any security interest or other encumbrance on the Equity Interest.

5.3 The Pledgee shall have the right to dispose of and transfer the Equity Interest in accordance with the provisions of this Agreement.

5.4 The Pledgers and Party C have obtained any and all approvals and consents from competent government authorities and third parties (if required) for execution, delivery and performance of this Agreement.

5.5 The execution, delivery and performance of this Agreement will not: (i) violate any relevant PRC laws; (ii) conflict with Party C's articles of association or other constitutional documents; (iii) result in any breach of or constitute any default under any contract or instrument to which it is a party or by which it is otherwise bound; (iv) result in any violation of any condition for the grant and/or maintenance of any permit or approval granted to any Party; or (v) cause any permit or approval granted to any Party to be suspended, cancelled or imposed with additional conditions.

6. Covenants and Further Agreement of the Pledgers and Party C

6.1 During the term of this Agreement, the Pledgers and Party C hereby jointly and severally covenant to the Pledgee that the Pledgers and Party C:

6.1.1 shall not transfer the Equity Interest, create or permit the existence of any security interest or other encumbrance on the Equity Interest, without the prior written consent of the Pledgee, except for the purposes of the performance of the Transaction Documents;

6.1.2 shall promptly notify the Pledgee of any event or notice received by the Pledgers that may have an impact on the Equity Interest or any portion thereof, as well as any event or notice received by the Pledgers that may have an impact on any guarantees and other obligations of the Pledgers hereunder.

6.2 The Pledgers agree that the rights acquired by the Pledgee in accordance with this Agreement with respect to the Pledge shall not be interrupted or jeopardized by the Pledgers or any heirs or representatives of the Pledgers or any other persons through any legal proceedings.

6.3 To protect or perfect the security hereunder for the Contractual Obligations and Secured Indebtedness, the Pledgers hereby undertakes to execute in good faith and to cause other parties who have an interest in the Pledge to execute all such certificates, contracts, deeds and/or covenants, and take all such actions as required by the Pledgee, to facilitate the exercise by the Pledgee of its rights and authority hereunder, to enter into all relevant documents regarding ownership of Equity Interest with the Pledgee or assignee(s) of the Pledgee (natural persons/legal persons), and to provide the Pledgee within a reasonable time with all notices, orders and decisions regarding the Pledge that the Pledgee deems necessary.

6.4 The Pledgers hereby undertakes to comply with and perform all guarantees, promises, agreement, representations and conditions of and under this Agreement. In the event of failure or partial performance of such guarantees, promises, agreements, representations and conditions, the Pledgers shall indemnify the Pledgee for all losses resulting therefrom.

7. Event of Breach

7.1 The following circumstances shall be deemed Event of Default:

7.1.1 The Pledgers and/or Party B breach any obligations under the Transaction Documents and/or this Agreement;

7.1.2 The Pledgers have serious misstatement or mistake in any statement or warranty made in Section 5 of this Agreement and/or the Pledgers violate any warranty in Section 5 of this Agreement;

7.1.3 The Pledgers and Party C fail to complete the registration of equity pledge with the registration authority in accordance with Section 3.1.

7.1.4 The Pledgers and Party C violate any provision of this Agreement;

7.1.5 Except otherwise clearly stipulated in Section 6.1.1, the Pledgers transfer or intend to transfer or surrender the Equity Interest or assign the Equity Interest without the Pledgee’s written consent;

7.1.6 The Pledgers (i) are required to repay or perform in advance or (ii) fails to repay or perform upon maturity any debt obligations owed to any third party such as loan, guarantee, indemnification and promise;

7.1.7 Any government approval, license, permit or authorization that renders this Agreement enforceable, lawful and valid is withdrawn, terminated, invalid or substantially changed;

7.1.8 The enactment of governing laws renders this Agreement unlawful or makes the Pledgers unable to continue performing its obligations hereunder;

7.1.9 The Pledgers’ assets experience negative change to the extent that affects the Pledgers’ ability to perform its obligations hereunder;

7.1.10 Party B’s heirs or custodians only partially perform or refuse to perform their payment obligations under the Transaction Documents;

7.1.11 Any other circumstance where the Pledgers cannot or possibly cannot exercise its rights over the Pledge.

7.2 Upon notice or discovery of the occurrence of any circumstances or event that may lead to the aforementioned circumstances described in Section 7.1, the Pledgers shall immediately notify the Pledgee in writing accordingly.

7.3 Unless an Event of Default set forth in this Section 7.1 has been successfully resolved to the Pledgee’s satisfaction, the Pledgee may issue a Notice of Default to the Pledgers upon the occurrence of the Event of Default or at any time thereafter, demanding the Pledgers and/or Party C to immediately perform their due obligations under the Transaction Documents and/or dispose of the Pledge in accordance with Section 8 of this Agreement.

8. Exercise of Pledge

8.1 When the Pledgers and Party C are yet to fully perform their Contractual Obligations under the Transaction Documents, the Pledgers shall not transfer the Pledge or its Equity Interest in Party C without the Pledgee’s written consent.

8.2 The Pledgee may issue a written Notice of Default to the Pledgers when it exercises the Pledge.

8.3 Subject to the provisions of Section 7.3, the Pledgee may exercise the right to enforce the Pledge at any time after the issuance of the Notice of Default in accordance with Section 8.2. Once the Pledgee elects to exercise the right to dispose the Pledge, the Pledgers shall cease to be entitled to any rights or interests associated with the Equity Interest.

8.4 The Pledgee shall the have right to be paid in priority with all or part of the Equity Interest from the proceeds from the transfer, auction or sale of the Equity Interest until the complete compensation of all outstanding payments due under the Transaction Documents and all other due payments to the Pledgee. The Pledgee shall not be liable for any loss incurred by its due exercise of such rights and powers.

8.5 The Pledgee may exercise any remedy available simultaneously or in any order. The Pledgee may exercise the right to be paid in priority with the Equity Interest from the proceeds from auction or sale of the Equity Interest under this Agreement, without recourse to any other remedy measure first.

8.6 When the Pledgee disposes of the Pledge in accordance with this Agreement, the Pledgers and Party C shall provide necessary assistance to enable the Pledgee to enforce the Pledge in accordance with this Agreement.

9. Assignment

9.1 Without the Pledgee's prior written consent, the Pledgers shall not assign or delegate their rights and obligations under this Agreement.

9.2 This Agreement shall be binding on the Pledgers and his/her successors and permitted assignees, and shall be valid with respect to the Pledgee and each of his/her successors and assignees.

9.3 The Pledgee may at any time assign any and all of its rights and obligations under the Transaction Documents to its assignee(s) (natural persons/legal persons), in which case the assignee shall enjoy and undertake the rights and obligations of the Pledgee under this Agreement, as if it were the original party to this Agreement. When the assignee transfers its rights and obligations under the Transaction Documents, the Pledgers shall execute relevant agreements or other documents related to such transfer as required by the Pledgee.

9.4 In the event of change of the Pledgee due to assignment, the Pledgers shall, at the request of the Pledgee, execute a new Pledge Agreement with the new the Pledgee on the same terms and conditions as this Agreement.

9.5 The Pledgers shall strictly abide by the provisions of this Agreement and other contracts jointly or separately executed by all or any of the Parties hereto, including the Exclusive Option Agreement and the Power of Attorney, perform the obligations hereunder and thereunder, and refrain from any action/omission that may affect the effectiveness and enforceability hereof and thereof. Any residual rights of the Pledgers with respect to the Equity Pledged hereunder shall not be exercised by the Pledgers except in accordance with the written instructions of the Pledgee.

10. Termination

Upon the sufficient and complete fulfillment of all Contractual Obligations and the full payment of all Secured Indebtedness by the Pledgers and Party C, this Agreement shall be terminated and the Pledgee shall terminate this Agreement within reasonable and effective scope.

Sections 10, 12 and 14 of this Agreement shall survive the expiration or termination of this Agreement.

11. Handling Fees and Other Expenses

All fees and out of pocket expenses relating to this Agreement, including but not limited to legal costs, costs of production, stamp tax and any other taxes and fees, shall be borne by Party C. If the Pledgee is required under applicable laws to bear certain taxes and fees, the Pledgers shall cause Party C to reimburse in full such taxes and fees paid by the Pledgee.

12. Confidentiality

The Parties acknowledge that any oral or written information exchanged between the Parties in connection with the preparation and performance this Agreement constitute confidential information. Each Party shall maintain confidentiality of all such confidential information, and without obtaining the written consent of the other Party, it shall not disclose any relevant confidential information to any third parties, except for the information that: (i) is or becomes available to the general public (other than through the receiving Party's unauthorized disclosure); (ii) is required to be disclosed by applicable laws or regulations or rules or regulations of any stock exchange; or (iii) is necessary to be disclosed by any Party to its legal counsels or financial advisors regarding the transaction contemplated hereunder, provided that such legal counsels or financial advisors shall be bound by the confidentiality obligations similar to those set forth in this Section. Disclosure of any confidential information by the employees of or agencies engaged by any Party shall be deemed disclosure by such Party itself and such Party shall be held liable for breach of this Agreement. This Section shall survive the termination of this Agreement for any reason.

13. Governing Law and Dispute Resolution

13.1 The execution, effectiveness, construction, performance, amendment and termination of this Agreement and the dispute resolution hereunder shall be governed by the promulgated and publicly available laws of China. For matters not covered by the promulgated and publicly available laws of China, the principles and practices of international laws shall apply.

13.2 In the event of any dispute with respect to the construction and performance of this Agreement, the Parties shall first resolve the dispute through friendly negotiations. In the event the Parties fail to reach an agreement within 30 days after either Party requests to the other Parties for resolution of the dispute through negotiations, either Party may submit the relevant dispute to the China International Economic and Trade Arbitration Commission

(CIETAC) for arbitration in accordance with its then effective Arbitration Rules. The arbitration shall be conducted in Beijing. The language of arbitration shall be Chinese. The arbitration award shall be final and binding on all Parties.

13.3 Upon occurrence of any disputes arising from the construction and performance of this Agreement or pending arbitration of any dispute, except for the matters under dispute, the Parties shall continue to exercise their respective rights and perform their respective obligations hereunder.

14. Notices

14.1 All notices and other communications required or permitted to be given pursuant to this Agreement shall be delivered personally or sent by registered mail with postage prepaid, commercial courier service or facsimile transmission to the address of such Party set forth below. Each notice shall be followed by a confirmation copy sent by email. The dates on which notices shall be deemed to have been effectively given shall be determined as follows:

14.1.1 Notices given by personal delivery, courier service, registered mail with postage prepaid shall be deemed effectively given on the date of receipt or rejection at the address specified for notices.

14.1.2 Notices given by facsimile transmission shall be deemed effectively given on the date of successful transmission (as evidenced by an automatically generated confirmation of transmission).

14.2 The addresses of the Parties for receiving notices are as follows:

Party A:
Address: **********
Attn: XIAO Wenjie
Tel.: ******

Party B:
Address: **********
Attn: XIAO Wenjie
Tel.: ******

Party C:
Address: **********
Attn: XIAO Wenjie
Tel.: ******

14.3 Any Party may at any time change its address for notices by a notice delivered to the other Parties in accordance with the terms hereof.

15. Severability

In the event that one or several provisions hereof are found to be invalid, illegal or unenforceable in any aspect in accordance with any laws or regulations, the validity, legality or enforceability of the remaining provisions of this Agreement shall not be affected or compromised in any aspect. The Parties shall negotiate in good faith to replace such invalid, illegal or unenforceable provisions with effective provisions that accomplish to the greatest extent permitted by law the intentions of the Parties, and the economic effect of such effective provisions shall be as close as possible to the economic effect of those invalid, illegal or unenforceable provisions.

16. Schedules

The schedules hereto shall form an integral part of this Agreement.

17. Effectiveness

17.1 This Agreement shall come into force upon being signed by the Parties. Any amendment, change and supplement to this Agreement shall be made in written form and become effective after being signed and stamped by the Parties and upon the completion of the registration with the government (if applicable).

17.2 This Agreement is written in Chinese in six counterparts of equal legal force, with each Party holding one.

17.3 The Equity Pledge Agreement signed by and among Party A, Party B (other than Shenzhen Xinjie Investment Co., Ltd.) and Party C on April 27, 2015 shall be automatically terminated as at the execution date hereof.

[Signature page follows]

IN WITNESS WHEREOF, the Parties have caused their authorized representatives to execute this Equity Pledge Agreement as of the date first above written.

Party A: **Beijing Shijitong Technology Co., Ltd. (Seal)**
Signature: /s/XIAO Wenjie
Name: XIAO Wenjie
Title: Legal Representative
/s/Seal of Beijing Shijitong Technology Co., Ltd.

Party B:
Signature: /s/XIAO Wenjie
Name: XIAO Wenjie
Signature: /s/LIU Qiangdong
Name: LIU Qiangdong

Tibet Xianfeng Management Consultation Co., Ltd. (Seal)

Signature: /s/CHEN Keyi
Name: CHEN Keyi
Title: Legal Representative
/s/Seal of Tibet Xianfeng Management Consultation Co., Ltd.

Shenzhen Xinjie Investment Co., Ltd. (Seal)

Signature: /s/XIAO Wenjie
Name: XIAO Wenjie
Title: Legal Representative
/s/Seal of Shenzhen Xinjie Investment Co., Ltd.

Party C: **Shenzhen Fenqile Network Technology Co., Ltd. (Seal)**
Signature: /s/XIAO Wenjie
Name: XIAO Wenjie
Title: Legal Representative
/s/Seal of Shenzhen Fenqile Network Technology Co., Ltd.

Schedules

1. Capital Contribution Certificate

2. Shareholders' Register of Shenzhen Fenqile Network Technology Co., Ltd.

Schedule 1

Capital Contribution Certificate

This is to certify that XIAO Wenjie (ID No. **********) has subscribed to the contribution of RMB 119,458,986.00, thus holding 26.5464% equity interest of Shenzhen Fenqile Network Technology Co., Ltd. and that all of such 26.5464% equity interest has been pledged to Beijing Shijitong Technology Co., Ltd.

Company: **Shenzhen Fenqile Network Technology Co., Ltd. (Seal)**
Signature: /s/XIAO Wenjie
Name: XIAO Wenjie
Title: Legal Representative
/s/Seal of Shenzhen Fenqile Network Technology Co., Ltd.
March 1, 2016

Schedule 1

Capital Contribution Certificate

This is to certify that LIU Qiangdong (ID No. **********) has subscribed to the contribution of RMB 482,190.00, thus holding 0.1072% equity interest of Shenzhen Fenqile Network Technology Co., Ltd. and that all of such 0.1072% equity interest has been pledged to Beijing Shijitong Technology Co., Ltd.

Company: **Shenzhen Fenqile Network Technology Co., Ltd. (Seal)**

Signature: /s/LIU Qiangdong
Name: LIU Qiangdong
Title: Legal Representative
/s/Seal of Shenzhen Fenqile Network Technology Co., Ltd.
March 1, 2016

Schedule 1

Capital Contribution Certificate

This is to certify that Tibet Xianfeng Management Consultation Co., Ltd. (Registration number: 91540000585773438E) has subscribed to the contribution of RMB 58,824.00, thus holding 0.0131% equity interest of Shenzhen Fenqile Network Technology Co., Ltd. and that all of such 0.0131% equity interest has been pledged to Beijing Shijitong Technology Co., Ltd.

Company: **Shenzhen Fenqile Network Technology Co., Ltd. (Seal)**
Signature: /s/XIAO Wenjie
Name: XIAO Wenjie
Title: Legal Representative
/s/Seal of Shenzhen Fenqile Network Technology Co., Ltd.
March 1, 2016

Schedule 1

Capital Contribution Certificate

This is to certify that Shenzhen Xinjie Investment Co., Ltd. (Registration number: 440301114689817) has subscribed to the contribution of RMB 330,000,000.00, thus holding 73.3333% equity interest of Shenzhen Fenqile Network Technology Co., Ltd. and that all of such 73.3333% equity interest has been pledged to Beijing Shijitong Technology Co., Ltd.

Company: **Shenzhen Fenqile Network Technology Co., Ltd. (Seal)**
Signature: /s/XIAO Wenjie
Name: XIAO Wenjie
Title: Legal Representative
/s/Seal of Shenzhen Fenqile Network Technology Co., Ltd.
March 1, 2016

Schedule 2

Shareholders' Register
of
Shenzhen Fenqile Network Technology Co., Ltd.

Shareholder's name	ID No. / Registration No.	Amount of Subscription (RMB)	Ratio of Contribution	Equity Pledge
XIAO Wenjie	**********	119,458,986.00	26.5464%	XIAO Wenjie owns 26.5464% equity interest of Shenzhen Fenqile Network Technology Co., Ltd. and all of such 26.5464% equity interest has been pledged to Beijing Shijitong Technology Co., Ltd.
LIU Qiangdong	**********	482,190.00	0.1072%	LIU Qiangdong owns 0.1072% equity interest of Shenzhen Fenqile Network Technology Co., Ltd. and all of such 0.1072% equity interest has been pledged to Beijing Shijitong Technology Co., Ltd.
Tibet Xianfeng Management Consultation Co., Ltd.	91540000585773438E	58,824.00	0.0131%	Tibet Xianfeng Management Consultation Co., Ltd. owns 0.0131% equity interest of Shenzhen Fenqile Network Technology Co., Ltd. and all of such 0.0131% equity interest has been pledged to Beijing Shijitong Technology Co., Ltd.
Shenzhen Xinjie Investment Co., Ltd.	440301114689817	330,000,000.00	73.3333%	Shenzhen Xinjie Investment Co., Ltd. owns 73.3333% equity interest of

Shenzhen Fenqile Network Technology Co., Ltd. and all of such 73.3333% equity interest has been pledged to Beijing Shijitong Technology Co., Ltd.

Company: **Shenzhen Fenqile Network Technology Co., Ltd. (Seal)**
Signature: /s/XIAO Wenjie
Name: XIAO Wenjie
Title: Legal Representative
/s/Seal of Shenzhen Fenqile Network Technology Co., Ltd.

Shareholder: XIAO Wenjie
Signature: /s/XIAO Wenjie

Shareholder: LIU Qiangdong
Signature: /s/LIU Qiangdong

Shareholder: Tibet Xianfeng Management Consultation Co., Ltd.(Seal)
Signature: /s/CHEN Keyi
Name: CHEN Key
Title: Legal Representative
/s/Seal of Tibet Xianfeng Management Consultation Co., Ltd.

Shareholder: Shenzhen Xinjie Investment Co., Ltd.(Seal)
Signature: /s/XIAO Wenjie
Name: XIAO Wenjie
Title: Legal Representative
/s/Seal of Shenzhen Xinjie Investment Co., Ltd

Date: March 1, 2016

Exhibit 10.8

Power of Attorney

This Power of Attorney (hereinafter this "**Agreement**") is made in Beijing, China on March 1, 2016 by and between the following parties.

Party A: **Beijing Shijitong Technology Co., Ltd.,** a limited company duly incorporated and existing under the laws of the People's Republic of China("**China**") and having its registered office at Room 1505, Building 1, No. 108 Zhichun Road, Haidian District, Beijing; and

Party B: **XIAO Wenjie**, a Chinese citizen whose identification number is **********.

Party A and Party B shall be hereinafter referred to as a **"Party"** individually and **the "Parties**" collectively.

WHEREAS

Party B holds 26.5464% of the equity interests ("**Party B Equity**") in Shenzhen Fenqile Network Technology Co., Ltd. ("**Shenzhen Fenqile**").

Now Therefore, the Parties hereby agree as follows through mutual negotiations:

Party B hereby irrevocably authorizes Party A to exercise the following rights with respect to Party B Equity during the term of this Agreement.

Party A is hereby authorized as the sole and exclusive agent and attorney to act generally on behalf of Party B with respect to all matters relating to Party B Equity, including but not limited to (i) attending the Shareholders Meeting of Shenzhen Fenqile; (ii) exercising all the powers and voting rights of Party B as the shareholder in accordance to Chinese laws and the articles of association of Shenzhen Fenqile, including but not limited to on the sale, transfer, pledge or disposal of partial or entire Party B Equity; and (iii) designating and appointing the legal representative, chairman of the Board, directors, supervisors, chief executive officers and other senior management members on behalf of Party B.

Without prejudice to the generality of the powers conferred upon by this Agreement, Party A shall be entitled as authorized by this Agreement, to act on behalf of Party B to sign the Transfer Contracts as specified in the Exclusive Purchase Option Agreement (to which Party B shall be a party) and execute the Equity Pledge Agreement and the Exclusive Purchase Option Agreement signed on the same day with this Agreement and to which it is a party. The conclusion of the contracts aforementioned and the forms of the contractual rights therein shall not affect the authorization hereunder to any extent.

All actions taken by Party A in relation to Party B Equity shall be deemed as Party B's own actions and all the documents signed by Party A shall be deemed as signed by Party B. Party B hereby acknowledges and approves the actions taken by and/or documents signed by Party A.

Party A shall be entitled at its discretion to delegate or transfer to any other person or entity the rights in relation to the aforementioned issues without prior notification to or consent of Party B.

During the term of Party B as a shareholder of Shenzhen Fenqile, this Agreement and the authorization hereunder shall be irrevocable and remain in full force as from the execution date hereof.

During the term of this Agreement, Party B hereby waives all the rights conferred upon Party A hereunder with respect to Party B Equity and shall not exercise such rights on its own.

In the event of any dispute with respect to the construction and performance of this Agreement, the Parties shall first resolve the dispute through friendly negotiations. In the event that the Parties fail to reach an agreement within 30 days after either Party requests to the other Party for resolution of the dispute through negotiations, either Party may submit the relevant dispute to the China International Economic and Trade Arbitration Commission for arbitration in accordance with its then effective arbitration rules. The arbitration shall be conducted in Beijing. The arbitration award shall be final and binding on both Parties.

The Power of Attorney executed by the Parties on April 27, 2015 shall be automatically terminated as at the execution date hereof.

This Agreement shall be written in Chinese in duplicates of equal legal force, with each party holding one.

[Signature page follows]

IN WITNESS WHEREOF, the Parties have caused their authorized representatives to execute this Power of Attorney as of the date first above written.

Party A: **Beijing Shijitong Technology Co., Ltd (Seal)**

Signature: /s/XIAO Wenjie

Name: XIAO Wenjie

Title: Legal Representative

/s/Seal of Beijing Shijitong Technology Co., Ltd.

Party B:

Signature: /s/XIAO Wenjie

Name: XIAO Wenjie

Title: Legal Representative

Power of Attorney

This Power of Attorney (hereinafter this "**Agreement**") is made in Beijing, China on March 1, 2017 by and between the following parties.

Party A: **Beijing Shijitong Technology Co., Ltd.,** a limited company duly incorporated and existing under the laws of the People's Republic of China("**China**") and having its registered office at Room 1505, Building 1, No. 108 Zhichun Road, Haidian District, Beijing; and

Party B: **LIU Qiangdong**, a Chinese citizen whose identification number is **********

Party A and Party B shall be hereinafter referred to as a **"Party"** individually and **the "Parties**" collectively.

WHEREAS

Party B holds 0.1072% of the equity interests ("**Party B Equity**") in Shenzhen Fenqile Network Technology Co., Ltd. ("**Shenzhen Fenqile**").

Now Therefore, the Parties hereby agree as follows through mutual negotiations:

Party B hereby irrevocably authorizes Party A to exercise the following rights with respect to Party B Equity during the term of this Agreement.

Party A is hereby authorized as the sole and exclusive agent and attorney to act generally on behalf of Party B with respect to all matters relating to Party B Equity, including but not limited to (i) attending the Shareholders Meeting of Shenzhen Fenqile; (ii) exercising all the powers and voting rights of Party B as the shareholder in accordance to Chinese laws and the articles of association of Shenzhen Fenqile, including but not limited to on the sale, transfer, pledge or disposal of partial or entire Party B Equity; and (iii) designating and appointing the legal representative, chairman of the Board, directors, supervisors, chief executive officers and other senior management members on behalf of Party B.

Without prejudice to the generality of the powers conferred upon by this Agreement, Party A shall be entitled as authorized by this Agreement, to act on behalf of Party B to sign the Transfer Contracts as specified in the Exclusive Purchase Option Agreement (to which Party B shall be a party) and execute the Equity Pledge Agreement and the Exclusive Purchase Option Agreement signed on the same day with this Agreement and to which it is a party. The conclusion of the contracts aforementioned and the forms of the contractual rights therein shall not affect the authorization hereunder to any extent.

All actions taken by Party A in relation to Party B Equity shall be deemed as Party B's own actions and all the documents signed by Party A shall be deemed as signed by Party B. Party B hereby acknowledges and approves the actions taken by and/or documents signed by Party A.

Party A shall be entitled at its discretion to delegate or transfer to any other person or entity the rights in relation to the aforementioned issues without prior notification to or consent of Party B.

During the term of Party B as a shareholder of Shenzhen Fenqile, this Agreement and the authorization hereunder shall be irrevocable and remain in full force as from the execution date hereof.

During the term of this Agreement, Party B hereby waives all the rights conferred upon Party A hereunder with respect to Party B Equity and shall not exercise such rights on its own.

In the event of any dispute with respect to the construction and performance of this Agreement, the Parties shall first resolve the dispute through friendly negotiations. In the event that the Parties fail to reach an agreement within 30 days after either Party requests to the other Party for resolution of the dispute through negotiations, either Party may submit the relevant dispute to the China International Economic and Trade Arbitration Commission for arbitration in accordance with its then effective arbitration rules. The arbitration shall be conducted in Beijing. The arbitration award shall be final and binding on both Parties.

The Power of Attorney executed by the Parties on April 27, 2015 shall be automatically terminated as at the execution date hereof.

This Agreement shall be written in Chinese in duplicates of equal legal force, with each party holding one.

[Signature page follows]

IN WITNESS WHEREOF, the Parties have caused their authorized representatives to execute this Power of Attorney as of the date first above written.

Party A: **Beijing Shijitong Technology Co., Ltd (Seal)**

Signature: /s/XIAO Wenjie

Name: XIAO Wenjie

Title: Legal Representative

/s/Seal of Beijing Shijitong Technology Co., Ltd.

Party B:

Signature: /s/LIU Qiangdong

Name: LIU Qiangdong

Title: Legal Representative

Power of Attorney

This Power of Attorney (hereinafter this "**Agreement**") is made in Beijing, China on March 1, 2016 by and between the following parties.

Party A: **Beijing Shijitong Technology Co., Ltd.,** a limited company duly incorporated and existing under the laws of the People's Republic of China("**China**") and having its registered office at Room 1505, Building 1, No. 108 Zhichun Road, Haidian District, Beijing; and

Party B: **Tibet Xianfeng Management Consultation Co., Ltd.**, a limited liability company organized and existing under the laws of Chin with its address at Room 2-5, 2/F, Liuwu Building, Liuwu New District, Lhasa.

Party A and Party B shall be hereinafter referred to as **a "Party"** individually and **the "Parties**" collectively.

WHEREAS

Party B holds 0.0131% of the equity interests ("**Party B Equity**") in Shenzhen Fenqile Network Technology Co., Ltd. ("**Shenzhen Fenqile**").

Now Therefore, the Parties hereby agree as follows through mutual negotiations:

Party B hereby irrevocably authorizes Party A to exercise the following rights with respect to Party B Equity during the term of this Agreement.

Party A is hereby authorized as the sole and exclusive agent and attorney to act generally on behalf of Party B with respect to all matters relating to Party B Equity, including but not limited to (i) attending the Shareholders Meeting of Shenzhen Fenqile; (ii) exercising all the powers and voting rights of Party B as the shareholder in accordance to Chinese laws and the articles of association of Shenzhen Fenqile, including but not limited to on the sale, transfer, pledge or disposal of partial or entire Party B Equity; and (iii) designating and appointing the legal representative, chairman of the Board, directors, supervisors, chief executive officers and other senior management members on behalf of Party B.

Without prejudice to the generality of the powers conferred upon by this Agreement, Party A shall be entitled as authorized by this Agreement, to act on behalf of Party B to sign the Transfer Contracts as specified in the Exclusive Purchase Option Agreement (to which Party B shall be a party) and execute the Equity Pledge Agreement and the Exclusive Purchase Option Agreement signed on the same day with this Agreement and to which it is a party. The conclusion of the contracts aforementioned and the forms of the contractual rights therein shall not affect the authorization hereunder to any extent.

All actions taken by Party A in relation to Party B Equity shall be deemed as Party B's own actions and all the documents signed by Party A shall be deemed as signed by Party B. Party B hereby acknowledges and approves the actions taken by and/or documents signed by Party A.

Party A shall be entitled at its discretion to delegate or transfer to any other person or entity the rights in relation to the aforementioned issues without prior notification to or consent of Party B.

During the term of Party B as a shareholder of Shenzhen Fenqile, this Agreement and the authorization hereunder shall be irrevocable and remain in full force as from the execution date hereof.

During the term of this Agreement, Party B hereby waives all the rights conferred upon Party A hereunder with respect to Party B Equity and shall not exercise such rights on its own.

In the event of any dispute with respect to the construction and performance of this Agreement, the Parties shall first resolve the dispute through friendly negotiations. In the event that the Parties fail to reach an agreement within 30 days after either Party requests to the other Party for resolution of the dispute through negotiations, either Party may submit the relevant dispute to the China International Economic and Trade Arbitration Commission for arbitration in accordance with its then effective arbitration rules. The arbitration shall be conducted in Beijing. The arbitration award shall be final and binding on both Parties.

The Power of Attorney executed by the Parties on April 27, 2015 shall be automatically terminated as at the execution date hereof.

This Agreement shall be written in Chinese in duplicates of equal legal force, with each party holding one.

[Signature page follows]

IN WITNESS WHEREOF, the Parties have caused their authorized representatives to execute this Power of Attorney as of the date first above written.

Party A: **Beijing Shijitong Technology Co., Ltd (Seal)**

Signature: /s/XIAO Wenjie

Name: XIAO Wenjie

Title: Legal Representative

/s/Seal of Beijing Shijitong Technology Co., Ltd.

Party B: **Tibet Xianfeng Management Consultation Co., Ltd. (Seal)**

Signature: /s/CHEN Keyi

Name: CHEN Keyi

Title: Legal Representative

/s/Seal of Tibet Xianfeng Management Consultation Co., Ltd.

Power of Attorney

This Power of Attorney (hereinafter this "**Agreement**") is made in Beijing, China on March 1, 2016 by and between the following parties.

Party A: **Beijing Shijitong Technology Co., Ltd.,** a limited company duly incorporated and existing under the laws of the People's Republic of China("**China**") and having its registered office at Room 1505, Building 1, No. 108 Zhichun Road, Haidian District, Beijing; and

Party B: **Shenzhen Xinjie Investment Co., Ltd.**, a limited liability company organized and existing under the laws of Chin with its address at 6/F, Block B, Shenzhen Industry-University-Research Cooperation Base of Huazhong University of Science and Technology, No.9 Yuexing 3rd Road, Gaoxin Zone, Yuehai Sub-district, Nanshan District, Shenzhen.

Party A and Party B shall be hereinafter referred to as **a "Party"** individually and **the "Parties**" collectively.

WHEREAS

Party B holds 73.3333% of the equity interests ("**Party B Equity**") in Shenzhen Fenqile Network Technology Co., Ltd. ("**Shenzhen Fenqile**").

Now Therefore, the Parties hereby agree as follows through mutual negotiations:

Party B hereby irrevocably authorizes Party A to exercise the following rights with respect to Party B Equity during the term of this Agreement.

Party A is hereby authorized as the sole and exclusive agent and attorney to act generally on behalf of Party B with respect to all matters relating to Party B Equity, including but not limited to (i) attending the Shareholders Meeting of Shenzhen Fenqile; (ii) exercising all the powers and voting rights of Party B as the shareholder in accordance to Chinese laws and the articles of association of Shenzhen Fenqile, including but not limited to on the sale, transfer, pledge or disposal of partial or entire Party B Equity; and (iii) designating and appointing the legal representative, chairman of the Board, directors, supervisors, chief executive officers and other senior management members on behalf of Party B.

Without prejudice to the generality of the powers conferred upon by this Agreement, Party A shall be entitled as authorized by this Agreement, to act on behalf of Party B to sign the Transfer Contracts as specified in the Exclusive Purchase Option Agreement (to which Party B shall be a party) and execute the Equity Pledge Agreement and the Exclusive Purchase Option Agreement signed on the same day with this Agreement and to which it is a party. The conclusion of the contracts aforementioned and the forms of the contractual rights therein shall not affect the authorization hereunder to any extent.

All actions taken by Party A in relation to Party B Equity shall be deemed as Party B's own actions and all the documents signed by Party A shall be deemed as signed by Party B. Party B hereby acknowledges and approves the actions taken by and/or documents signed by Party A.

Party A shall be entitled at its discretion to delegate or transfer to any other person or entity the rights in relation to the aforementioned issues without prior notification to or consent of Party B.

During the term of Party B as a shareholder of Shenzhen Fenqile, this Agreement and the authorization hereunder shall be irrevocable and remain in full force as from the execution date hereof.

During the term of this Agreement, Party B hereby waives all the rights conferred upon Party A hereunder with respect to Party B Equity and shall not exercise such rights on its own.

In the event of any dispute with respect to the construction and performance of this Agreement, the Parties shall first resolve the dispute through friendly negotiations. In the event that the Parties fail to reach an agreement within 30 days after either Party requests to the other Party for resolution of the dispute through negotiations, either Party may submit the relevant dispute to the China International Economic and Trade Arbitration Commission for arbitration in accordance with its then effective arbitration rules. The arbitration shall be conducted in Beijing. The arbitration award shall be final and binding on both Parties.

This Agreement shall be written in Chinese in duplicates of equal legal force, with each party holding one.

[Signature page follows]

IN WITNESS WHEREOF, the Parties have caused their authorized representatives to execute this Power of Attorney as of the date first above written.

Party A: **Beijing Shijitong Technology Co., Ltd (Seal)**

Signature: /s/XIAO Wenjie

Name: XIAO Wenjie

Title: Legal Representative

/s/Seal of Beijing Shijitong Technology Co., Ltd.

Party B: **Shenzhen Xinjie Investment Co., Ltd.(Seal)**

Signature: /s/XIAO Wenjie

Name: XIAO Wenjie

Title: Legal Representative

/s/Seal of Shenzhen Xinjie Investment Co., Ltd.

Exhibit 10.9

Exclusive Business Cooperation Agreement

This Exclusive Business Cooperation Agreement (this "**Agreement**") is made and entered into by and between the following parties on July 18, 2014 in Beijing, the People's Republic of China.

Party A: **Beijing Shijitong Technology Co., Ltd.**

Address: Room 1505, Buildings 1, No.108 Zhichun Road, Haidian District, Beijing

Party B: **Beijing Lejiaxin Network Technology Co., Ltd.**

Address: 16F-11, No. 2 West Dawang Road, Chaoyang District, Beijing

Party A and Party B shall be hereinafter referred to as a **"Party"** individually, and as the **"Parties"** collectively.

Whereas,

1. Party A is a wholly foreign-owned enterprise registered in the People's Republic of China's (hereinafter "**China**" or "**PRC**") with necessary resources for providing technical services and commercial consulting services;

2. Party B is a domestic company registered in China and is approved by competent Chinese government authorities to engage in technical popularization service; enterprise planning; enterprise management consulting; investment management; investment consulting; asset management; goods import and export business; technology import and export business; export& import agency; sales of the electronic products, communications equipment, daily necessities, handicrafts, sporting goods and photographic equipment. Party B's current business and any business to be operated and developed at any time during the term of this Agreement are collectively referred to as "**Principal Business**".

3. Party A is willing to, with its advantages in technology, human resources, and information, provide Party B with technical support, consulting services and other services on an exclusive basis in relation to the Principal Business during the term of this Agreement, and Party B is willing to accept such services provided by Party A or Party A's designee(s), each on the terms set forth herein.

Now, therefore, the Parties hereby agree as follows through mutual negotiations:

1. **Services to be Provided by Party A**

1.1 Pursuant to the terms and conditions set forth herein, Party B hereby appoints Party A as Party B's exclusive services provider to provide Party B with full-range business support and technical and consulting services during the term of this Agreement, which may include all such services as may be determined from time to time by Party A within Party B's scope of the Principal Business, such as but not limited to technical services, network support, business consultations, intellectual property licenses, equipment or office premise leasing, marketing consultancy, system integration, product research and development, and system maintenance.

1.2 Party B agrees to accept the consultations and services provided by Party A. Party B further agrees that unless with Party A's prior written consent, during the term of this Agreement, Party B shall not directly or indirectly accept any same or similar services provided by any third party and shall not establish similar cooperation relationships with any third party regarding the matters contemplated by this Agreement. Party A may appoint other parties, who may enter into certain agreements described in Section 1.3 with Party B, to provide Party B with the services under this Agreement.

1.3 Service Mode

1.3.1 Party A and Party B agree that during the term of this Agreement, both Parties may, directly or through their respective affiliates, enter into further technical service agreements or consulting service agreements, which shall specify the specific contents, manner, personnel, and fees for the specific technical services and consulting services to be provided by Party A.

1.3.2 To fulfill this Agreement, Party A and Party B agree that during the term of this Agreement, both Parties may, directly or through their respective affiliates, enter into intellectual property (including, but not limited to, software, trademark, patent and know-how) license agreements which shall permit Party B to, based on its business needs, use Party A's relevant intellectual property rights at any time and from time to time.

1.3.3 To fulfill this Agreement, Party A and Party B agree that during the term of this Agreement, both Parties may, directly or through their respective affiliates, enter into equipment or property leases which shall permit Party B to, based on its business needs, use Party A's relevant equipment or property at any time and from time to time.

1.3.4 Party B hereby grants to Party A an irrevocable and exclusive option to purchase from Party B, at Party A's sole discretion, any or all of the assets of Party B, to the extent permitted under PRC law, and at the lowest purchase price permitted by PRC law. Upon exercise of such option by Party A, The Parties shall enter into a separate asset transfer agreement, specifying the terms and conditions of the transfer of the assets.

2. **The Calculation and Payment of Service Fees**

Both Parties agree that Party B shall pay Party A consulting service fees in the amount and on the date stipulated in the invoice. Party A shall have the right to adjust the service fee rate at any time in accordance with the quantity and content of consulting services it provides to Party B.

2.1 Party B shall pay service fees to Party A in the following manner for the services provided by Party A hereunder.

2.1.1 Service fee equivalent to a certain ratio of the balance of Party B's current-year revenue deducting the cost recognized by Party A, which ratio shall be otherwise determined by Party A annually based on Party B's actual profitability; and

2.1.2 Service fee otherwise agreed upon by the Parties for specific technical services provided by Party A from time to time upon Party B's request.

2.2 Party B shall pay the service fees determined pursuant to Section 2.1 to Party A's designated bank account in a lump sum within three (3) months following the end of each Gregorian Calendar year.

2.3 With fifteen (15) days following the end of each financial year, Party B shall provide Party A with current-year financial statements and all business records, business contracts and financial information necessary for the issuance of financial statements. If Party A disputes with the financial information provided by Party B, it may appoint an independent accountant with good reputation to audit relevant information and Party B shall cooperate.

3. **Intellectual Property Rights and Confidentiality Clauses**

3.1 Party A shall have exclusive and proprietary ownership, rights and interests in any and all intellectual properties arising out of or created during the performance of this Agreement, including but not limited to copyrights, patents, patent applications, trademarks, software, technical secrets, trade secrets, regardless of whether they have been developed by Party A or Party B. Party B shall execute all appropriate documents, take all appropriate actions, submit all filings and/or applications, render all appropriate assistance and otherwise conduct as deemed necessary by Party A at its sole discretion, so as to vest any ownership, right or interest of any such intellectual property rights in Party A, and/or perfect the protections for any such intellectual property rights of Party A.

3.2 The Parties acknowledge that the existence and the terms of this Agreement and any oral or written information exchanged between the Parties in connection with the preparation and performance of this Agreement constitute confidential information. Each Party shall maintain confidentiality of all such confidential information, and without obtaining written consent of the other Party, it shall not disclose any relevant confidential information to any third party, except for the information that: (i) is or becomes available to the general public (other than through the receiving Party's unauthorized disclosure); (ii) is required to be disclosed by applicable laws or regulations or rules or regulations of any stock exchange; or (iii) is necessary to be disclosed by any Party to its shareholders, directors, employees, legal counsels or financial advisors regarding the transaction contemplated hereunder, provided that such shareholders, directors, employees, legal counsels or financial advisors shall be bound by the confidentiality obligations similar to those set forth in this Section. Disclosure of any confidential information by the shareholders, director, employees of or agencies engaged by any Party shall be deemed disclosure by such Party itself and such Party shall be held liable for breach of this Agreement. This Section shall survive the termination of this Agreement for any reason.

3.3 The Parties agree that this Section shall survive changes to, and rescission or termination of, this Agreement.

4. **Representation and Warranties**

4.1 Party A hereby represents and warrants as follows:

4.1.1 Party A is a wholly foreign-owned enterprise legally established and validly existing under the laws of China;

4.1.2 Party A has taken all necessary corporate actions, obtained all necessary authorizations as well as all consents and approvals from third parties and government agencies (if required) for the execution, delivery and performance of this Agreement. Party A's execution, delivery and performance of this Agreement do not violate any restrictions in law or otherwise binding or having an impact on Party A.

4.1.3 This Agreement constitutes Party A's legal, valid and binding obligations, enforceable against it in accordance with its terms.

4.2 Party B hereby represents and warrants as follows:

4.2.1 Party B is a company legally established and validly existing under the laws of China and has obtained all government permits and licenses for engaging in the Principal Business.

4.2.2 Party B's execution and performance of this Agreement is within its corporate capacity and the scope of its business operations; Party B has taken necessary corporate actions and given appropriate authorization and has obtained the consent and approval from third parties and government agencies, and will not violate any restrictions in law or otherwise binding or having an impact on Party B.

4.2.3 This Agreement constitutes Party B's legal, valid and binding obligations, and shall be enforceable against it in accordance with its terms.

5. **Effectiveness and Term**

5.1 This Agreement is executed on the date first above written and shall take effect as of such date. This Agreement shall have an indefinite term and remain effective unless terminated in accordance with the provisions of this Agreement or terminated in writing by Party A.

5.2 During the term of this Agreement, each Party shall renew its operation term prior to the expiration thereof so as to enable this Agreement to remain effective. This Agreement shall be terminated upon the expiration of the operation term of a Party if the application for the renewal of its operation term is not approved by relevant government authorities.

6. **Termination**

6.1 Party B shall not terminate this Agreement prior to expiration of the term of this Agreement.

6.2 During the term of this Agreement, Party A shall have the right to terminate this Agreement upon giving 30 days' prior written notice to Party B at any time.

6.3 The rights and obligations of the Parties under Sections 3, 7 and 8 shall survive the termination of this Agreement.

7. **Governing Law and Dispute Resolution**

7.1 The execution, effectiveness, construction, performance, amendment and termination of this Agreement and the dispute resolution hereunder shall be governed by the laws of China.

7.2 In the event of any dispute with respect to the construction and performance of this Agreement, the Parties shall first resolve the dispute through friendly negotiations. In the event that the Parties fail to reach an agreement within 30 days after either Party requests to the other Party for resolution of the dispute through negotiations, either Party may submit the relevant dispute to the China International Economic and Trade Arbitration Commission for arbitration in accordance with its then effective arbitration rules. The arbitration shall be conducted in Beijing. The arbitration award shall be final and binding on both Parties.

7.3 Upon occurrence of any disputes arising from the construction and performance of this Agreement or pending arbitration of any dispute, except for the matters under dispute, the Parties shall continue to exercise their respective rights and perform their respective obligations hereunder.

8. **Indemnification**

Party B shall indemnify and hold harmless Party A from any losses, injuries, obligations or expenses incurred by Party A due to any lawsuit, claims or other demands against Party A arising from or caused by the consultations and services provided by Party A at the request of Party B, except where such losses, injuries, obligations or expenses arise from the gross negligence or willful misconduct of Party A.

9. **Notices**

9.1 All notices and other communications required or permitted to be given pursuant to this Agreement shall be delivered personally or sent by registered mail with postage prepaid, commercial courier service or facsimile transmission to the

address of such Party set forth below. Each notice shall be followed by a confirmation copy sent by email. The dates on which notices shall be deemed to have been effectively given shall be determined as follows:

9.1.1 Notices given by personal delivery, courier service, registered mail with postage prepaid shall be deemed effectively given on the date of receipt or rejection at the address specified for notices.

9.1.2 Notices given by facsimile transmission shall be deemed effectively given on the date of successful transmission (as evidenced by an automatically generated confirmation of transmission).

9.2 The addresses of the Parties for receiving notices are as follows:

Party A:	**Beijing Shijitong Technology Co., Ltd.**
Addres:	6/F, Block B, Huazhong University of Science and Technology, Virtual University Park, Nanshan Science Zone, Nanshan District, Shenzhen
Attn:	XIAO Wenjie
Tel.:	0755-86530952
Party B:	**Beijing Lejiaxin Network Technology Co., Ltd.**
Address:	6/F, Block B, Huazhong University of Science and Technology, Virtual University Park, Nanshan Science Zone, Nanshan District, Shenzhen
Attn:	XIAO Wenjie
Tel.:	0755-86530952

9.3 Either Party may at any time change its address for notices by a notice delivered to the other Party in accordance with the terms hereof.

10. **Assignment**

10.1 Without Party A's prior written consent, Party B shall not assign its rights and obligations hereunder to any third party.

10.2 Party B agrees that Party A may assign its obligations and rights hereunder to any third party and in the case of such assignment, Party A is only required to give written notice to Party B and does not need to seek any consent from Party B.

11. **Severability**

In the event that one or several provisions hereof are found to be invalid, illegal or unenforceable in any aspect in accordance with any laws or regulations, the validity, legality or enforceability of the remaining provisions of this Agreement shall not be affected or compromised in any aspect. The Parties shall negotiate in good faith to replace such invalid, illegal or unenforceable provisions with effective provisions that accomplish to the greatest extent permitted by law the intentions of the Parties, and the economic effect of such effective provisions shall be as close as possible to the economic effect of those invalid, illegal or unenforceable provisions.

12. **Modification and Supplement**

Any amendments and supplements to this Agreement shall be in writing. Any amendment agreements and supplementary agreements signed by the Parties with respect to this Agreement shall form an integral part of this Agreement and have the same legal effect as this Agreement.

13. **Language and Counterparts**

This Agreement is written in Chinese in two counterparts of equal legal force, with each Party holding one.

[Signature page follows]

IN WITNESS WHEREOF, the Parties have caused their authorized representatives to execute this Exclusive Business Cooperation Agreement as of the date first above written.

Party A: Beijing Shijitong Technology Co., Ltd. (Seal)

Signature: /s/XIAO Wenjie

Name: XIAO Wenjie

Title: Legal Representative

/s/Seal of Beijing Shijitong Technology Co., Ltd.

Party B: Beijing Lejiaxin Network Technology Co., Ltd. (Seal)

Signature: /s/XIAO Wenjie

Name: XIAO Wenjie

Title: Legal Representative

/s/Seal of Beijing Lejiaxin Network Technology Co., Ltd.

Exhibit 10.10

EXCLUSIVE OPTION AGREEMENT

This Exclusive Option Agreement (this "**Agreement**") is made and entered into by and among the following Parties as of July 18, 2014 in Beijing, the People's Republic of China ("**China**"):

Party A: **Beijing Shijitong Technology Co., Ltd**, a wholly foreign-owned enterprise duly registered in China, with its address at Room 1505, Buildings 1, No.108 Zhichun Road, Haidian District, Beijing;

Party B: **XIAO Wenjie**, a Chinese citizen whose ID number is **********;

LIU Qiangdong, a Chinese citizen whose ID number is **********;

Party C: **Beijing Lejiaxin Network Technology Co., Ltd.,** a limited liability company organized and existing under the laws of China, with its address at 16F-11, No. 2 West Dawang Road, Chaoyang District, Beijing.

In this Agreement, Party A, Party B and Party C shall be hereinafter referred to as a "**Party**" individually, and the "**Parties**" collectively.

WHEREAS:

Party B is a shareholder of Party C and holds 100% of the Equity Interest in Party C as of the execution date hereof;

Now Therefore, the Parties hereby agree as follows through mutual negotiations:

1. Sale and Purchase of Equity Interest

1.1 Grant of Option

In consideration of the payment of RMB 10.00 by Party A, the receipt and sufficiency of which is hereby acknowledged by Party B, Party B hereby irrevocably grants Party A an irrevocable and exclusive right to purchase, or designate one or more persons (each, a "**Designee**") to purchase in whole or in part the equity interests in Party C now or then held by Party B (regardless of whether Party B's capital contribution and/or shareholding percentage is changed or not in the future) at any time and from time to time at Party A's sole and absolute discretion to the extent permitted by Chinese laws and at the price described in Section 1.3 herein (such right being the "**Equity Interest Purchase Option**"). Except for Party A and the Designee(s), no other person shall be entitled to the Equity Interest Purchase Option or other rights with respect to the equity interests held by Party B. Party C hereby agrees to the grant by Party B of the Equity Interest Purchase Option to Party A. The term "**person**" as used herein shall refer to individuals, corporations, joint ventures, partnerships, enterprises, trusts or non-corporate organizations.

1.2 Steps for Exercise of Equity Interest Purchase Option

Subject to the provisions of the laws and regulations of China, Party A may exercise the Equity Interest Purchase Option by issuing a written notice to Party B (the "**Equity Interest Purchase Option Notice**"), specifying: (i) Party A's decision to exercise the Equity Interest Purchase Option; (ii) the portion of equity interests Party A proposes to be purchase from Party B (the "**Optioned Interests**"); and (iii) the date for purchasing/transferring the Optioned Interests.

1.3 Equity Interest Purchase Price

Unless an appraisal is required by the laws of China for the Equity Interest Purchase Option exercised by Party A, the purchase price of the Optioned Interests (the "**Equity Interest Purchase Price**") shall be the minimum price to the extent permitted by law.

1.4 Transfer of Optioned Interests

For each exercise of the Equity Interest Purchase Option:

1.4.1 Party B shall cause Party C to promptly convene a shareholders meeting, at which a resolution shall be adopted approving Party B's transfer of the Optioned Interests to Party A and/or the Designee(s);

1.4.2 Party B shall obtain written statements from the other shareholders of Party C (if any) giving consent to the transfer of the equity interest to Party A and/or the Designee(s) and waiving any right of first refusal related thereto;

1.4.3 Party B shall execute a share transfer contract with Party A and/or each Designee (whichever is applicable) with respect to each transfer ("**Transfer Contract**"), in accordance with the provisions of this Agreement and the Equity Interest Purchase Option Notice;

1.4.4 The relevant Parties shall execute all other necessary contracts, agreements or documents, obtain all necessary government licenses and permits and take all necessary actions to transfer valid ownership of the Optioned Interests to Party A and/or the Designee(s), unencumbered by any security interests, and cause Party A and/or the Designee(s) to become the registered owner(s) of the Optioned Interests. For the purposes of this Section and this Agreement, "**Security Interests**" shall include securities, mortgages, third party's rights or interests, any stock options, acquisition right, right of first refusal, right to offset, title retention or other security arrangements, but shall be deemed to exclude any security interest created by this Agreement and Party B's Equity Pledge Agreement. "**Party B's Equity Pledge Agreement**" as used in this Section and this Agreement shall refer to the Equity Pledge Agreement executed by and among Party A, Party B and Party C on the date of this Agreement ("**Equity Pledge Agreement**"), whereby Party B pledges all of its equity interests in Party C

to Party A, in order to guarantee Party C's performance of its obligations under the Exclusive Business Cooperation Contract and other agreements executed by and between Party C and Party A.

2. Covenants

2.1 Covenants regarding Party C

Party B (as a shareholder of Party C) and Party C hereby covenant as follows:

2.1.1 Without prior written consent of Party A, they shall not in any manner supplement, change or amend the articles of association and bylaws of Party C, increase or decrease its registered capital, or otherwise change its structure of registered capital;

2.1.2 They shall maintain Party C's corporate existence in accordance with good financial and business standards and practices, obtain and maintain all government permits and licenses necessary for Party C to engage in its business, and prudently and effectively operate its business and handle its affairs;

2.1.3 Without prior written consent of Party A, they shall not at any time after the execution date hereof, sell, transfer, mortgage or otherwise dispose of any assets of Party C or legal or beneficial interest in the business or revenues of Party C, or allow creation of any encumbrance or security interest thereon;

2.1.4 Without prior written consent of Party A, they shall not incur, inherit, guarantee or allow the existence of any debt, except for (i) debts incurred in the ordinary course of business other than through borrowing loans; and (ii) debts that have been disclosed to Party A and for which Party A's written consent has been obtained;

2.1.5 They shall always operate all of Party C's businesses during the ordinary course of business to maintain the asset value of Party C and refrain from any action/omission that may affect Party C's operating status and asset value;

2.1.6 Without prior written consent of Party A, they shall not cause Party C to execute any major contract, except for contracts executed in the ordinary course of business (for the purpose of this subsection, a contract with a value exceeding RMB 100,000 shall be deemed a major contract);

2.1.7 Without prior written consent of Party A, they shall not cause Party C to provide any person with any loan or credit;

2.1.8 They shall provide Party A with information on Party C's business operations and financial condition at Party A's request;

2.1.9 If requested by Party A, they shall procure and maintain insurance in respect of Party C's assets and business from an insurance carrier acceptable to Party A, at an amount and type of coverage typical for companies that operate similar businesses;

2.1.10 Without prior written consent of Party A, they shall not cause or permit Party C to merge, consolidate with, acquire or invest in any person;

2.1.11 Without prior written consent of Party A, they shall not liquidate, dissolve or deregister Party C;

2.1.12 They shall immediately notify Party A of the occurrence or possible occurrence of any litigation, arbitration or administrative proceedings relating to Party C's assets, business or revenue;

2.1.13 To maintain the ownership by Party C of all of its assets, they shall execute all necessary or appropriate documents, take all necessary or appropriate actions and file all necessary or appropriate complaints or raise necessary and appropriate defenses against all claims;

2.1.14 Without prior written consent of Party A, they shall ensure that Party C shall not in any manner distribute dividends to its shareholder, provided that upon Party A's written request, Party C shall immediately distribute all distributable profits to its shareholders; and

2.1.15 At the request of Party A, they shall appoint any persons designated by Party A as the director of Party C.

2.2 Covenants of Party B

Party B hereby covenants as follows:

2.2.1 Without prior written consent of Party A, Party B shall not sell, transfer, mortgage or otherwise dispose any legal or beneficial interest in the equity interests in Party C held by Party B, or allow creation of any encumbrance or security interest thereon, except for the pledge created on these equity interests in accordance with Party B's Equity Pledge Agreement;

2.2.2 Party B shall cause the shareholder and/or the board of directors and/or executive director of Party C to disapprove the sale, transfer, mortgage or otherwise disposition of any legal or beneficial interest in the equity interests in Party C held by Party B, or allow the creation of encumbrance or any security interest thereon, without prior written consent of Party A, except for the pledge created on these equity interests in accordance with Party B's Equity Pledge Agreement;

2.2.3 Party B shall cause the shareholder or the board of directors and/or executive director of Party C to disapprove Party C's merger or consolidation with any person, or the acquisition of or investment in any person, without prior written consent of Party A;

2.2.4 Party B shall immediately notify Party A of the occurrence or possible occurrence of any litigation, arbitration or administrative proceedings relating to the equity interests in Party C held by Party B;

2.2.5 Party B shall cause the shareholder or executive director and/or the board of directors of Party C to vote their approval of the transfer of the Optioned Interests as set forth in this Agreement and to take any and all other actions that may be requested by Party A;

2.2.6 To the extent necessary to maintain Party B's ownership in Party C, Party B shall execute all necessary or appropriate documents, take all necessary or appropriate actions and file all necessary or appropriate complaints or raise necessary and appropriate defenses against all claims;

2.2.7 Party B shall, at the request of Party A, appoint any designee of Party A as the director and/or executive director of Party C;

2.2.8 Party B shall, at the request of Party A at any time, promptly and unconditionally transfer its equity interests in Party C to Party A's Designee(s) in accordance with the Equity Interest Purchase Option under this Agreement, and Party B hereby waives its right of first refusal (if any) to the share transfer by the other existing shareholder of Party C (if any); and

2.2.9 If Party B receives from Party C any profit, profit sharing, stock dividend, or liquidation proceeds, Party B shall promptly donate the same to Party A or any of its Designee(s) on the premise of complying with Chinese laws; and

2.2.10 Party B shall strictly abide by the provisions of this Agreement and other contracts jointly or separately executed by and among Party B and/or Party C and Party A, perform the obligations hereunder and thereunder, and refrain from any action/omission that may affect the effectiveness and enforceability hereof and thereof. To the extent that Party B has any residual rights with respect to the equity interests subject to this Agreement hereunder or under Party B's Equity Pledge Agreement or under the Power of Attorney Agreement granted in favor of Party A, Party B shall not exercise such rights except in accordance with the written instructions of Party A.

3. Representations and Warranties

Party B and Party C hereby represent and warrant to Party A, jointly and severally, as of the date of this Agreement and each date of transfer of the Optioned Interests, that:

3.1 They have the authority to execute and deliver this Agreement and any share transfer contracts to which they are a party concerning the Optioned Interests to be transferred thereunder (each, a **"Transfer Contracts"**), and to perform their obligations under this Agreement and any Transfer Contracts. Party B and Party C agree to enter into Transfer Contracts consistent with the terms of this Agreement upon Party A's exercise of the Equity Interest Purchase Option. This Agreement and the Transfer Contracts to which Party B and Party C are a party constitute or will constitute their legal, valid and binding obligations and shall be enforceable against them in accordance with the provisions thereof;

3.2 The execution and delivery of this Agreement or any Transfer Contracts and the obligations under this Agreement or any Transfer Contracts shall not: (i) cause any violation of any applicable Chinese laws; (ii) be inconsistent with the articles of association, bylaws or other organizational documents of Party C; (iii) cause the violation of any contracts or instruments to which they are a party or which are binding on them, or constitute any breach under any contracts or instruments to which they are a party or which are binding on them; (iv) cause any violation of any condition for the grant and/or continued effectiveness of any licenses or permits issued to either of them; or (v) cause the suspension or revocation of or imposition of additional conditions to any licenses or permits issued to either of them;

3.3 Party B has a good and merchantable title to the equity interests in Party C held by Party B. Except for that disclosed in Party B's Equity Pledge Agreement or other written instruments, Party B has not created any security interest on such equity interests;

3.4 Party C has a good and merchantable title to all of its assets, and except otherwise disclosed in writing, has not created any security interest or purchase option on the aforementioned assets;

3.5 Party C does not have any outstanding debts, except for (i) debt incurred in the ordinary course of business; and (ii) debts that have been disclosed to Party A and for which Party A's written consent has been obtained;

3.6 There are no pending or threatened litigation, arbitration or administrative proceedings involving the equity interests in Party C, assets of Party C or Party C; and

3.7 Party C has complied with all laws and regulations of China applicable to asset acquisitions;

4. Effective Date

This Agreement shall become effective upon the execution date hereof, and shall be terminated upon the complete transfer of all options held by Party B in Party C to Party A and/or its Designee(s) pursuant to this Agreement.

5. Governing Law and Dispute Resolution

5.1 Governing Law

The execution, effectiveness, construction, performance, amendment and termination of this Agreement and the Dispute Resolution hereunder shall be governed by the formally published and publicly available laws of China. Matters not covered by formally published and publicly available laws of China shall be governed by international legal principles and practices.

5.2 Dispute Resolution

In the event of any dispute with respect to the construction and performance of this Agreement, the Parties shall first resolve the dispute through friendly negotiations. In the event the Parties fail to reach an agreement within 30 days after either Party requests to the other Parties for resolution of the dispute through negotiations, either Party may submit the relevant dispute to the China International Economic and Trade Arbitration Commission for arbitration, in accordance with its then effective arbitration rules. The arbitration shall be conducted in Beijing, and the language shall be Chinese. The arbitration award shall be final and binding on all Parties.

6. Taxes and Fees

Each Party shall pay any and all transfer and registration tax, expenses and fees incurred by or levied on itself in accordance with the laws of China in connection with the preparation and execution of this Agreement and the Transfer Contracts, as well as the consummation of the transactions contemplated under this Agreement and the Transfer Contracts.

7. Notices

7.1 All notices and other communications required or permitted to be given pursuant to this Agreement shall be delivered personally or sent by registered mail with postage prepaid, commercial courier service or facsimile transmission to the address of such Party set forth below. Each notice shall be followed by a confirmation copy sent by email. The dates on which notices shall be deemed to have been effectively given shall be determined as follows:

7.1.1 Notices given by personal delivery, courier service, registered mail with postage prepaid shall be deemed effectively given on the date of receipt or rejection at the address specified for notices.

7.1.2 Notices given by facsimile transmission shall be deemed effectively given on the date of successful transmission (as evidenced by an automatically generated confirmation of transmission).

7.2 The addresses of the Parties for receiving notices are as follows:

Party A: **Beijing Shijitong Technology Co., Ltd.**

Address: **********, Nanshan District, Shenzhen

Attn: XIAO Wenjie

Tel.: **********

Party B: **XIAO Wenjie and LIU Qiangdong**

Address: **********, Nanshan District, Shenzhen

Tel.: **********

Party C: **Beijing Lejiaxin Network Technology Co., Ltd.**

Address: 6/F, Block B, Huazhong University of Science and Technology, Virtual University Park, Nanshan Science Zone, Nanshan District, Shenzhen

Attn: XIAO Wenjie

Tel.: 0755-86530952

7.3 Any Party may at any time change its address for notices by a notice delivered to the other Parties in accordance with the terms hereof.

8. Confidentiality

The Parties acknowledge that any oral or written information exchanged between the Parties in connection with the preparation and performance this Agreement constitute confidential information. Each Party shall maintain confidentiality of all such confidential information, and without obtaining the written consent of the other Party, it shall not disclose any relevant confidential information to any third parties, except for the information that: (i) is or becomes available to the general public (other than through the receiving Party's unauthorized disclosure); (ii) is required to be disclosed by applicable laws or regulations or rules or regulations of any stock exchange; or (iii) is necessary to be disclosed by any Party to its legal counsels or financial advisors regarding the transaction contemplated hereunder, provided that such legal counsels or financial advisors shall be bound by the confidentiality obligations similar to those set forth in this Section. Disclosure of any confidential information by the employees of or agencies

engaged by any Party shall be deemed disclosure by such Party itself and such Party shall be held liable for breach of this Agreement. This Section shall survive the termination of this Agreement for any reason.

9. Further Warranties

The Parties agree to promptly execute documents that are reasonably required for or are conducive to the implementation of the provisions and purposes of this Agreement and take further actions that are reasonably required for or are conducive to the implementation of the provisions and purposes of this Agreement.

10. Miscellaneous

10.1 Amendment, change and supplement

Any amendment, change and supplement to this Agreement shall be made only by a written contract executed by all of the Parties.

10.2 Entire Agreement

Except for the amendments, supplements or changes made in writing after the execution hereof, this Agreement shall constitute the entire agreement reached by and among the Parties hereto with respect to the subject matter hereof, and shall supersede all prior oral and written consultations, representations and contracts reached with respect to the subject matter of this Agreement.

10.3 Headings

The headings of this Agreement are inserted for convenience only, and shall not be used to interpret, explain or otherwise affect the meanings of the provisions of this Agreement.

10.4 Language

This Agreement is written in Chinese in four counterparts of equal legal force, with each Party holding one.

10.5 Severability

In the event that one or several provisions hereof are found to be invalid, illegal or unenforceable in any aspect in accordance with any laws or regulations, the validity, legality or enforceability of the remaining provisions of this Agreement shall not be affected or compromised in any aspect. The Parties shall negotiate in good faith to replace such invalid, illegal or unenforceable provisions with effective provisions that accomplish to the greatest extent permitted by law the intentions of the Parties, and the economic effect of such effective provisions shall be as close as possible to the economic effect of those invalid, illegal or unenforceable provisions.

10.6 Successors

This Agreement shall be binding on and shall inure to the interest of the respective successors of the Parties and the permitted assignees of such Parties.

10.7 Survival

10.7.1 Any obligations arising out of or due hereunder before the expiration or early termination of this Agreement shall survive the expiration or early termination thereof.

10.7.2 Sections 5, 7, 8 and this Section 10.7 shall survive the expiration or termination of this Agreement.

10.8 Waivers

Any Party may waive the terms and conditions of this Agreement, provided that such a waiver must be made in writing and shall require the signatures of all the Parties. No waiver by any Party in certain circumstances with respect to a breach by other Parties shall operate as a waiver by such Party with respect to any similar breach in other circumstances.

IN WITNESS WHEREOF, the Parties have caused their respective duly authorized representatives to execute this Exclusive Option Agreementas of the date first above written.

Party A: Beijing Shijitong Technology Co., Ltd. (Seal)

Signature: /s/XIAO Wenjie

Name: XIAO Wenjie

Title: Legal Representative

/s/Seal of Beijing Shijitong Technology Co., Ltd.

Party B:

Signature: /s/XIAO Wenjie

Name: XIAO Wenjie

Signature: /s/LIU Qiangdong

Name: LIU Qiangdong

Party C: Beijing Lejiaxin Network Technology Co., Ltd. (Seal)

Signature: /s/XIAO Wenjie

Name XIAO Wenjie

Title: Legal Representative

/s/Seal of Beijing Lejiaxin Network Technology Co., Ltd.

Exhibit 10.11

Equity Pledge Agreement

This Equity Pledge Agreement (this "**Agreement**") is made and entered into by and among the following parties on July 18, 2014, in Beijing, the People's Republic of China ("**China**" or "**PRC**"):

Party A: **Beijing Shijitong Technology Co., Ltd. ("Pledgee")**

Address: Room 1505, Buildings 1, No.108 Zhichun Road, Haidian District, Beijing

Party B: **XIAO Wenjie** ("**Party B1**"), a Chinese citizen whose ID number is **********; and

LIU Qiangdong ("**Party B2**"), a Chinese citizen whose ID number is **********;

Party B1 and Party B2 are collectively referred to as the "**Pledgers**" or "**Party B**".

Party C: **Beijing Lejiaxin Network Technology Co., Ltd.**

Address: 16F-11, No. 2 West Dawang Road, Chaoyang District, Beijing

In this Agreement, The Pledgee, the Pledgers and Party C are hereinafter referred to individually as a **"Party"** and collectively the **"Parties"**.

Whereas:

1. The Pledgers are citizens/limited liability companies of China who as of the date hereof hold 100% of equity interests of Party C in total. Party C is a limited liability company registered in Shenzhen, China, engaging in Resolution of Disputes. Party B1 and Party B2 respectively hold 94.12% and 5.88% of Party C's equity interests. Party C acknowledges the respective rights and obligations of the Pledgers and the Pledgee hereunder and agrees to provide any necessary assistance for the registration of the Pledge;

2. The Pledgee is a wholly foreign-owned enterprise registered in Beijing, China. The Pledgee and Party C entered into an Exclusive Business Cooperation Agreement (**"Exclusive Business Cooperation Agreement"**) on July 18, 2014; the Pledgee entered into an Exclusive Option Agreement ("**Exclusive Option Agreement**") with the Pledgers and Party C on July 18, 2014; the Pledgers and Pledgee signed an Power of Attorney ("**Power of Attorney**") on July 18, 2014;

3. To ensure the performance by Party C and the Pledgers of their obligations under the Exclusive Business Cooperation Agreement, Exclusive Option Agreement, Power of Attorney (collectively referred to as "**Transaction Documents**"), the Pledgers pledge with the Pledgee all of their equity in Party C as security for the performance of the Exclusive Business Cooperation Agreement, the Exclusive Option Agreement, and the Power of Attorney by Party C and the Pledgers.

To perform the provisions of the Transaction Documents, the Parties hereby agree as follows through mutual negotiations.

1. Definitions

Unless otherwise specified herein, the terms below shall have the following meanings:

1.1 **"Pledge":** shall refer to the security interest created by the Pledgers in favor of the Pledgee pursuant to Section 2 of this Agreement, i.e., the right of the Pledgee to be paid in priority from the proceeds from the transfer, auction or sale of the Equity Interest.

1.2 **"Equity Interest":** shall refer to all equity interests currently held by and hereafter acquired by the Pledgers in Party C.

1.3 **"Term of Pledge":** shall refer to the term set forth in Section 3 of this Agreement.

1.4 **"Transaction Documents":** shall refer to the Exclusive Business Cooperation Agreement, the Exclusive Option Agreement, the Power of Attorney and any revision, amendment and/or restatement thereto.

1.5 **"Contractual Obligations"**: shall refer to all the obligations of the Pledgers under the Exclusive Option Agreement, the Power of Attorney and this Agreement; as well as all the obligations of Party C under the Exclusive Business Cooperation Agreement, the Exclusive Option Agreement and this Agreement.

1.6 **"Secured Indebtedness**": shall refer to any and all direct, indirect, derivative losses and losses of predictable benefits incurred due to any default by the Pledgers and/or Party C, the amount of which shall be determined based on the pledgee's reasonable business plan and profit forecast; service fees payable by Party C under the Exclusive Business Cooperation Agreement; and all costs and expenses incurred by the Pledgee in enforcing the Pledgers and/or Party C to perform their contractual obligations.

1.7 **"Event of Default":** shall refer to any of the circumstances as enumerated in Section 7 of this Agreement.

1.8 **"Notice of Default":** shall refer to the notice issued by the Pledgee in accordance with this Agreement declaring an Event of Default.

2. Pledge

2.1 The Pledgers agree to pledge all the Equity Interest that it lawfully owns and has the right to dispose of to the Pledgee as security for payment of the Secured Indebtedness under this Agreement, and Party C hereby assents to such pledge.

2.2 During the Term of Pledge, the Pledgee is entitled to receive dividends distributed on the Equity Interest. The Pledgers may receive dividends distributed on the Equity Interest only with prior written consent of the Pledgee. Dividends received by the Pledgers on Equity Interest shall be, as required by the Pledgee, (1) deposited into an account designated and supervised by the Pledgee and applied first to pay the Secured Indebtedness; or (2) unconditionally donated to the Pledgee or any other person designated by the Pledgee to the extent permitted under applicable PRC laws.

2.3 The Pledgers may subscribe for capital increase in Party C only with prior written consent of the Pledgee. Any equity interest obtained by the Pledgers as a result of the Pledgers' subscription of the increased registered capital of the Company shall also be deemed as Equity Interest.

2.4 In the event that Party C is to be liquidated or dissolved under compulsory laws of China, any interest distributed to the Pledgers upon Party C's dissolution or liquidation shall, at the request of the Pledgee, be (i) deposited into an account designate and supervised by the Pledgee and applied first to pay the Secured Indebtedness; or (ii) unconditionally donated to the Pledgee or any other person designated by the Pledgee to the extent permitted under applicable PRC laws.

3. Term of Pledge

3.1 The Pledge shall become effective on such date when it is registered with competent administration for industry and commerce (the "**AIC**") at the location of Party C. The Pledge shall remain effective until full discharge of all Contractual Obligations. All Parties agree that the Pledgers and Party C shall (i) register the Pledge in the shareholders' register of Party C within 3 business days following execution of this Agreement, and (ii) submit an application to the AIC for the registration of the Pledge of the Equity Interest contemplated herein within 30 business days following the execution of this Agreement. The Pledgers and Party C shall submit to the AIC all necessary documents and complete all necessary formalities to ensure that the Pledge of the Equity Interest shall be registered with the AIC as soon as possible.

3.2 During the Term of Pledge, in the event that the Pledgers and/or Party C fail to perform the Contractual Obligations, the Pledgee shall have the right, but not the obligation, to dispose of the Pledge in accordance with the provisions of this Agreement.

4. Custody of Equity Interest Records

4.1 During the Term of Pledge, the Pledgers shall deliver to the Pledgee's custody the capital contribution certificate for the Equity Interest and the shareholders' register indicating the Pledge within one week following execution of this Agreement. The Pledgee shall have custody of such documents during the entire Term of Pledge.

4.2 During the Term of Pledge, the Pledgers shall have the right to collect dividends accrued on the Equity Interest.

5. Representations and Warranties of the Pledgers and Party C

As of the execution date of this Agreement, the Pledgers and Party C hereby jointly and severally represent and warrant to the Pledgee that:

5.1 The Pledgers are the sole legal and beneficial owner of the Equity Interest.

5.2 Except for the Pledge, the Pledgers have not created any security interest or other encumbrance on the Equity Interest.

5.3 The Pledgee shall have the right to dispose of and transfer the Equity Interest in accordance with the provisions of this Agreement.

5.4 The Pledgers and Party C have obtained any and all approvals and consents from competent government authorities and third parties (if required) for execution, delivery and performance of this Agreement.

5.5 The execution, delivery and performance of this Agreement will not: (i) violate any relevant PRC laws; (ii) conflict with Party C's articles of association or other constitutional documents; (iii) result in any breach of or constitute any default under any contract or instrument to which it is a party or by which it is otherwise bound; (iv) result in any violation of any condition for the grant and/or maintenance of any permit or approval granted to any Party; or (v) cause any permit or approval granted to any Party to be suspended, cancelled or imposed with additional conditions.

6. Covenants and Further Agreement of the Pledgers and Party C

6.1 During the term of this Agreement, the Pledgers and Party C hereby jointly and severally covenant to the Pledgee that the Pledgers and Party C:

6.1.1 shall not transfer the Equity Interest, create or permit the existence of any security interest or other encumbrance on the Equity Interest, without the prior written consent of the Pledgee, except for the purposes of the performance of the Transaction Documents;

6.1.2 shall promptly notify the Pledgee of any event or notice received by the Pledgers that may have an impact on the Equity Interest or any portion thereof, as well as any event or notice received by the Pledgers that may have an impact on any guarantees and other obligations of the Pledgers hereunder.

6.2 The Pledgers agree that the rights acquired by the Pledgee in accordance with this Agreement with respect to the Pledge shall not be interrupted or jeopardized by the Pledgers or any heirs or representatives of the Pledgers or any other persons through any legal proceedings.

6.3 To protect or perfect the security hereunder for the Contractual Obligations and Secured Indebtedness, the Pledgers hereby undertakes to execute in good faith and to cause other parties who have an interest in the Pledge to execute all such certificates, contracts, deeds and/or covenants, and take all such actions as required by the Pledgee, to facilitate the exercise by the Pledgee of its rights and authority hereunder, to enter into all relevant documents regarding ownership of Equity Interest with the Pledgee or assignee(s) of the Pledgee (natural persons/legal persons), and to provide the Pledgee within a reasonable time with all notices, orders and decisions regarding the Pledge that the Pledgee deems necessary.

6.4 The Pledgers hereby undertakes to comply with and perform all guarantees, promises, agreement, representations and conditions of and under this Agreement. In the event of failure or partial performance of such guarantees, promises, agreements, representations and conditions, the Pledgers shall indemnify the Pledgee for all losses resulting therefrom.

7. Event of Breach

7.1 The following circumstances shall be deemed Event of Default:

7.1.1 The Pledgers and/or Party B breach any obligations under the Transaction Documents and/or this Agreement;

7.1.2 The Pledgers have serious misstatement or mistake in any statement or warranty made in Section 5 of this Agreement and/or the Pledgers violate any warranty in Section 5 of this Agreement;

7.1.3 The Pledgers and Party C fail to complete the registration of equity pledge with the registration authority in accordance with Section 3.1.

7.1.4 The Pledgers and Party C violate any provision of this Agreement;

7.1.5 Except otherwise clearly stipulated in Section 6.1.1, the Pledgers transfer or intend to transfer or surrender the Equity Interest or assign the Equity Interest without the Pledgee's written consent;

7.1.6 The Pledgers (i) are required to repay or perform in advance or (ii) fails to repay or perform upon maturity any debt obligations owed to any third party such as loan, guarantee, indemnification and promise;

7.1.7 Any government approval, license, permit or authorization that renders this Agreement enforceable, lawful and valid is withdrawn, terminated, invalid or substantially changed;

7.1.8 The enactment of governing laws renders this Agreement unlawful or makes the Pledgers unable to continue performing its obligations hereunder;

7.1.9 The Pledgers' assets experience negative change to the extent that affects the Pledgers' ability to perform its obligations hereunder;

7.1.10 Party B's heirs or custodians only partially perform or refuse to perform their payment obligations under the Transaction Documents;

7.1.11 Any other circumstance where the Pledgers cannot or possibly cannot exercise its rights over the Pledge.

7.2 Upon notice or discovery of the occurrence of any circumstances or event that may lead to the aforementioned circumstances described in Section 7.1, the Pledgers shall immediately notify the Pledgee in writing accordingly.

7.3 Unless an Event of Default set forth in this Section 7.1 has been successfully resolved to the Pledgee's satisfaction, the Pledgee may issue a Notice of Default to the Pledgers upon the occurrence of the Event of Default or at any time thereafter, demanding the Pledgers and/or Party C to immediately perform their due obligations under the Transaction Documents and/or dispose of the Pledge in accordance with Section 8 of this Agreement.

8. Exercise of Pledge

8.1 When the Pledgers and Party C are yet to fully perform their Contractual Obligations under the Transaction Documents, the Pledgers shall not transfer the Pledge or its Equity Interest in Party C without the Pledgee's written consent.

8.2 The Pledgee may issue a written Notice of Default to the Pledgers when it exercises the Pledge.

8.3 Subject to the provisions of Section 7.3, the Pledgee may exercise the right to enforce the Pledge at any time after the issuance of the Notice of Default in accordance with Section 8.2. Once the Pledgee elects to exercise the right to dispose the Pledge, the Pledgers shall cease to be entitled to any rights or interests associated with the Equity Interest.

8.4 The Pledgee shall the have right to be paid in priority with all or part of the Equity Interest from the proceeds from the transfer, auction or sale of the Equity Interest until the complete compensation of all outstanding payments due under the Transaction Documents and all other due payments to the Pledgee. The Pledgee shall not be liable for any loss incurred by its due exercise of such rights and powers.

8.5 The Pledgee may exercise any remedy available simultaneously or in any order. The Pledgee may exercise the right to be paid in priority with the Equity Interest from the proceeds from auction or sale of the Equity Interest under this Agreement, without recourse to any other remedy measure first.

8.6 When the Pledgee disposes of the Pledge in accordance with this Agreement, the Pledgers and Party C shall provide necessary assistance to enable the Pledgee to enforce the Pledge in accordance with this Agreement.

9. Assignment

9.1 Without the Pledgee's prior written consent, the Pledgers shall not assign or delegate their rights and obligations under this Agreement.

9.2 This Agreement shall be binding on the Pledgers and his/her successors and permitted assignees, and shall be valid with respect to the Pledgee and each of his/her successors and assignees.

9.3 The Pledgee may at any time assign any and all of its rights and obligations under the Transaction Documents to its assignee(s) (natural persons/legal persons), in which case the assignee shall enjoy and undertake the rights and obligations of the Pledgee under this Agreement, as if it were the original party to this Agreement. When the assignee transfers its rights and obligations under the Transaction Documents, the Pledgers shall execute relevant agreements or other documents related to such transfer as required by the Pledgee.

9.4 In the event of change of the Pledgee due to assignment, the Pledgers shall, at the request of the Pledgee, execute a new pledge contract with the new the Pledgee on the same terms and conditions as this Agreement.

9.5 The Pledgers shall strictly abide by the provisions of this Agreement and other contracts jointly or separately executed by all or any of the Parties hereto, including the Exclusive Option Agreement and the Power of Attorney, perform the obligations hereunder and thereunder, and refrain from any action/omission that may affect the effectiveness and enforceability hereof and thereof. Any residual rights of the Pledgers with respect to the Equity Pledged hereunder shall not be exercised by the Pledgers except in accordance with the written instructions of the Pledgee.

10. Termination

Upon the sufficient and complete fulfillment of all Contractual Obligations and the full payment of all Secured Indebtedness by the Pledgers and Party C, this Agreement shall be terminated and the Pledgee shall terminate this Agreement within reasonable and effective scope.

Sections 10, 12 and 14 of this Agreement shall survive the expiration or termination of this Agreement.

11. Handling Fees and Other Expenses

All fees and out of pocket expenses relating to this Agreement, including but not limited to legal costs, costs of production, stamp tax and any other taxes and fees, shall be borne by Party C. If the Pledgee is required under applicable laws to bear certain taxes and fees, the Pledgers shall cause Party C to reimburse in full such taxes and fees paid by the Pledgee.

12. Confidentiality

The Parties acknowledge that any oral or written information exchanged between the Parties in connection with the preparation and performance this Agreement constitute confidential information. Each Party shall maintain confidentiality of all such confidential information, and without obtaining the written consent of the other Party, it shall not disclose any relevant confidential information to any third parties, except for the information that: (i) is or becomes available to the general public (other than through the receiving Party's unauthorized disclosure); (ii) is required to be disclosed by applicable laws or regulations or rules or regulations of any stock exchange; or (iii) is necessary to be disclosed by any Party to its legal counsels or financial advisors regarding the transaction contemplated hereunder, provided that such legal counsels or financial advisors shall be bound by the confidentiality obligations similar to those set forth in this Section. Disclosure of any confidential information by the employees of or agencies engaged by any Party shall be deemed disclosure by such Party itself and such Party shall be held liable for breach of this Agreement. This Section shall survive the termination of this Agreement for any reason.

13. Governing Law and Dispute Resolution

13.1 The execution, effectiveness, construction, performance, amendment and termination of this Agreement and the dispute resolution hereunder shall be governed by the promulgated and publicly available laws of China. For matters not covered by the promulgated and publicly available laws of China, the principles and practices of international laws shall apply.

13.2 In the event of any dispute with respect to the construction and performance of this Agreement, the Parties shall first resolve the dispute through friendly negotiations. In the event the Parties fail to reach an agreement within 30 days after either Party requests to the other Parties for resolution of the dispute through negotiations, either Party may submit the relevant dispute to the China International Economic and Trade Arbitration Commission (CIETAC) for arbitration in accordance with its then effective Arbitration Rules. The arbitration shall be conducted in Beijing. The language of arbitration shall be Chinese. The arbitration award shall be final and binding on all Parties.

13.3 Upon occurrence of any disputes arising from the construction and performance of this Agreement or pending arbitration of any dispute, except for the matters under dispute, the Parties shall continue to exercise their respective rights and perform their respective obligations hereunder.

14. Notices

14.1 All notices and other communications required or permitted to be given pursuant to this Agreement shall be delivered personally or sent by registered mail with postage prepaid, commercial courier service or facsimile transmission to the address of such Party set forth below. Each notice shall be followed by a confirmation copy sent by email. The dates on which notices shall be deemed to have been effectively given shall be determined as follows:

14.1.1 Notices given by personal delivery, courier service, registered mail with postage prepaid shall be deemed effectively given on the date of receipt or rejection at the address specified for notices.

14.1.2 Notices given by facsimile transmission shall be deemed effectively given on the date of successful transmission (as evidenced by an automatically generated confirmation of transmission).

14.2 The addresses of the Parties for receiving notices are as follows:

Party A:

Address: 6/F, Block B, Huazhong University of Science and Technology, Virtual University Park, Nanshan Science Zone, Nanshan District, Shenzhen

Attn: XIAO Wenjie

Tel.: 0755-86530952

Party B:

Address: **********, Nanshan District, Shenzhen

Tel.: **********

Party C:

Address: 6/F, Block B, Huazhong University of Science and Technology, Virtual University Park, Nanshan Science Zone, Nanshan District, Shenzhen

Attn: XIAO Wenjie

Tel.: 0755-86530952

14.3 Any Party may at any time change its address for notices by a notice delivered to the other Parties in accordance with the terms hereof.

15. Severability

In the event that one or several provisions hereof are found to be invalid, illegal or unenforceable in any aspect in accordance with any laws or regulations, the validity, legality or enforceability of the remaining provisions of this Agreement shall not be affected or compromised in any aspect. The Parties shall negotiate in good faith to replace such invalid, illegal or unenforceable provisions with effective provisions that accomplish to the greatest extent permitted by law the intentions of the Parties, and the economic effect of such effective provisions shall be as close as possible to the economic effect of those invalid, illegal or unenforceable provisions.

16. Schedules

The schedules hereto shall form an integral part of this Agreement.

17. Effectiveness

17.1 This Agreement shall come into force upon being signed by the Parties. Any amendment, change and supplement to this Agreement shall be made in written form and become effective after being signed and stamped by the Parties and upon the completion of the registration with the government (if applicable).

17.2 This Agreement is written in Chinese in four counterparts of equal legal force, with each Party holding one.

[Signature page follows]

IN WITNESS WHEREOF, the Parties have caused their authorized representatives to execute this Equity Pledge Agreement as of the date first above written.

Party A: **Beijing Shijitong Technology Co., Ltd. (Seal)**

Signature: /s/XIAO Wenjie
Name: XIAO Wenjie
Title: Legal Representative
/s/Seal of Beijing Shijitong Technology Co., Ltd.

Party B:

Signature: /s/XIAO Wenjie

Name: XIAO Wenjie

Signature: /s/LIU Qiangdong
Name: LIU Qiangdong

Party C: **Beijing Lejiaxin Network Technology Co., Ltd. (Seal)**

Signature: /s/XIAO Wenjie
Name: XIAO Wenjie

Title: Legal Representative
/s/Seal of Beijing Lejiaxin Network Technology Co., Ltd.

Schedules

1. Capital Contribution Certificate

2. Shareholders' Register of Beijing Lejiaxin Network Technology Co., Ltd.

Schedule 1

Capital Contribution Certificate

This is to certify that XIAO Wenjie (ID No. **********) has subscribed to the contribution of RMB1,035,320.00, thus holding 94.12% equity interest of Beijing Lejiaxin Network Technology Co., Ltd. and that all of such 94.12% equity interest has been pledged to Beijing Shijitong Technology Co., Ltd.

Company: **Beijing Lejiaxin Network Technology Co., Ltd. (Seal)**

/s/XIAO Wenjie
Legal Representative
/s/Seal of Beijing Lejiaxin Network Technology Co., Ltd.
Date: July 18, 2014

Schedule 1

Capital Contribution Certificate

This is to certify that LIU Qiangdong (ID No. **********) has subscribed to the contribution of RMB64,680.00, thus holding 5.88% equity interest of Beijing Lejiaxin Network Technology Co., Ltd. and that all of such 5.88% equity interest has been pledged to Beijing Shijitong Technology Co., Ltd.

Company: **Beijing Lejiaxin Network Technology Co., Ltd. (Seal)**

/s/XIAO Wenjie
Legal Representative
/s/Seal of Beijing Lejiaxin Network Technology Co., Ltd.
Date: July 18, 2014

Schedule 2

Shareholders' Register
of
Beijing Lejiaxin Network Technology Co., Ltd.

Shareholder's name	ID No. / Registration No.	Amount of Subscription (RMB)	Ratio of Contribution	Equity Pledge
XIAO Wenjie	**********	1,035,320.00	94.12%	XIAO Wenjie owns 94.12% equity interest of Beijing Lejiaxin Network Technology Co., Ltd. and all of such 94.12% equity interest has been pledged to Beijing Shijitong Technology Co., Ltd.
LIU Qiangdong	**********	64,680.00	5.88%	LIU Qiangdong owns 5.88% equity interest of Beijing Lejiaxin Network Technology Co., Ltd. and all of

				such 5.88% equity interest has been pledged to Beijing Shijitong Technology Co., Ltd.

Company: Beijing Lejiaxin Network Technology Co., Ltd. (Seal)

Signature: /s/XIAO Wenjie
Name: XIAO Wenjie
Title: Legal Representative
/s/Seal of Beijing Lejiaxin Network Technology Co., Ltd.

Shareholder: XIAO Wenjie
Signature: /s/XIAO Wenjie

Shareholder: LIU Qiangdong
Signature: /s/LIU Qiangdong

Date: July 18, 2014

Exhibit 10.12

Power of Attorney

This Power of Attorney (hereinafter this "**Agreement**") is made in Beijing, China on July 18, 2014 by and between the following parties.

Party A: **Beijing Shijitong Technology Co., Ltd.,** a limited company duly incorporated and existing under the laws of the People's Republic of China("**China**") and having its registered office at Room 1505, Building 1, No. 108 Zhichun Road, Haidian District, Beijing; and

Party B: **LIU Qiangdong** a Chinese citizen whose identification number is **********

Party A and Party B shall be hereinafter referred to as a **"Party"** individually and **the "Parties**" collectively.

WHEREAS

Party B holds 5.88% of the equity interests ("**Party B Equity**") in Beijing Lejiaxin Network Technology Co., Ltd. ("**Beijing Lejiaxin**").

Now Therefore, the Parties hereby agree as follows through mutual negotiations:

Party B hereby irrevocably authorizes Party A to exercise the following rights with respect to Party B Equity during the term of this Agreement.

Party A is hereby authorized as the sole and exclusive agent and attorney to act generally on behalf of Party B with respect to all matters relating to Party B Equity, including but not limited to (i) attending the Shareholders Meeting of Beijing Lejiaxin; (ii) exercising all the powers and voting rights of Party B as the shareholder in accordance to Chinese laws and the articles of association of Beijing Lejiaixin, including but not limited to on the sale, transfer, pledge or disposal of partial or entire Party B Equity; and (iii) designating and appointing the legal representative, chairman of the Board, directors, supervisors, chief executive officers and other senior management members on behalf of Party B.

Without prejudice to the generality of the powers conferred upon by this Agreement, Party A shall be entitled as authorized by this Agreement, to act on behalf of Party B to sign the Transfer Contracts as specified in the Exclusive Purchase Option Agreement (to which Party B shall be a party) and execute the Equity Pledge Agreement and the Exclusive Purchase Option Agreement signed on the same day with this Agreement and to which it is a party. The conclusion of the contracts aforementioned and the forms of the contractual rights therein shall not affect the authorization hereunder to any extent.

All actions taken by Party A in relation to Party B Equity shall be deemed as Party B's own actions and all the documents signed by Party A shall be deemed as signed by Party B. Party B hereby acknowledges and approves the actions taken by and/or documents signed by Party A.

Party A shall be entitled at its discretion to delegate or transfer to any other person or entity the rights in relation to the aforementioned issues without prior notification to or consent of Party B.

During the term of Party B as a shareholder of Beijing Lejiaxin, this Agreement and the authorization hereunder shall be irrevocable and remain in full force as from the execution date hereof.

During the term of this Agreement, Party B hereby waives all the rights conferred upon Party A hereunder with respect to Party B Equity and shall not exercise such rights on its own.

In the event of any dispute with respect to the construction and performance of this Agreement, the Parties shall first resolve the dispute through friendly negotiations. In the event that the Parties fail to reach an agreement within 30 days after either Party requests to the other Party for resolution of the dispute through negotiations, either Party may submit the relevant dispute to the China International Economic and Trade Arbitration Commission for arbitration in accordance with its then effective arbitration rules. The arbitration shall be conducted in Beijing. The arbitration award shall be final and binding on both Parties.

This Agreement shall be written in Chinese in duplicates of equal legal force, with each party holding one.

[Signature page follows]

IN WITNESS WHEREOF, the Parties have caused their authorized representatives to execute this Power of Attorney as of the date first above written.

Party A: **Beijing Shijitong Technology Co., Ltd. (Seal)**

Signature: /s/XIAO Wenjie

Name: XIAO Wenjie

Title: Legal Representative

/s/Seal of Beijing Shijitong Technology Co., Ltd.

Party B:

Signature: /s/LIU Qiangdong

Name: LIU Qiangdong

Power of Attorney

This Power of Attorney (hereinafter this "**Agreement**") is made in Beijing, China on July 18, 2014 by and between the following parties.

Party A: **Beijing Shijitong Technology Co., Ltd.,** a limited company duly incorporated and existing under the laws of the People's Republic of China("**China**") and having its registered office at Room 1505, Building 1, No. 108 Zhichun Road, Haidian District, Beijing; and

Party B: **XIAO Wenjie** a Chinese citizen whose identification number is **********

Party A and Party B shall be hereinafter referred to as a **"Party"** individually and **the "Parties**" collectively.

WHEREAS

Party B holds 94.12%% of the equity interests ("**Party B Equity**") in Beijng Lejiaxin Network Technology Co., Ltd. ("**Beijng Lejiaxin**").

Now Therefore, the Parties hereby agree as follows through mutual negotiations:

Party B hereby irrevocably authorizes Party A to exercise the following rights with respect to Party B Equity during the term of this Agreement.

Party A is hereby authorized as the sole and exclusive agent and attorney to act generally on behalf of Party B with respect to all matters relating to Party B Equity, including but not limited to (i) attending the Shareholders Meeting of Beijng Lejiaxin; (ii) exercising all the powers and voting rights of Party B as the shareholder in accordance to Chinese laws and the articles of association of Beijng Lejiaxin, including but not limited to on the sale, transfer, pledge or disposal of partial or entire Party B Equity; and (iii) designating and appointing the legal representative, chairman of the Board, directors, supervisors, chief executive officers and other senior management members on behalf of Party B.

Without prejudice to the generality of the powers conferred upon by this Agreement, Party A shall be entitled as authorized by this Agreement, to act on behalf of Party B to sign the Transfer Contracts as specified in the Exclusive Purchase Option Agreement (to which Party B shall be a party) and execute the Equity Pledge Agreement and the Exclusive Purchase Option Agreement signed on the same day with this Agreement and to which it is a party. The conclusion of the contracts aforementioned and the forms of the contractual rights therein shall not affect the authorization hereunder to any extent.

All actions taken by Party A in relation to Party B Equity shall be deemed as Party B's own actions and all the documents signed by Party A shall be deemed as signed by Party B. Party B hereby acknowledges and approves the actions taken by and/or documents signed by Party A.

Party A shall be entitled at its discretion to delegate or transfer to any other person or entity the rights in relation to the aforementioned issues without prior notification to or consent of Party B.

During the term of Party B as a shareholder of Beijng Lejiaxin, this Agreement and the authorization hereunder shall be irrevocable and remain in full force as from the execution date hereof.

During the term of this Agreement, Party B hereby waives all the rights conferred upon Party A hereunder with respect to Party B Equity and shall not exercise such rights on its own.

In the event of any dispute with respect to the construction and performance of this Agreement, the Parties shall first resolve the dispute through friendly negotiations. In the event that the Parties fail to reach an agreement within 30 days after either Party requests to the other Party for resolution of the dispute through negotiations, either Party may submit the relevant dispute to the China International Economic and Trade Arbitration Commission for arbitration in accordance with its then effective arbitration rules. The arbitration shall be conducted in Beijing. The arbitration award shall be final and binding on both Parties.

This Agreement shall be written in Chinese in duplicates of equal legal force, with each party holding one.

[Signature page follows]

IN WITNESS WHEREOF, the Parties have caused their authorized representatives to execute this Power of Attorney as of the date first above written.

Party A: **Beijing Shijitong Technology Co., Ltd. (Seal)**

Signature: /s/XIAO Wenjie

Name: XIAO Wenjie

Title: Legal Representative

/s/Beijing Shijitong Technology Co., Ltd.

Party B:

Signature: /s/XIAO Wenjie

Name: XIAO Wenjie

Exhibit 10.13

Exclusive Business Cooperation Agreement

This Exclusive Business Cooperation Agreement (this "**Agreement**") is made and entered into by and between the following parties on December 22, 2015 in Beijing, the People's Republic of China.

Party A: **Beijing Shijitong Technology Co., Ltd.**

Address: Room 1505, Buildings 1, No.108 Zhichun Road, Haidian District, Beijing

Party B: **Shenzhen Xinjie Investment Co., Ltd.**

Address: 6/F, Block B, Shenzhen Industry-University-Research Cooperation Base of Huazhong University of Science and Technology, No.9 Yuexing 3rd Road, Gaoxin Zone, Yuehai Sub-district, Nanshan District, Shenzhen

Party A and Party B shall be hereinafter referred to as a **"Party"** individually, and as the **"Parties"** collectively.

Whereas,

1. Party A is a wholly foreign-owned enterprise registered in the People's Republic of China's (hereinafter "**China**" or "**PRC**") with necessary resources for providing technical services and commercial consulting services;

2. Party B is a domestic company registered in China and is approved by competent Chinese government authorities to engage in investment management, investment consulting, guarantee business (excluding financing guarantee business and other restricted businesses) , industrial and commercial investments (specific projects to be separately applied for); economic information consulting; entrusted asset management(shall not engage in trust, financial asset management, securities asset management and other business), equity investment, equity investment fund management (securities investment, raising funds publicly and management of publicly raised funds prohibited); enterprise management consulting, enterprise image planning, enterprise financial consulting, supply chain management and supporting services; online commercial activities, sales of dyed knitwear and electronic products; domestic trade; import/export business; and real estate development and operation on land plots for which use rights have been lawfully obtained. Party B's current business and any business to be operated and developed at any time during the term of this Agreement are collectively referred to as "**Principal Business**".

3. Party A is willing to, with its advantages in technology, human resources, and information, provide Party B with technical support, consulting services and other services on an exclusive basis in relation to the Principal Business during the term of this Agreement, and Party B is willing to accept such services provided by Party A or Party A's designee(s), each on the terms set forth herein.

Now, therefore, the Parties hereby agree as follows through mutual negotiations:

1. **Services to be Provided by Party A**

1.1 Pursuant to the terms and conditions set forth herein, Party B hereby appoints Party A as Party B's exclusive services provider to provide Party B with full-range business support and technical and consulting services during the term of this Agreement, which may include all such services as may be determined from time to time by Party A within Party B's scope of the Principal Business, such as but not limited to technical services, network support, business consultations, intellectual property licenses, equipment or office premise leasing, marketing consultancy, system integration, product research and development, and system maintenance.

1.2 Party B agrees to accept the consultations and services provided by Party A. Party B further agrees that unless with Party A's prior written consent, during the term of this Agreement, Party B shall not directly or indirectly accept any same or similar services provided by any third party and shall not establish similar cooperation relationships with any third party regarding the matters contemplated by this Agreement. Party A may appoint other parties, who may enter into certain agreements described in Section 1.3 with Party B, to provide Party B with the services under this Agreement.

1.3 Service Mode

1.3.1 Party A and Party B agree that during the term of this Agreement, both Parties may, directly or through their respective affiliates, enter into further technical service agreements or consulting service agreements, which shall specify the specific contents, manner, personnel, and fees for the specific technical services and consulting services to be provided by Party A.

1.3.2 To fulfill this Agreement, Party A and Party B agree that during the term of this Agreement, both Parties may, directly or through their respective affiliates, enter into intellectual property (including, but not limited to, software, trademark, patent and know-how) license agreements which shall permit Party B to, based on its business needs, use Party A's relevant intellectual property rights at any time and from time to time.

1.3.3 To fulfill this Agreement, Party A and Party B agree that during the term of this Agreement, both Parties may, directly or through their respective affiliates, enter into equipment or property leases which shall permit Party B to, based on its business needs, use Party A's relevant equipment or property at any time and from time to time.

1.3.4 Party B hereby grants to Party A an irrevocable and exclusive option to purchase from Party B, at Party A's sole discretion, any or all of the assets of Party B, to the extent permitted under PRC law, and at the lowest purchase price permitted by PRC law. Upon exercise of

such option by Party A, The Parties shall enter into a separate asset transfer agreement, specifying the terms and conditions of the transfer of the assets.

2. **The Calculation and Payment of Service Fees**

Both Parties agree that Party B shall pay Party A consulting service fees in the amount and on the date stipulated in the invoice. Party A shall have the right to adjust the service fee rate at any time in accordance with the quantity and content of consulting services it provides to Party B.

2.1 Party B shall pay service fees to Party A in the following manner for the services provided by Party A hereunder.

2.1.1 Service fee equivalent to a certain ratio of the balance of Party B's current-year revenue deducting the cost recognized by Party A, which ratio shall be otherwise determined by Party A annually based on Party B's actual profitability; and

2.1.2 Service fee otherwise agreed upon by the Parties for specific technical services provided by Party A from time to time upon Party B's request.

2.2 Party B shall pay the service fees determined pursuant to Section 2.1 to Party A's designated bank account in a lump sum within three (3) months following the end of each Gregorian Calendar year.

2.3 Within fifteen (15) days following the end of each financial year, Party B shall provide Party A with current-year financial statements and all business records, business contracts and financial information necessary for the issuance of financial statements. If Party A disputes with the financial information provided by Party B, it may appoint an independent accountant with good reputation to audit relevant information and Party B shall cooperate.

3. **Intellectual Property Rights and Confidentiality Clauses**

3.1 Party A shall have exclusive and proprietary ownership, rights and interests in any and all intellectual properties arising out of or created during the performance of this Agreement, including but not limited to copyrights, patents, patent applications, trademarks, software, technical secrets, trade secrets, regardless of whether they have been developed by Party A or Party B. Party B shall execute all appropriate documents, take all appropriate actions, submit all filings and/or applications, render all appropriate assistance and otherwise conduct as deemed necessary by Party A at its sole discretion, so as to vest any ownership, right or interest of any such intellectual property rights in Party A, and/or perfect the protections for any such intellectual property rights of Party A.

3.2 The Parties acknowledge that the existence and the terms of this Agreement and any oral or written information exchanged between the Parties in connection with the preparation and performance of this Agreement constitute confidential information. Each Party shall maintain confidentiality of all such confidential information, and without obtaining written

consent of the other Party, it shall not disclose any relevant confidential information to any third party, except for the information that: (i) is or becomes available to the general public (other than through the receiving Party's unauthorized disclosure); (ii) is required to be disclosed by applicable laws or regulations or rules or regulations of any stock exchange; or (iii) is necessary to be disclosed by any Party to its shareholders, directors, employees, legal counsels or financial advisors regarding the transaction contemplated hereunder, provided that such shareholders, directors, employees, legal counsels or financial advisors shall be bound by the confidentiality obligations similar to those set forth in this Section. Disclosure of any confidential information by the shareholders, director, employees of or agencies engaged by any Party shall be deemed disclosure by such Party itself and such Party shall be held liable for breach of this Agreement. This Section shall survive the termination of this Agreement for any reason.

3.3 The Parties agree that this Section shall survive changes to, and rescission or termination of, this Agreement.

4. **Representation and Warranties**

4.1 Party A hereby represents and warrants as follows:

4.1.1 Party A is a wholly foreign-owned enterprise legally established and validly existing under the laws of China;

4.1.2 Party A has taken all necessary corporate actions, obtained all necessary authorizations as well as all consents and approvals from third parties and government agencies (if required) for the execution, delivery and performance of this Agreement. Party A's execution, delivery and performance of this Agreement do not violate any restrictions in law or otherwise binding or having an impact on Party A.

4.1.3 This Agreement constitutes Party A's legal, valid and binding obligations, enforceable against it in accordance with its terms.

4.2 Party B hereby represents and warrants as follows:

4.2.1 Party B is a company legally established and validly existing under the laws of China and has obtained all government permits and licenses for engaging in the Principal Business.

4.2.2 Party B's execution and performance of this Agreement is within its corporate capacity and the scope of its business operations; Party B has taken necessary corporate actions and given appropriate authorization and has obtained the consent and approval from third parties and government agencies, and will not violate any restrictions in law or otherwise binding or having an impact on Party B.

4.2.3 This Agreement constitutes Party B's legal, valid and binding obligations, and shall be enforceable against it in accordance with its terms.

5. **Effectiveness and Term**

5.1 This Agreement is executed on the date first above written and shall take effect as of such date. This Agreement shall have an indefinite term and remain effective unless terminated in accordance with the provisions of this Agreement or terminated in writing by Party A.

5.2 During the term of this Agreement, each Party shall renew its operation term prior to the expiration thereof so as to enable this Agreement to remain effective. This Agreement shall be terminated upon the expiration of the operation term of a Party if the application for the renewal of its operation term is not approved by relevant government authorities.

6. **Termination**

6.1 Party B shall not terminate this Agreement prior to expiration of the term of this Agreement.

6.2 During the term of this Agreement, Party A shall have the right to terminate this Agreement upon giving 30 days' prior written notice to Party B at any time.

6.3 The rights and obligations of the Parties under Sections 3, 7 and 8 shall survive the termination of this Agreement.

7. **Governing Law and Dispute Resolution**

7.1 The execution, effectiveness, construction, performance, amendment and termination of this Agreement and the dispute resolution hereunder shall be governed by the laws of China.

7.2 In the event of any dispute with respect to the construction and performance of this Agreement, the Parties shall first resolve the dispute through friendly negotiations. In the event that the Parties fail to reach an agreement within 30 days after either Party requests to the other Party for resolution of the dispute through negotiations, either Party may submit the relevant dispute to the China International Economic and Trade Arbitration Commission for arbitration in accordance with its then effective arbitration rules. The arbitration shall be conducted in Beijing. The arbitration award shall be final and binding on both Parties.

7.3 Upon occurrence of any disputes arising from the construction and performance of this Agreement or pending arbitration of any dispute, except for the matters under dispute, the Parties shall continue to exercise their respective rights and perform their respective obligations hereunder.

8. **Indemnification**

Party B shall indemnify and hold harmless Party A from any losses, injuries, obligations or expenses incurred by Party A due to any lawsuit, claims or other demands against Party A arising from or caused by the consultations and services provided by Party A at the request of Party B, except where such losses, injuries, obligations or expenses arise from the gross negligence or willful misconduct of Party A.

9. **Notices**

9.1 All notices and other communications required or permitted to be given pursuant to this Agreement shall be delivered personally or sent by registered mail with postage prepaid, commercial courier service or facsimile transmission to the address of such Party set forth below. Each notice shall be followed by a confirmation copy sent by email. The dates on which notices shall be deemed to have been effectively given shall be determined as follows:

9.1.1 Notices given by personal delivery, courier service, registered mail with postage prepaid shall be deemed effectively given on the date of receipt or rejection at the address specified for notices.

9.1.2 Notices given by facsimile transmission shall be deemed effectively given on the date of successful transmission (as evidenced by an automatically generated confirmation of transmission).

9.2 The addresses of the Parties for receiving notices are as follows:

Party A: **Beijing Shijitong Technology Co., Ltd.**

Addres: 6/F, Block B, Huazhong University of Science and Technology, Virtual University Park, Nanshan Science Zone, Nanshan District, Shenzhen

Attn: XIAO Wenjie

Tel.: 0755-8653 0952

Party B: **Shenzhen Xinjie Investment Co., Ltd.**

Address: 6/F, Block B, Huazhong University of Science and Technology, Virtual University Park, Nanshan Science Zone, Nanshan

District, Shenzhen

Attn: XIAO Wenjie

Tel.: 0755-86530952

9.3 Either Party may at any time change its address for notices by a notice delivered to the other Party in accordance with the terms hereof.

10. **Assignment**

10.1 Without Party A's prior written consent, Party B shall not assign its rights and obligations hereunder to any third party.

10.2 Party B agrees that Party A may assign its obligations and rights hereunder to any third party and in the case of such assignment, Party A is only required to give written notice to Party B and does not need to seek any consent from Party B.

11. **Severability**

In the event that one or several provisions hereof are found to be invalid, illegal or unenforceable in any aspect in accordance with any laws or regulations, the validity, legality or enforceability of the remaining provisions of this Agreement shall not be affected or compromised in any aspect. The Parties shall negotiate in good faith to replace such invalid, illegal or unenforceable provisions with effective provisions that accomplish to the greatest extent permitted by law the intentions of the Parties, and the economic effect of such effective provisions shall be as close as possible to the economic effect of those invalid, illegal or unenforceable provisions.

12. **Modification and Supplement**

Any amendments and supplements to this Agreement shall be in writing. Any amendment agreements and supplementary agreements signed by the Parties with respect to this Agreement shall form an integral part of this Agreement and have the same legal effect as this Agreement.

13. **Language and Counterparts**

This Agreement is written in Chinese in two counterparts of equal legal force, with each Party holding one.

[Signature page follows]

IN WITNESS WHEREOF, the Parties have caused their authorized representatives to execute this Exclusive Business Cooperation Agreement as of the date first above written.

Party A: Beijing Shijitong Technology Co., Ltd. (Seal)

Signature: /s/XIAO Wenjie

Name: XIAO Wenjie

Title: Legal Representative

/s/Seal of Beijing Shijitong Technology Co., Ltd.

Party B: Shenzhen Xinjie Investment Co., Ltd. (Seal)

Signature: /s/XIAO Wenjie

Name: XIAO Wenjie

Title: Legal Representative

/s/Seal of Shenzhen Xinjie Investment Co., Ltd.

Exhibit 10.14

EXCLUSIVE OPTION AGREEMENT

This Exclusive Option Agreement (this "**Agreement**") is made and entered into by and among the following Parties as of March 10, 2017 in Beijing, the People's Republic of China ("**China**"):

Party A: **Beijing Shijitong Technology Co., Ltd**, a wholly foreign-owned enterprise duly registered in China, with its address at Room 1505, Buildings 1, No.108 Zhichun Road, Haidian District, Beijing;

Party B: **XIAO Wenjie**, a Chinese citizen whose ID number is **********;

LI Wenbin, a Chinese citizen whose ID number is **********; and

Party C: **Shenzhen Xinjie Investment Co., Ltd.,** a limited liability company organized and existing under the laws of China, with its address at 6/F, Block B, Shenzhen Industry-University-Research Cooperation Base of Huazhong University of Science and Technology, No.9 Yuexing 3rd Road, Gaoxin Zone, Yuehai Sub-district, Nanshan District, Shenzhen.

Party A, Party B and Party C shall be hereinafter referred to as a "**Party**" individually, and the "**Parties**" collectively.

WHEREAS:

Party B is a shareholder of Party C and holds 100% of the Equity Interest in Party C as of the execution date hereof;

Now Therefore, the Parties hereby agree as follows through mutual negotiations:

1. Sale and Purchase of Equity Interest

1.1 Grant of Option

In consideration of the payment of RMB 10.00 by Party A, the receipt and sufficiency of which is hereby acknowledged by Party B, Party B hereby irrevocably grants Party A an irrevocable and exclusive right to purchase, or designate one or more persons (each, a "**Designee**") to purchase in whole or in part the equity interests in Party C now or then held by Party B (regardless of whether Party B's capital contribution and/or shareholding percentage is changed or not in the future) at any time and from time to time at Party A's sole and absolute discretion to the extent permitted by Chinese laws and at the price described in Section 1.3 herein (such right being the "**Equity Interest Purchase Option**"). Except for Party A and the Designee(s), no other person shall be entitled to the Equity Interest Purchase Option or other rights with respect to the equity interests held by Party B. Party C hereby agrees to the grant by Party B of the Equity Interest Purchase Option to Party A. The term "person" as used herein shall refer to individuals, corporations, joint ventures, partnerships, enterprises, trusts or non-corporate organizations.

1.2 Steps for Exercise of Equity Interest Purchase Option

Subject to the provisions of the laws and regulations of China, Party A may exercise the Equity Interest Purchase Option by issuing a written notice to Party B (the "**Equity Interest Purchase Option Notice**"), specifying: (i) Party A's decision to exercise the Equity Interest Purchase Option; (ii) the portion of equity interests Party A proposes to be purchase from Party B (the "**Optioned Interests**"); and (iii) the date for purchasing/transferring the Optioned Interests.

1.3 Equity Interest Purchase Price

Unless an appraisal is required by the laws of China for the Equity Interest Purchase Option exercised by Party A, the purchase price of the Optioned Interests (the "**Equity Interest Purchase Price**") shall be the minimum price to the extent permitted by law.

1.4 Transfer of Optioned Interests

For each exercise of the Equity Interest Purchase Option:

1.4.1 Party B shall cause Party C to promptly convene a shareholders meeting, at which a resolution shall be adopted approving Party B's transfer of the Optioned Interests to Party A and/or the Designee(s);

1.4.2 Party B shall obtain written statements from the other shareholders of Party C (if any) giving consent to the transfer of the equity interest to Party A and/or the Designee(s) and waiving any right of first refusal related thereto;

1.4.3 Party B shall execute a share transfer contract with Party A and/or each Designee (whichever is applicable) with respect to each transfer ("**Transfer Contract**"), in accordance with the provisions of this Agreement and the Equity Interest Purchase Option Notice;

1.4.4 The relevant Parties shall execute all other necessary contracts, agreements or documents, obtain all necessary government licenses and permits and take all necessary actions to transfer valid ownership of the Optioned Interests to Party A and/or the Designee(s), unencumbered by any security interests, and cause Party A and/or the Designee(s) to become the registered owner(s) of the Optioned Interests. For the purposes of this Section and this Agreement, "**Security Interests**" shall include securities, mortgages, third party's rights or interests, any stock options, acquisition right, right of first refusal, right to offset, title retention or other security arrangements, but shall be deemed to exclude any security interest created by this Agreement and Party B's Equity Pledge Agreement. "**Party B's Equity Pledge Agreement**" as used in this Section and this Agreement shall refer to the Equity Pledge Agreement executed by andamong Party A, Party B

and Party C on the date of this Agreement ("**Equity Pledge Agreement**"), whereby Party B pledges all of its equity interests in Party C to Party A, in order to guarantee Party C's performance of its obligations under the Exclusive Business Cooperation Contract and other agreements executed by and between Party C and Party A.

2. Covenants

2.1 Covenants regarding Party C

Party B (as a shareholder of Party C) and Party C hereby covenant as follows:

2.1.1 Without prior written consent of Party A, they shall not in any manner supplement, change or amend the articles of association and bylaws of Party C, increase or decrease its registered capital, or otherwise change its structure of registered capital;

2.1.2 They shall maintain Party C's corporate existence in accordance with good financial and business standards and practices, obtain and maintain all government permits and licenses necessary for Party C to engage in its business, and prudently and effectively operate its business and handle its affairs;

2.1.3 Without prior written consent of Party A, they shall not at any time after the execution date hereof, sell, transfer, mortgage or otherwise dispose of any assets of Party C or legal or beneficial interest in the business or revenues of Party C, or allow creation of any encumbrance or security interest thereon;

2.1.4 Without prior written consent of Party A, they shall not incur, inherit, guarantee or allow the existence of any debt, except for (i) debts incurred in the ordinary course of business other than through borrowing loans; and (ii) debts that have been disclosed to Party A and for which Party A's written consent has been obtained;

2.1.5 They shall always operate all of Party C's businesses during the ordinary course of business to maintain the asset value of Party C and refrain from any action/omission that may affect Party C's operating status and asset value;

2.1.6 Without prior written consent of Party A, they shall not cause Party C to execute any major contract, except for contracts executed in the ordinary course of business (for the purpose of this subsection, a contract with a value exceeding RMB 100,000 shall be deemed a major contract);

2.1.7 Without prior written consent of Party A, they shall not cause Party C to provide any person with any loan or credit;

2.1.8 They shall provide Party A with information on Party C's business operations and financial condition at Party A's request;

2.1.9 If requested by Party A, they shall procure and maintain insurance in respect of Party C's assets and business from an insurance carrier acceptable to Party A, at an amount and type of coverage typical for companies that operate similar businesses;

2.1.10 Without prior written consent of Party A, they shall not cause or permit Party C to merge, consolidate with, acquire or invest in any person;

2.1.11 Without prior written consent of Party A, they shall not liquidate, dissolve or deregister Party C;

2.1.12 They shall immediately notify Party A of the occurrence or possible occurrence of any litigation, arbitration or administrative proceedings relating to Party C's assets, business or revenue;

2.1.13 To maintain the ownership by Party C of all of its assets, they shall execute all necessary or appropriate documents, take all necessary or appropriate actions and file all necessary or appropriate complaints or raise necessary and appropriate defenses against all claims;

2.1.14 Without prior written consent of Party A, they shall ensure that Party C shall not in any manner distribute dividends to its shareholder, provided that upon Party A's written request, Party C shall immediately distribute all distributable profits to its shareholders; and

2.1.15 At the request of Party A, they shall appoint any persons designated by Party A as the director of Party C.

2.2 Covenants of Party B

Party B hereby covenants as follows:

2.2.1 Without prior written consent of Party A, Party B shall not sell, transfer, mortgage or otherwise dispose any legal or beneficial interest in the equity interests in Party C held by Party B, or allow creation of any encumbrance or security interest thereon, except for the pledge created on these equity interests in accordance with Party B's Equity Pledge Agreement;

2.2.2 Party B shall cause the shareholder and/or the board of directors and/or executive director of Party C to disapprove the sale, transfer, mortgage or otherwise disposition of any legal or beneficial interest in the equity interests in Party C held by Party B, or allow the creation of encumbrance or any security interest thereon, without prior written consent of Party A, except for the pledge created on these equity interests in accordance with Party B's Equity Pledge Agreement;

2.2.3 Party B shall cause the shareholder or the board of directors and/or executive director of Party C to disapprove Party C's merger or consolidation with any person, or the acquisition of or investment in any person, without prior written consent of Party A;

2.2.4 Party B shall immediately notify Party A of the occurrence or possible occurrence of any litigation, arbitration or administrative proceedings relating to the equity interests in Party C held by Party B;

2.2.5 Party B shall cause the shareholder or executive director and/or the board of directors of Party C to vote their approval of the transfer of the Optioned Interests as set forth in this Agreement and to take any and all other actions that may be requested by Party A;

2.2.6 To the extent necessary to maintain Party B's ownership in Party C, Party B shall execute all necessary or appropriate documents, take all necessary or appropriate actions and file all necessary or appropriate complaints or raise necessary and appropriate defenses against all claims;

2.2.7 Party B shall, at the request of Party A, appoint any designee of Party A as the director and/or executive director of Party C;

2.2.8 Party B shall, at the request of Party A at any time, promptly and unconditionally transfer its equity interests in Party C to Party A's Designee(s) in accordance with the Equity Interest Purchase Option under this Agreement, and Party B hereby waives its right of first refusal (if any) to the share transfer by the other existing shareholder of Party C (if any); and

2.2.9 If Party B receives from Party C any profit, profit sharing, stock dividend, or liquidation proceeds, Party B shall promptly donate the same to Party A or any of its Designee(s) on the premise of complying with Chinese laws; and

2.2.10 Party B shall strictly abide by the provisions of this Agreement and other contracts jointly or separately executed by and among Party B and/or Party C and Party A, perform the obligations hereunder and thereunder, and refrain from any action/omission that may affect the effectiveness and enforceability hereof and thereof. To the extent that Party B has any residual rights with respect to the equity interests subject to this Agreement hereunder or under Party B's Equity Pledge Agreement or under the Power of Attorney Agreement granted in favor of Party A, Party B shall not exercise such rights except in accordance with the written instructions of Party A.

3. Representations and Warranties

Party B and Party C hereby represent and warrant to Party A, jointly and severally, as of the date of this Agreement and each date of transfer of the Optioned Interests, that:

3.1 They have the authority to execute and deliver this Agreement and any share transfer contracts to which they are a party concerning the Optioned Interests to be transferred thereunder (each, a **"Transfer Contracts"**), and to perform their obligations under this Agreement and any Transfer Contracts. Party B and Party C agree to enter into Transfer Contracts consistent with the terms of this Agreement upon Party A's exercise of the Equity Interest Purchase Option. This Agreement and the Transfer Contracts to which Party B and Party C are a party constitute or will constitute their legal, valid and binding obligations and shall be enforceable against them in accordance with the provisions thereof;

3.2 The execution and delivery of this Agreement or any Transfer Contracts and the obligations under this Agreement or any Transfer Contracts shall not: (i) cause any violation of any applicable Chinese laws; (ii) be inconsistent with the articles of association, bylaws or other organizational documents of Party C; (iii) cause the violation of any contracts or instruments to which they are a party or which are binding on them, or constitute any breach under any contracts or instruments to which they are a party or which are binding on them; (iv) cause any violation of any condition for the grant and/or continued effectiveness of any licenses or permits issued to either of them; or (v) cause the suspension or revocation of or imposition of additional conditions to any licenses or permits issued to either of them;

3.3 Party B has a good and merchantable title to the equity interests in Party C held by Party B. Except for that disclosed in Party B's Equity Pledge Agreement or other written instruments, Party B has not created any security interest on such equity interests;

3.4 Party C has a good and merchantable title to all of its assets, and except otherwise disclosed in writing, has not created any security interest or purchase option on the aforementioned assets;

3.5 Party C does not have any outstanding debts, except for (i) debt incurred in the ordinary course of business; and (ii) debts that have been disclosed to Party A and for which Party A's written consent has been obtained;

3.6 There are no pending or threatened litigation, arbitration or administrative proceedings involving the equity interests in Party C, assets of Party C or Party C; and

3.7 Party C has complied with all laws and regulations of China applicable to asset acquisitions;

4. Effective Date

This Agreement shall become effective upon the execution date hereof, and shall be terminated upon the complete transfer of all options held by Party B in Party C to Party A and/or its Designee(s) pursuant to this Agreement.

5. Governing Law and Resolution of Disputes

5.1 Governing Law

The execution, effectiveness, construction, performance, amendment and termination of this Agreement and the resolution of disputes hereunder shall be governed by the formally published and publicly available laws of China. Matters not covered by formally published and publicly available laws of China shall be governed by international legal principles and practices.

5.2 Dispute Resolution

In the event of any dispute with respect to the construction and performance of this Agreement, the Parties shall first resolve the dispute through friendly negotiations. In the event the Parties fail to reach an agreement within 30 days after either Party requests to the other Parties for resolution of the dispute through negotiations, either Party may submit the relevant dispute to the China International Economic and Trade Arbitration Commission for arbitration, in accordance with its then effective arbitration rules. The arbitration shall be conducted in Beijing, and the language shall be Chinese. The arbitration award shall be final and binding on all Parties.

6. Taxes and Fees

Each Party shall pay any and all transfer and registration tax, expenses and fees incurred by or levied on itself in accordance with the laws of China in connection with the preparation and execution of this Agreement and the Transfer Contracts, as well as the consummation of the transactions contemplated under this Agreement and the Transfer Contracts.

7. Notices

7.1 All notices and other communications required or permitted to be given pursuant to this Agreement shall be delivered personally or sent by registered mail with postage prepaid, commercial courier service or facsimile transmission to the address of such Party set forth below. Each notice shall be followed by a confirmation copy sent by email. The dates on which notices shall be deemed to have been effectively given shall be determined as follows:

7.1.1 Notices given by personal delivery, courier service, registered mail with postage prepaid shall be deemed effectively given on the date of receipt or rejection at the address specified for notices.

7.1.2 Notices given by facsimile transmission shall be deemed effectively given on the date of successful transmission (as evidenced by an automatically generated confirmation of transmission).

7.2 The addresses of the Parties for receiving notices are as follows:

Party A: **Beijing Shijitong Technology Co., Ltd.**

Address: 27/F, CES Tower, No. 3099 Keyuan South Road, Nanshan District, Shenzhen

Attn: XIAO Wenjie

Tel.: 0755-33688788

Party B:

XIAO Wenjie

Address: **********
, Nanshan District, Shenzhen

Tel.: **********

LI Wenbin

Address: **********
, Futian District, Shenzhen

Tel.: **********

Party C: **Shenzhen Xinjie Investment Co., Ltd.**

Address: 27/F, CES Tower, No. 3099 Keyuan South Road, Nanshan District, Shenzhen

Attn: XIAO Wenjie

Tel.: 0755-33688788

7.3 Any Party may at any time change its address for notices by a notice delivered to the other Parties in accordance with the terms hereof.

8. Confidentiality

The Parties acknowledge that any oral or written information exchanged between the Parties in connection with the preparation and performance this Agreement constitute confidential information. Each Party shall maintain confidentiality of all such confidential information, and without obtaining the written consent of the other Party, it shall not disclose any relevant confidential information to any third parties, except for the information that: (i) is or becomes available to the general public (other than through the receiving Party's unauthorized disclosure); (ii) is required to be disclosed by applicable laws or regulations or rules or regulations of any stock exchange; or (iii) is necessary to be disclosed by any Party to its legal counsels or financial advisors regarding the transaction contemplated hereunder, provided that such legal counsels or financial advisors shall be bound by the confidentiality obligations similar to those set forth in this Section. Disclosure of any confidential information by the employees of or agencies engaged by any Party shall be deemed disclosure by such Party itself and such Party shall be held liable for breach of this Agreement. This Section shall survive the termination of this Agreement for any reason.

9. Further Warranties

The Parties agree to promptly execute documents that are reasonably required for or are conducive to the implementation of the provisions and purposes of this Agreement and take further actions that are reasonably required for or are conducive to the implementation of the provisions and purposes of this Agreement.

10. Miscellaneous

10.1 Amendment, change and supplement

Any amendment, change and supplement to this Agreement shall be made only by a written contract executed by all of the Parties.

10.2 Entire Agreement

Except for the amendments, supplements or changes made in writing after the execution hereof, this Agreement shall constitute the entire agreement reached by and among the Parties hereto with respect to the subject matter hereof, and shall supersede all prior oral and written consultations, representations and contracts reached with respect to the subject matter of this Agreement.

10.3 Headings

The headings of this Agreement are inserted for convenience only, and shall not be used to interpret, explain or otherwise affect the meanings of the provisions of this Agreement.

10.4 Language

This Agreement is written in Chinese and English in five counterparts of equal legal force, with each Party holding one.

10.5 Severability

In the event that one or several provisions hereof are found to be invalid, illegal or unenforceable in any aspect in accordance with any laws or regulations, the validity, legality or enforceability of the remaining provisions of this Agreement shall not be affected or compromised in any aspect. The Parties shall negotiate in good faith to replace such invalid, illegal or unenforceable provisions with effective provisions that accomplish to the greatest extent permitted by law the intentions of the Parties, and the economic effect of such effective provisions shall be as close as possible to the economic effect of those invalid, illegal or unenforceable provisions.

10.6 Successors

This Agreement shall be binding on and shall inure to the interest of the respective successors of the Parties and the permitted assignees of such Parties.

10.7 Survival

10.7.1 Any obligations arising out of or due hereunder before the expiration or early termination of this Agreement shall survive the expiration or early termination thereof.

10.7.2 Sections 5, 7, 8 and this Section 10.7 shall survive the expiration or termination of this Agreement.

10.8 Waivers

Any Party may waive the terms and conditions of this Agreement, provided that such a waiver must be made in writing and shall require the signatures of all the Parties. No waiver by any Party in certain circumstances with respect to a breach by other Parties shall operate as a waiver by such Party with respect to any similar breach in other circumstances.

10.9 Termination of the Original Contract

The Exclusive Option Agreement executed by and among Party A, Party B (other than LI Wenbin) and Party C on December 22, 2015 shall be automatically terminated as at the execution date hereof.

[Signature page follows]

IN WITNESS WHEREOF, the Parties have caused their respective duly authorized representatives to execute this Exclusive Option Agreement as of the date first above written.

Party A: Beijing Shijitong Technology Co., Ltd. (Seal)

Signature: /s/XIAO Wenjie

Name: XIAO Wenjie

Title: Legal Representative

/s/Seal of Beijing Shijitong Technology Co., Ltd.

Party B:

Signature: /s/XIAO Wenjie

Signature: /s/LI Wenbin

Party C: Shenzhen Xinjie Investment Co., Ltd. (Seal)

Signature: /s/XIAO Wenjie

Name: XIAO Wenjie

Title: Legal Representative

/s/Seal of Shenzhen Xinjie Investment Co., Ltd.

Exhibit 10.15

Equity Pledge Agreement

This Equity Pledge Agreement (this "**Agreement**") is made and entered into by and among the following parties on March 10, in Beijing, the People's Republic of China ("**China**" or "**PRC**"):

Party A: **Beijing Shijitong Technology Co., Ltd. ("Pledgee")**

Address: Room 1505, Buildings 1, No.108 Zhichun Road, Haidian District, Beijing

Party B: **XIAO Wenjie** ("**Party B1**"), a Chinese citizen whose ID number is **********;

LI Wenbin ("**Party B2**"), a Chinese citizen whose ID number is **********; and

Party B1 and Party B2 are collectively referred to as the "**Pledgers**" or "**Party B**".

Party C: **Shenzhen Xinjie Investment Co., Ltd.**

Address: 6/F, Block B, Shenzhen Industry-University-Research Cooperation Base of Huazhong University of Science and Technology, No.9 Yuexing 3rd Road, Gaoxin Zone, Yuehai Sub-district, Nanshan District, Shenzhen

The Pledgee, the Pledgers and Party C are hereinafter referred to individually as a **"Party"** and collectively the **"Parties"**.

Whereas:

1. The Pledgers are citizens/limited liability companies of China who as of the date hereof hold 100% of equity interests of Party C in total. Party C is a limited liability company registered in Shenzhen, China, engaging in investment management, investment consulting, guarantee business (excluding financing guarantee business and other restricted businesses) , industrial and commercial investments (specific projects to be separately applied for); economic information consulting; entrusted asset management(shall not engage in trust, financial asset management, securities asset management and other business), equity investment, equity investment fund management (securities investment, raising funds publicly and management of publicly raised funds prohibited); enterprise management consulting, enterprise image planning, enterprise financial consulting, supply chain management and supporting services; online commercial activities, sales of dyed knitwear and electronic products; domestic trade; import/export business; and real estate development and operation on land plots for which use rights have been lawfully obtained.. Party B1and Party B2 respectively hold 95%, and 5% of Party C's equity interests. Party C acknowledges the respective rights and obligations of the Pledgers and the Pledgee hereunder and agrees to provide any necessary assistance for the registration of the Pledge;

2. The Pledgee is a wholly foreign-owned enterprise registered in Beijing, China. The Pledgee and Party C entered into an Exclusive Business Cooperation Agreement (**"Exclusive Business Cooperation Agreement"**) on December 22, 2015; the Pledgee entered into an Exclusive Option Agreement ("**Exclusive Option Agreement**") with the Pledgers and Party C on March 10, 2017; the Pledgers and Pledgee signed an Power of Attorney ("**Power of Attorney**") on March 10, 2017;

3. To ensure the performance by Party C and the Pledgers of their obligations under the Exclusive Business Cooperation Agreement, Exclusive Option Agreement, Power of Attorney (collectively referred to as "**Transaction Documents**"), the Pledgers pledge with the Pledgee all of their equity in Party C as security for the performance of the Exclusive Business Cooperation Agreement, the Exclusive Option Agreement, and the Power of Attorney by Party C and the Pledgers.

To perform the provisions of the Transaction Documents, the Parties hereby agree as follows through mutual negotiations.

1. <u>Definitions</u>

Unless otherwise specified herein, the terms below shall have the following meanings:

1.1 **"Pledge":** shall refer to the security interest created by the Pledgers in favor of the Pledgee pursuant to Section 2 of this Agreement, i.e., the right of the Pledgee to be paid in priority from the proceeds from the transfer, auction or sale of the Equity Interest.

1.2 **"Equity Interest":** shall refer to all equity interests currently held by and hereafter acquired by the Pledgers in Party C.

1.3 **"Term of Pledge":** shall refer to the term set forth in Section 3 of this Agreement.

1.4 **"Transaction Documents":** shall refer to the Exclusive Business Cooperation Agreement, the Exclusive Option Agreement, the Power of Attorney and any revision, amendment and/or restatement thereto.

1.5 **"Contractual Obligations"**: shall refer to all the obligations of the Pledgers under the Exclusive Option Agreement, the Power of Attorney and this Agreement; as well as all the obligations of Party C under the Exclusive Business Cooperation Agreement, the Exclusive Option Agreement and this Agreement.

1.6 **"Secured Indebtedness**": shall refer to any and all direct, indirect, derivative losses and losses of predictable benefits incurred due to any default by the Pledgers and/or Party C, the amount of which shall be determined based on the pledgee's reasonable business plan and profit forecast; service fees

payable by Party C under the Exclusive Business Cooperation Agreement; and all costs and expenses incurred by the Pledgee in enforcing the Pledgers and/or Party C to perform their contractual obligations.

1.7 **"Event of Default":** shall refer to any of the circumstances as enumerated in Section 7 of this Agreement.

1.8 **"Notice of Default":** shall refer to the notice issued by the Pledgee in accordance with this Agreement declaring an Event of Default.

2. Pledge

2.1 The Pledgers agree to pledge all the Equity Interest that it lawfully owns and has the right to dispose of to the Pledgee as security for payment of the Secured Indebtedness under this Agreement, and Party C hereby assents to such pledge.

2.2 During the Term of Pledge, the Pledgee is entitled to receive dividends distributed on the Equity Interest. The Pledgers may receive dividends distributed on the Equity Interest only with prior written consent of the Pledgee. Dividends received by the Pledgers on Equity Interest shall be, as required by the Pledgee, (1) deposited into an account designated and supervised by the Pledgee and applied first to pay the Secured Indebtedness; or (2) unconditionally donated to the Pledgee or any other person designated by the Pledgee to the extent permitted under applicable PRC laws.

2.3 The Pledgers may subscribe for capital increase in Party C only with prior written consent of the Pledgee. Any equity interest obtained by the Pledgers as a result of the Pledgers' subscription of the increased registered capital of the Company shall also be deemed as Equity Interest.

2.4 In the event that Party C is to be liquidated or dissolved under compulsory laws of China, any interest distributed to the Pledgers upon Party C's dissolution or liquidation shall, at the request of the Pledgee, be (i) deposited into an account designate and supervised by the Pledgee and applied first to pay the Secured Indebtedness; or (ii) unconditionally donated to the Pledgee or any other person designated by the Pledgee to the extent permitted under applicable PRC laws.

3. Term of Pledge

3.1 The Pledge shall become effective on such date when it is registered with competent administration for industry and commerce (the "**AIC**") at the location of Party C. The Pledge shall remain effective until full discharge of all Contractual Obligations. All Parties agree that the Pledgers and Party C shall (i) register the Pledge in the shareholders' register of Party C within 3 business days following execution of this Agreement, and (ii) submit an application to the AIC for the registration of the Pledge of the Equity Interest contemplated herein within 30 business days following the execution of this Agreement. The Pledgers and Party C shall submit to the AIC all necessary documents and complete all necessary formalities to ensure that the Pledge of the Equity Interest shall be registered with the AIC as soon as possible.

3.2 During the Term of Pledge, in the event that the Pledgers and/or Party C fail to perform the Contractual Obligations, the Pledgee shall have the right, but not the obligation, to dispose of the Pledge in accordance with the provisions of this Agreement.

4. Custody of Equity Interest Records

4.1 During the Term of Pledge, the Pledgers shall deliver to the Pledgee's custody the capital contribution certificate for the Equity Interest and the shareholders' register indicating the Pledge within one week following execution of this Agreement. The Pledgee shall have custody of such documents during the entire Term of Pledge.

4.2 During the Term of Pledge, the Pledgers shall have the right to collect dividends accrued on the Equity Interest.

5. Representations and Warranties of the Pledgers and Party C

As of the execution date of this Agreement, the Pledgers and Party C hereby jointly and severally represent and warrant to the Pledgee that:

5.1 The Pledgers are the sole legal and beneficial owner of the Equity Interest.

5.2 Except for the Pledge, the Pledgers have not created any security interest or other encumbrance on the Equity Interest.

5.3 The Pledgee shall have the right to dispose of and transfer the Equity Interest in accordance with the provisions of this Agreement.

5.4 The Pledgers and Party C have obtained any and all approvals and consents from competent government authorities and third parties (if required) for execution, delivery and performance of this Agreement.

5.5 The execution, delivery and performance of this Agreement will not: (i) violate any relevant PRC laws; (ii) conflict with Party C's articles of association or other constitutional documents; (iii) result in any breach of or constitute any default under any contract or instrument to which it is a party or by which it is otherwise bound; (iv) result in any violation of any condition for the grant and/or maintenance of any permit or approval granted to any Party; or (v) cause any permit or approval granted to any Party to be suspended, cancelled or imposed with additional conditions.

6. Covenants and Further Agreement of the Pledgers and Party C

6.1 During the term of this Agreement, the Pledgers and Party C hereby jointly and severally covenant to the Pledgee that the Pledgers and Party C:

6.1.1 shall not transfer the Equity Interest, create or permit the existence of any security interest or other encumbrance on the Equity Interest, without the prior written consent of the Pledgee, except for the purposes of the performance of the Transaction Documents;

6.1.2 shall promptly notify the Pledgee of any event or notice received by the Pledgers that may have an impact on the Equity Interest or any portion thereof, as well as any event or notice received by the Pledgers that may have an impact on any guarantees and other obligations of the Pledgers hereunder.

6.2 The Pledgers agree that the rights acquired by the Pledgee in accordance with this Agreement with respect to the Pledge shall not be interrupted or jeopardized by the Pledgers or any heirs or representatives of the Pledgers or any other persons through any legal proceedings.

6.3 To protect or perfect the security hereunder for the Contractual Obligations and Secured Indebtedness, the Pledgers hereby undertakes to execute in good faith and to cause other parties who have an interest in the Pledge to execute all such certificates, contracts, deeds and/or covenants, and take all such actions as required by the Pledgee, to facilitate the exercise by the Pledgee of its rights and authority hereunder, to enter into all relevant documents regarding ownership of Equity Interest with the Pledgee or assignee(s) of the Pledgee (natural persons/legal persons), and to provide the Pledgee within a reasonable time with all notices, orders and decisions regarding the Pledge that the Pledgee deems necessary.

6.4 The Pledgers hereby undertakes to comply with and perform all guarantees, promises, agreement, representations and conditions of and under this Agreement. In the event of failure or partial performance of such guarantees, promises, agreements, representations and conditions, the Pledgers shall indemnify the Pledgee for all losses resulting therefrom.

7. Event of Breach

7.1 The following circumstances shall be deemed Event of Default:

7.1.1 The Pledgers and/or Party B breach any obligations under the Transaction Documents and/or this Agreement;

7.1.2 The Pledgers have serious misstatement or mistake in any statement or warranty made in Section 5 of this Agreement and/or the Pledgers violate any warranty in Section 5 of this Agreement;

7.1.3 The Pledgers and Party C fail to complete the registration of equity pledge with the registration authority in accordance with Section 3.1.

7.1.4 The Pledgers and Party C violate any provision of this Agreement;

7.1.5 Except otherwise clearly stipulated in Section 6.1.1, the Pledgers transfer or intend to transfer or surrender the Equity Interest or assign the Equity Interest without the Pledgee's written consent;

7.1.6 The Pledgers (i) are required to repay or perform in advance or (ii) fails to repay or perform upon maturity any debt obligations owed to any third party such as loan, guarantee, indemnification and promise;

7.1.7 Any government approval, license, permit or authorization that renders this Agreement enforceable, lawful and valid is withdrawn, terminated, invalid or substantially changed;

7.1.8 The enactment of governing laws renders this Agreement unlawful or makes the Pledgers unable to continue performing its obligations hereunder;

7.1.9 The Pledgers' assets experience negative change to the extent that affects the Pledgers' ability to perform its obligations hereunder;

7.1.10 Party B's heirs or custodians only partially perform or refuse to perform their payment obligations under the Transaction Documents;

7.1.11 Any other circumstance where the Pledgers cannot or possibly cannot exercise its rights over the Pledge.

7.2 Upon notice or discovery of the occurrence of any circumstances or event that may lead to the aforementioned circumstances described in Section 7.1, the Pledgers shall immediately notify the Pledgee in writing accordingly.

7.3 Unless an Event of Default set forth in this Section 7.1 has been successfully resolved to the Pledgee's satisfaction, the Pledgee may issue a Notice of Default to the Pledgers upon the occurrence of the Event of Default or at any time thereafter, demanding the Pledgers and/or Party C to immediately perform their due obligations under the Transaction Documents and/or dispose of the Pledge in accordance with Section 8 of this Agreement.

8. Exercise of Pledge

8.1 When the Pledgers and Party C are yet to fully perform their Contractual Obligations under the Transaction Documents, the Pledgers shall not transfer the Pledge or its Equity Interest in Party C without the Pledgee's written consent.

8.2 The Pledgee may issue a written Notice of Default to the Pledgers when it exercises the Pledge.

8.3 Subject to the provisions of Section 7.3, the Pledgee may exercise the right to enforce the Pledge at any time after the issuance of the Notice of Default in accordance with Section 8.2. Once the Pledgee elects to exercise the right to dispose the Pledge, the Pledgers shall cease to be entitled to any rights or interests associated with the Equity Interest.

8.4 The Pledgee shall the have right to be paid in priority with all or part of the Equity Interest from the proceeds from the transfer, auction or sale of the Equity Interest until the complete compensation of all outstanding payments due under the Transaction Documents and all other due payments to the Pledgee. The Pledgee shall not be liable for any loss incurred by its due exercise of such rights and powers.

8.5 The Pledgee may exercise any remedy available simultaneously or in any order. The Pledgee may exercise the right to be paid in priority with the Equity Interest from the proceeds from auction or sale of the Equity Interest under this Agreement, without recourse to any other remedy measure first.

8.6 When the Pledgee disposes of the Pledge in accordance with this Agreement, the Pledgers and Party C shall provide necessary assistance to enable the Pledgee to enforce the Pledge in accordance with this Agreement.

9. Assignment

9.1 Without the Pledgee's prior written consent, the Pledgers shall not assign or delegate their rights and obligations under this Agreement.

9.2 This Agreement shall be binding on the Pledgers and his/her successors and permitted assignees, and shall be valid with respect to the Pledgee and each of his/her successors and assignees.

9.3 The Pledgee may at any time assign any and all of its rights and obligations under the Transaction Documents to its assignee(s) (natural persons/legal persons), in which case the assignee shall enjoy and undertake the rights and obligations of the Pledgee under this Agreement, as if it were the original party to this Agreement. When the assignee transfers its rights and obligations under the Transaction Documents, the Pledgers shall execute relevant agreements or other documents related to such transfer as required by the Pledgee.

9.4 In the event of change of the Pledgee due to assignment, the Pledgers shall, at the request of the Pledgee, execute a new pledge contract with the new the Pledgee on the same terms and conditions as this Agreement.

9.5 The Pledgers shall strictly abide by the provisions of this Agreement and other contracts jointly or separately executed by all or any of the Parties hereto, including the Exclusive Option Agreement and the Power of Attorney, perform the obligations hereunder and thereunder, and refrain from any action/omission that may affect the effectiveness and enforceability hereof and thereof. Any residual rights of the Pledgers with respect to the Equity Pledged hereunder shall not be exercised by the Pledgers except in accordance with the written instructions of the Pledgee.

10. Termination

Upon the sufficient and complete fulfillment of all Contractual Obligations and the full payment of all Secured Indebtedness by the Pledgers and Party C, this Agreement shall be terminated and the Pledgee shall terminate this Agreement within reasonable and effective scope.

Sections 10, 12 and 14 of this Agreement shall survive the expiration or termination of this Agreement.

11. Handling Fees and Other Expenses

All fees and out of pocket expenses relating to this Agreement, including but not limited to legal costs, costs of production, stamp tax and any other taxes and fees, shall be borne by Party C. If the Pledgee is required under applicable laws to bear certain taxes and fees, the Pledgers shall cause Party C to reimburse in full such taxes and fees paid by the Pledgee.

12. Confidentiality

The Parties acknowledge that any oral or written information exchanged between the Parties in connection with the preparation and performance this Agreement constitute confidential information. Each Party shall maintain confidentiality of all such confidential information, and without obtaining the written consent of the other Party, it shall not disclose any relevant confidential information to any third parties, except for the information that: (i) is or becomes available to the general public

(other than through the receiving Party's unauthorized disclosure); (ii) is required to be disclosed by applicable laws or regulations or rules or regulations of any stock exchange; or (iii) is necessary to be disclosed by any Party to its legal counsels or financial advisors regarding the transaction contemplated hereunder, provided that such legal counsels or financial advisors shall be bound by the confidentiality obligations similar to those set forth in this Section. Disclosure of any confidential information by the employees of or agencies engaged by any Party shall be deemed disclosure by such Party itself and such Party shall be held liable for breach of this Agreement. This Section shall survive the termination of this Agreement for any reason.

13. Governing Law and Dispute Resolution

13.1 The execution, effectiveness, construction, performance, amendment and termination of this Agreement and the dispute resolution hereunder shall be governed by the promulgated and publicly available laws of China. For matters not covered by the promulgated and publicly available laws of China, the principles and practices of international laws shall apply.

13.2 In the event of any dispute with respect to the construction and performance of this Agreement, the Parties shall first resolve the dispute through friendly negotiations. In the event the Parties fail to reach an agreement within 30 days after either Party requests to the other Parties for resolution of the dispute through negotiations, either Party may submit the relevant dispute to the China International Economic and Trade Arbitration Commission

(CIETAC) for arbitration in accordance with its then effective Arbitration Rules. The arbitration shall be conducted in Beijing. The language of arbitration shall be Chinese. The arbitration award shall be final and binding on all Parties.

13.3 Upon occurrence of any disputes arising from the construction and performance of this Agreement or pending arbitration of any dispute, except for the matters under dispute, the Parties shall continue to exercise their respective rights and perform their respective obligations hereunder.

14. Notices

14.1 All notices and other communications required or permitted to be given pursuant to this Agreement shall be delivered personally or sent by registered mail with postage prepaid, commercial courier service or facsimile transmission to the address of such Party set forth below. Each notice shall be followed by a confirmation copy sent by email. The dates on which notices shall be deemed to have been effectively given shall be determined as follows:

14.1.1 Notices given by personal delivery, courier service, registered mail with postage prepaid shall be deemed effectively given on the date of receipt or rejection at the address specified for notices.

14.1.2 Notices given by facsimile transmission shall be deemed effectively given on the date of successful transmission (as evidenced by an automatically generated confirmation of transmission).

14.2 The addresses of the Parties for receiving notices are as follows:

Party A:	**Beijing Shijitong Technology Co., Ltd.**
Address:	27/F, CES Tower, No. 3099 Keyuan South Road, Nanshan District, Shenzhen
Attn:	XIAO Wenjie
Tel.:	0755-3368 8788
Party B:	
XIAO Wenjie	
Address:	********** , Nanshan District, Shenzhen
Tel.:	**********
LI Wenbin	
Address:	********** , Futian District, Shenzhen
Tel.:	**********
Party C:	**Shenzhen Xinjie Investment Co., Ltd.**
Address:	27/F, CES Tower, No. 3099 Keyuan South Road, Nanshan District, Shenzhen
Attn:	XIAO Wenjie
Tel.:	0755-33688788

14.3 Any Party may at any time change its address for notices by a notice delivered to the other Parties in accordance with the terms hereof.

15. Severability

In the event that one or several provisions hereof are found to be invalid, illegal or unenforceable in any aspect in accordance with any laws or regulations, the validity, legality or enforceability of the remaining provisions of this Agreement shall not be affected or compromised in any aspect. The Parties shall negotiate in good faith to replace such invalid, illegal or unenforceable provisions with effective provisions that accomplish to the greatest extent permitted by law the intentions of the Parties, and the economic effect of such effective provisions shall be as close as possible to the economic effect of those invalid, illegal or unenforceable provisions.

16. Schedules

The schedules hereto shall form an integral part of this Agreement.

17. Effectiveness

17.1 This Agreement shall come into force upon being signed by the Parties. Any amendment, change and supplement to this Agreement shall be made in written form and become effective after being signed and stamped by the Parties and upon the completion of the registration with the government (if applicable).

17.2 This Agreement is written in Chinese and English in five counterparts of equal legal force, with each Party holding one.

17.3 The Equity Pledge Agreement signed by and among Party A, Party B(other than LI Wenbin) and Party C on December 22, 2015 shall be automatically terminated as at the execution date hereof.

[Signature page follows]

IN WITNESS WHEREOF, the Parties have caused their authorized representatives to execute this Equity Pledge Agreement as of the date first above written.

Party A: Beijing Shijitong Technology Co., Ltd. (Seal)

Signature: /s/XIAO Wenjie
Name: XIAO Wenjie
Title: Legal Representative
/s/Seal of Beijing Shijitong Technology Co., Ltd.

Party B:

Signature: /s/XIAO Wenjie
Name: XIAO Wenjie

Signature: /s/LI Wenbin
Name: LI Wenbin

Party C: Shenzhen Xinjie Investment Co., Ltd. (Seal)

Signature: /s/XIAO Wenjie
Name: XIAO Wenjie
Title: Legal Representative
/s/Seal of Shenzhen Xinjie Investment Co., Ltd.

Schedules

1. Capital Contribution Certificate

2. Shareholders' Register of Shenzhen Xinjie Investment Co., Ltd.

Schedule 1

Capital Contribution Certificate

This is to certify that XIAO Wenjie (ID No. **********) has subscribed to the contribution of RMB 950,000, thus holding 95% equity interest of Shenzhen Xinjie Investment Co., Ltd. and that all of such 95% equity interest has been pledged to Beijing Shijitong Technology Co., Ltd.

Company: Shenzhen Xinjie Investment Co., Ltd. (Seal)

/s/XIAO Wenjie

Legal Representative

/s/Seal of Shenzhen Xinjie Investment Co., Ltd.

Date: March 10, 2017

Schedule 1

Capital Contribution Certificate

This is to certify that LI Wenbin (ID No. **********) has subscribed to the contribution of RMB 50,000, thus holding 30% equity interest of Shenzhen Xinjie Investment Co., Ltd. and that all of such 5% equity interest has been pledged to Beijing Shijitong Technology Co., Ltd.

Company: Shenzhen Xinjie Investment Co., Ltd. (Seal)

/s/XIAO Wenjie

Legal Representative

/s/Seal of Shenzhen Xinjie Investment Co., Ltd.

Date: March 10, 2016

Schedule 2

Shareholders' Register
of
Shenzhen Xinjie Investment Co., Ltd.

Shareholder's name	ID No. / Uniform Social Credit Code	Amount of Subscription (RMB)	Ratio of Contribution	Equity Pledge
XIAO Wenjie	**********	950,000	95%	XIAO Wenjie owns 95% equity interest of Shenzhen Xinjie Investment Co., Ltd. and all of such 95% equity interest has been pledged to Beijing Shijitong Technology Co., Ltd.
LI Wenbin	**********	50,000	5%	LI Wenbin owns 5% equity interest of Shenzhen Xinjie Investment Co., Ltd. and all of such 5% equity interest has been pledged to Beijing Shijitong Technology Co., Ltd.

Company: Shenzhen Xinjie Investment Co., Ltd. (Seal)

Signature: /s/XIAO Wenjie

Name: XIAO Wenjie

Title: Legal Representative

/s/Seal of Shenzhen Xinjie Investment Co., Ltd.

Shareholder: XIAO Wenjie

Signature: /s/XIAO Wenjie

LI Wenbin

Signature: /s/Li Wenbin

Date: March 10, 2017

Supplementary Agreement to the Equity Pledge Agreement

This Supplementary Agreement to the Equity Pledge Agreement(hereinafter referred to as **this "Supplementary Agreement"**) is entered into by and among the following Parties on May 10, 2017 in Beijing, People's Republic of China (hereinafter referred to as **"China"**):

Party A: **Beijing Shijitong Technology Co., Ltd. (**hereinafter referred to as **"Pledgee")**

Address: Room 1505, Building 1, No. 108 Zhichun Road, Haidian District, Beijing

Party B: **XIAO Wenjie** (hereinafter referred to as **"Party B1"**), a Chinese citizen whose identification number is **********
;

LI Wenbin (hereinafter referred to as **"Party B2"**, collectively the **"Pledgers"** with Party B1), a Chinese citizen whose identification number is **********
; and

Party C: **Shenzhen Xinjie Investment Co., Ltd.**

Address: 6/F, Block B, Shenzhen Industry-University-Research Cooperation Base of Huazhong University of Science and Technology, No.9 Yuexing 3rd Road, Gaoxin Zone, Yuehai Sub-district, Nanshan District, Shenzhen

The Pledgee, the Pledgers and Party C are hereinafter referred to individually as a "**Party**" and collectively the "**Parties**".

Whereas:

1. The Pledgee and Party C entered into an Exclusive Business Cooperation Agreement (**"Exclusive Business Cooperation Agreement"**) on December 22, 2015; the Pledgee entered into an Exclusive Purchase Option Contract ("**Exclusive Option Agreement**") with the Pledgers and Party C on March 10, 2017; and the Pledgers and Pledgee signed an Power of Attorney Agreement ("**Power of Attorney**") on March 10, 2017;

2. The Pledgee entered into an Equity Pledge Contract ("**Equity Pledge Contract**") with the Pledgers and Party C on March 10, 2017, which stipulates among other things that: the Pledgers should pledge with the Pledgee all of their equity in Party C as security for the performance of the Exclusive Business Cooperation Agreement, Exclusive Purchase Option Contract and Power of Attorney Agreement by Party C and the Pledgers; and

3. The Pledgee and Pledgers entered into a Loan Contract ("**Loan Contract**", together with the Exclusive Business Cooperation Agreement, Exclusive Purchase Option Contract, Power of Attorney Agreement and Equity Pledge Contract, hereinafter collectively referred to as "**Transaction Documents**") on May 10, 2017, which stipulates among other things that: the Pledgee should provide the Pledgers with a loan of RMB1,000,000.

The Parties hereby agree to amend the Equity Pledge Contract as follows:

1. **Article 2 of the "whereas" clause** of the Equity Pledge Contract is revised to read as follows: the Pledgee is a wholly foreign-owned enterprise registered in Beijing, China. The Pledgee and Party C entered into an Exclusive Business Cooperation Agreement (**"Exclusive Business Cooperation Agreement"**) on December 22, 2015; the Pledgee entered into an Exclusive Purchase Option Contract ("**Exclusive Purchase Option Contract**") with the Pledgers and Party C on March 10, 2017; the Pledgers and Pledgee signed an Power of Attorney Agreement ("**Power of Attorney Agreement**") on March 10, 2017; the Pledgee and Pledgers entered into a Loan Contract ("**Loan Contract**") on May 10, 2017.

2. **Article 3 of the "whereas" clause** of the Equity Pledge Contract is revised to read as follows: to ensure the performance by Party C and the Pledgers of their obligations under the Exclusive Business Cooperation Agreement, Exclusive Purchase Option Contract, Power of Attorney Agreement and Loan Contract (collectively referred to as "**Transaction Documents**"), the Pledgers pledge with the Pledgee all of their equity in Party C as security for the performance of Transaction Documents by Party C and the Pledgers.

3. **Article 1.4 of the "1. Definition" clause** of the Equity Pledge Contract is revised to read as follows: "**Transaction Documents**" shall refer to the Exclusive Business Cooperation Agreement, Exclusive Purchase Option Contract, Power of Attorney Agreement and Loan Contract and any revision, amendment and/or restatement thereto.

4. **Article 1.5 of the "1. Definition" clause** of the Equity Pledge Contract is revised to read as follows: "**Contractual Obligations**" shall refer to all the obligations of the Pledgers under the Exclusive Purchase Option Contract, Power of Attorney Agreement, Loan Contract and this Contract; as well as all the obligations of Party C under the Exclusive Business Cooperation Agreement, Exclusive Purchase Option Contract and this Contract.

5. **Article 1.6 of the "1. Definition" clause** of the Equity Pledge Contract is revised to read as follows: **"Secured Indebtedness**" shall refer to any and all direct, indirect, derivative losses and losses of predictable benefits incurred due to any default by the Pledgers and/or Party C, the amount of which shall be determined based on the pledgee's reasonable business plan and profit forecast; service fees payable by Party C under the Exclusive Business Cooperation Agreement; the principal and interest (if any) repayable by the Pledgers to the Pledgee under the Loan Contract and all costs and expenses incurred by the Pledgee in enforcing the Pledgers and/or Party C to perform their contractual obligations.

6. This Supplemental Agreement constitutes modification and supplement to the Equity Pledge Contract and has a legal effect equivalent to that of the Equity Pledge Contract and any attachment thereof.

7. For matters expressly provided for in this Supplementary Agreement, this Supplementary Agreement shall prevail in the case of any conflict between this Supplementary Agreement and the Equity Pledge Contract and its attachments. Any matters not agreed upon in this Supplementary Agreement shall be dealt with pursuant to the Equity Pledge

Contract.

8. This Supplementary Agreement shall come into force upon being signed by the Parties. Any amendment, change and supplement to the Supplementary Agreement shall be made in written form and become effective after being signed and stamped by the Parties and upon the completion of the registration with the government (if applicable).

9. This Supplementary Agreement shall be made in four originals in Chinese of equal legal force, with each of The Pledgers, Pledgee and Party C holding one.

[Signature page follows]

In Witness Whereof, the Parties have caused their authorized representatives to sign this Supplementary Agreement to the Equity Pledge Contract on the date specified first above.

Party A: Beijing Shijitong Technology Co., Ltd. (Seal)

Signature: /s/XIAO Wenjie

Name: XIAO Wenjie

Title: Legal Representative

/s/Seal of Beijing Shijitong Technology Co., Ltd.

Party B:

Signature: /s/XIAO Wenjie

Signature: /s/LI Wenbin

Party C: Shenzhen Xinjie Investment Co., Ltd. (Seal)

Signature: /s/XIAO Wenjie

Name: XIAO Wenjie

Title: Legal Representative

/s/Seal of Shenzhen Xinjie Investment Co., Ltd.

Exhibit 10.16

Power of Attorney

This Power of Attorney (hereinafter this "**Agreement**") is made in Beijing, China on March 10, 2017 by and between the following parties.

Party A: **Beijing Shijitong Technology Co., Ltd.,** a limited company duly incorporated and existing under the laws of the People's Republic of China ("**China**") and having its registered office at Room 1505, Building 1, No. 108 Zhichun Road, Haidian District, Beijing; and

Party B: **LI Wenbin** a Chinese citizen whose identification number is **********.

Party A and Party B shall be hereinafter referred to as a **"Party"** individually and **the "Parties**" collectively.

WHEREAS

Party B holds 5% of the equity interests ("**Party B Equity**") in Shenzhen Xinjie Investment Co., Ltd. Shenzhen Xinjie ("**Shenzhen Xinjie**").

Now Therefore, the Parties hereby agree as follows through mutual negotiations:

Party B hereby irrevocably authorizes Party A to exercise the following rights with respect to Party B Equity during the term of this Agreement.

Party A is hereby authorized as the sole and exclusive agent and attorney to act generally on behalf of Party B with respect to all matters relating to Party B Equity, including but not limited to (i) attending the Shareholders Meeting of Shenzhen Xinjie; (ii) exercising all the powers and voting rights of Party B as the shareholder in accordance to Chinese laws and the articles of association of Shenzhen Xinjie, including but not limited to on the sale, transfer, pledge or disposal of partial or entire Party B Equity; and (iii) designating and appointing the legal representative, chairman of the Board, directors, supervisors, chief executive officers and other senior management members on behalf of Party B.

Without prejudice to the generality of the powers conferred upon by this Agreement, Party A shall be entitled as authorized by this Agreement, to act on behalf of Party B to sign the Transfer Contracts as specified in the Exclusive Purchase Option Agreement (to which Party B shall be a party) and execute the Equity Pledge Agreement and the Exclusive Purchase Option Agreement signed on the same day with this Agreement and to which it is a party. The conclusion of the contracts aforementioned and the forms of the contractual rights therein shall not affect the authorization hereunder to any extent.

All actions taken by Party A in relation to Party B Equity shall be deemed as Party B's own actions and all the documents signed by Party A shall be deemed as signed by Party B. Party B hereby acknowledges and approves the actions taken by and/or documents signed by Party A.

Party A shall be entitled at its discretion to delegate or transfer to any other person or entity the rights in relation to the aforementioned issues without prior notification to or consent of Party B.

During the term of Party B as a shareholder of Shenzhen Xinjie, this Agreement and the authorization hereunder shall be irrevocable and remain in full force as from the execution date hereof.

During the term of this Agreement, Party B hereby waives all the rights conferred upon Party A hereunder with respect to Party B Equity and shall not exercise such rights on its own.

In the event of any dispute with respect to the construction and performance of this Agreement, the Parties shall first resolve the dispute through friendly negotiations. In the event that the Parties fail to reach an agreement within 30 days after either Party requests to the other Party for resolution of the dispute through negotiations, either Party may submit the relevant dispute to the China International Economic and Trade Arbitration Commission for arbitration in accordance with its then effective arbitration rules. The arbitration shall be conducted in Beijing. The arbitration award shall be final and binding on both Parties.

This Agreement shall be written in Chinese in duplicates of equal legal force, with each party holding one.

[Signature page follows]

IN WITNESS WHEREOF, the Parties have caused their authorized representatives to execute this Power of Attorney as of the date first above written.

Party A: **Beijing Shijitong Technology Co., Ltd. (Seal)**

Signature: /s/XIAO Wenjie

Name: XIAO Wenjie

Title: Legal Representative

/s/Seal of Beijing Shijitong Technology Co., Ltd.

Party B:

Signature: /s/LI Wenbin

Name: LI Wenbin

Power of Attorney

This Power of Attorney (hereinafter this "**Agreement**") is made in Beijing, China on March 10, 2017 by and between the following parties.

Party A: **Beijing Shijitong Technology Co., Ltd.,** a limited company duly incorporated and existing under the laws of the People's Republic of China ("**China**") and having its registered office at Room 1505, Building 1, No. 108 Zhichun Road, Haidian District, Beijing; and

Party B: **XIAO Wenjie** a Chinese citizen whose identification number is **********.

Party A and Party B shall be hereinafter referred to as a **"Party"** individually and **the "Parties**" collectively.

WHEREAS

Party B holds 95% of the equity interests ("**Party B Equity**") in Shenzhen Xinjie Investment Co., Ltd. Shenzhen Xinjie ("**Shenzhen Xinjie**").

Now Therefore, the Parties hereby agree as follows through mutual negotiations:

Party B hereby irrevocably authorizes Party A to exercise the following rights with respect to Party B Equity during the term of this Agreement.

Party A is hereby authorized as the sole and exclusive agent and attorney to act generally on behalf of Party B with respect to all matters relating to Party B Equity, including but not limited to (i) attending the Shareholders Meeting of Shenzhen Xinjie; (ii) exercising all the powers and voting rights of Party B as the shareholder in accordance to Chinese laws and the articles of association of Shenzhen Xinjie, including but not limited to on the sale, transfer, pledge or disposal of partial or entire Party B Equity; and (iii) designating and appointing the legal representative, chairman of the Board, directors, supervisors, chief executive officers and other senior management members on behalf of Party B.

Without prejudice to the generality of the powers conferred upon by this Agreement, Party A shall be entitled as authorized by this Agreement, to act on behalf of Party B to sign the Transfer Contracts as specified in the Exclusive Purchase Option Agreement (to which Party B shall be a party) and execute the Equity Pledge Agreement and the Exclusive Purchase Option Agreement signed on the same day with this Agreement and to which it is a party. The conclusion of the contracts aforementioned and the forms of the contractual rights therein shall not affect the authorization hereunder to any extent.

All actions taken by Party A in relation to Party B Equity shall be deemed as Party B's own actions and all the documents signed by Party A shall be deemed as signed by Party B. Party B hereby acknowledges and approves the actions taken by and/or documents signed by Party A.

Party A shall be entitled at its discretion to delegate or transfer to any other person or entity the rights in relation to the aforementioned issues without prior notification to or consent of Party B.

During the term of Party B as a shareholder of Shenzhen Xinjie, this Agreement and the authorization hereunder shall be irrevocable and remain in full force as from the execution date hereof.

During the term of this Agreement, Party B hereby waives all the rights conferred upon Party A hereunder with respect to Party B Equity and shall not exercise such rights on its own.

In the event of any dispute with respect to the construction and performance of this Agreement, the Parties shall first resolve the dispute through friendly negotiations. In the event that the Parties fail to reach an agreement within 30 days after either Party requests to the other Party for resolution of the dispute through negotiations, either Party may submit the relevant dispute to the China International Economic and Trade Arbitration Commission for arbitration in accordance with its then effective arbitration rules. The arbitration shall be conducted in Beijing. The arbitration award shall be final and binding on both Parties.

This Agreement shall be written in Chinese in duplicates of equal legal force, with each party holding one.

The Power of Attorney Agreement executed by the Parties on December 22, 2015 shall be automatically terminated as at the execution date hereof.

[Signature page follows]

IN WITNESS WHEREOF, the Parties have caused their authorized representatives to execute this Power of Attorney as of the date first above written.

Party A: **Beijing Shijitong Technology Co., Ltd. (Seal)**

Signature: /s/XIAO Wenjie

Name: XIAO Wenjie

Title: Legal Representative

/s/Seal of Beijing Shijitong Technology Co., Ltd.

Party B:

Signature: /s/XIAO Wenjie

Name: XIAO Wenjie

Exhibit 10.17

LOAN AGREEMENT

This Loan Agreement (this "**Agreement**") is executed on May 10, 2017 in Beijing, the People's Republic of China (the "**PRC**") by and between:

Party A: **Beijing Shijitong Technology Co., Ltd.** (the "**Lender**")

Address: Room 1505, Building 1, No. 108 Zhichun Road, Haidian District, Beijing; and

Party B:

XIAO Wenjie ("**Party B1**"), a Chinese citizen whose ID number is **********;
LI Wenbin ("**Party B2**", collectively the "**Borrowers**" with Party B1), a Chinese citizen whose ID number is **********;
The Lender and the Borrowers are hereinafter referred to as a "**Party**" individually and the "**Parties**" collectively.

WHEREAS:

The Borrowers hold in aggregate 100% equity interests (the "**Borrower Interests**") in Shenzhen Xinjie Investment Co., Ltd. (the "**Borrower Company**"), a limited liability company incorporated in Shenzhen, the PRC with a registered capital of RMB1,000,000.

The Lender intends to extend a loan to the Borrowers for the purposes set out in this Agreement. The Parties hereby agree as follows through friendly consultations:

1. Loan

1.1 In accordance with the terms and conditions of this Agreement, the Lender agrees to extend a loan totaling RMB1,000,000 (the "**Loan**") to the Borrowers. The term of the Loan shall be ten (10) years as from the execution date of this Agreement. Unless otherwise agreed by the Parties in writing, the term of the Loan shall be renewed automatically upon each of its expirations for another ten (10) years.

1.2 During the original or renewed term of the Loan, the Borrowers must make prepayment immediately upon occurrence of any of the following circumstances:

1.1.1 where the 30-day period expires after the Borrowers receive the written notice demanding repayment from the Lender;

1.1.2 where the Borrower, in the case of an individual, dies, losses or becomes limited in terms of civil capacity, or in the case of a limited liability company, is dissolved or liquidated;

1.1.3 where the Borrowers are no longer employed by the Lender, the Borrower Company or their affiliates for whatever reason;

1.1.4 where the Borrowers are engaged or involved in criminal activities;

1.1.5 where any third party make claims against the Borrowers with an amount of RMB100,000 or more; or

1.1.6 where in accordance with the applicable PRC laws, the Lender may directly hold the equity interests in the Borrower Company, the Borrower Company may lawfully continue with its business, and the Lender decides to exercise its exclusive purchase option under the Exclusive Option Agreement (the "**Exclusive Option Agreement**") referred to herein.

1.2 Subject to satisfaction of all conditions precedent set out in Section 2, the Lender agrees to remit the Loan to the bank account designated by the Borrowers within twenty (20) days of the receipt of the written notice indicating the Borrowers' demand for the Loan. The Borrowers shall issue an acknowledgement of receipt to the Lender on the same day when they receive such amount. The Loan extended by the Lender under this Agreement shall be utilized by the Borrowers only, and shall not be used by the successors or assignees of the Borrowers.

1.3 The Borrowers agree to accept the above Loan extended by the Lender, and hereby agree and undertake to use the Loan for funding business development of the Borrower Company. Without prior written consent of the Lender, the Borrowers shall not use such amount for any other purpose.

1.4 Both the Lender and the Borrowers agree and acknowledge that the Borrowers may make repayment only in following manner determined by the Lender: the Borrowers shall transfer all the Borrower Interests they hold to the Lender or the legal or natural person designated by the Lender upon the Lender's exercise of its option to buy the Borrower Interests under the Exclusive Option Agreement.

1.5 Both the Lender and the Borrowers agree and acknowledge that, to the extent permitted, any proceeds obtained by the Borrowers from transfer of the Borrower Interests shall be used for repaying for the Loan in accordance with this Agreement in such manner as designated by the Lender.

1.6 Both the Lender and the Borrowers agree and acknowledge that, to the extent permitted by applicable laws, the Lender shall have the right but no obligation to buy, or designated other legal or natural persons to buy, in whole or in part the Borrower Interests at any time at the purchase price agreed under the Exclusive Option Agreement.

1.7 Both the Lender and the Borrowers agree and acknowledge that the Borrowers agree to create a pledge over all the equity interests they hold in the Borrower Company in favor of the Lender to secure the debt repayment hereunder. For the avoidance of doubt, the Parties acknowledge that, in addition to the debt under this Agreement, the principal debt secured by the equity pledge under this section also includes all the debts owed by the

Borrowers and the Borrower Company to the Lender under the Exclusive Business Cooperation Agreement, the Exclusive Option Agreement and the Power of Attorney (as defined below).

1.8 Each of the Borrowers has executed an irrevocable Power of Attorney (the "**Power of Attorney**"), under which they authorize the Lender or any legal or natural person designated by the Lender to exercise all their rights as the shareholders of the Borrower Company.

1.9 When the Borrowers transfer their Borrower Interests to the Lender or the person designated by the Lender, if the transfer price is equal to or lower than the principal of the Loan under this Agreement, the Loan under this Agreement shall be deemed to be interest free loan; if the transfer price is higher than the principal of the Loan under this Agreement, the portion of the transfer price in excess of the principal shall be deemed to be the interests on the principal of the Loan and shall be repaid by the Borrowers to the Lender.

2. Conditions Precedent for Loan Extending

The Lender will not be obligated to extend the Loan to the Borrowers in accordance with Section 1.1 unless and until all the conditions below are satisfied or waived by the Lender in writing.

2.1 The Lender receives on time the drawdown notice duly signed by the Borrowers in accordance with Section 1.2. The Borrower Company and the Lender or the legal or natural person designated by the Lender has duly entered into a definite exclusive business cooperation agreement (the "**Exclusive Business Cooperation Agreement**"), under which the Lender or the person designated by the Lender will, to the extent permitted by the PRC laws, provide the Borrower Company with technical services and business consultancy services in the capacity of an exclusive service provider.

2.2 The Borrower, the Borrower Company and the Lender or the legal or natural person designated by the Lender have duly entered into a definite equity pledge contract (the "**Equity Pledge Contract**"), under which the Borrowers agree to create a pledge over all the Borrower Interests in favor of the Lender or the person designated by the Lender.

2.3 The Borrower, the Lender and the Borrower Company have duly entered into a definite Exclusive Option Agreement, under which the Borrowers will, to the extent permitted by the PRC laws, irrevocably grant the Lender an exclusive Purchase Option to buy all Borrower Interests.

2.4 The Borrowers and the Lender have entered into an irrevocable Power of Attorney, under which the Borrowers authorize the Lender or any legal or natural person designated by the Lender to exercise all their rights as the shareholders of the Borrower Company

2.5 The above Equity Pledge Contract, Power of Attorney, Exclusive Option Agreement and Exclusive Business Cooperation Agreement are executed on or prior to the execution date of this Agreement, and entered into full legal force. There have been no event that breaches or prejudices any of such contracts or agreements, and all the relevant filings, approvals, authorizations, registrations and government procedures have been secured or completed in accordance with such contracts or agreements, if required.

2.6 The representations and warranties made by the Borrowers under Section 3.2 are truthful, complete and accurate, and contain no misleading content.

2.7 The Borrowers have not breached any of the undertakings they make under Section 4 of this Agreement, and there is no actual or threatened event that may affect the performance of their obligations under this Agreement.

3. Representations and Warranties

3.1 From the execution date to the termination of this Agreement, the Lender represents and warrants to the Borrowers as follows:

3.1.1 The Lender is a company duly incorporated and existing under the PRC laws;

3.1.2 The Lender has the authority to execute and perform this Agreement. Its execution and performance of this Agreement are in line with its scope of business and the provisions in its articles of association and other constitutional documents. The Lender has obtained all necessary and appropriate approvals and authorizations required for the execution and performance of this Agreement; and

3.1.3 Upon execution, this Agreement shall constitute lawful, valid and enforceable obligations for the Lender.

3.2 From the execution date to the termination of this Agreement, the Borrowers represent and warrant as follows:

3.2.1 The Borrowers have the authority to execute and perform this Agreement, and have obtained all necessary and appropriate approvals and authorizations required for the execution and performance of this Agreement;

3.2.2 Upon execution, this Agreement shall constitute lawful, valid and enforceable obligations for the Borrowers; and

3.2.3 There is no actual or potential dispute, action, arbitration, administrative procedures or other legal proceedings involving the Borrowers.

4. Undertakings of the Borrowers

4.1 The Borrowers irrevocably undertake in the capacity of the shareholders of the Borrower Company that they will, during the term of this Agreement, procure the Borrower Company:

4.1.1 to strictly comply with the provisions of the Exclusive Option Agreement and the Exclusive Business Cooperation Agreement, and not to engage in any action or omission that is sufficient to affect the validity and enforceability of the Exclusive Option Agreement and the Exclusive Business Cooperation Agreement;

4.1.2 to enter into contracts/agreements on business cooperation with the Lender or the person designated by the Lender or the person designated by the Lender at any time as requested by the Lender, and ensure the strict performance of such contracts/agreements;

4.1.3 to provide the Lender with all its operating and financial information at the request of the Lender;

4.1.4 to inform the Lender promptly of any existing or potential litigation, arbitration or administrative procedures in connection with its assets, business and revenue; and

4.1.5 to appoint any person designated by the Lender as director of the Borrower Company at the request of the Lender.

4.2 The Borrowers undertake that during the term of this Agreement:

4.2.1 they shall exert their best efforts to cause the Borrower Company to continue with its existing business;

4.2.2 they shall strictly comply with the provisions of this Agreement, the Power of Attorney, the Equity Pledge Contract and the Exclusive Option Agreement, and shall not engage in any action or omission that is sufficient to affect the validity and enforceability of this Agreement, the Power of Attorney, the Equity Pledge Contract and the Exclusive Option Agreement;

4.2.3 unless otherwise provided under the Equity Pledge Contract, they shall not sell, transfer, charge or otherwise dispose of the legal or beneficial interests in the Borrower Interests, or permit any other security interests to be created over the same;

4.2.4 they shall procure the shareholders meeting and/or board of directors of the Borrower Company to disapprove any sale, transfer, charge or other disposal of the legal or beneficial interests in the Borrower Interests, or permission of any other security interests to be created over the same, in each case without prior written consent of the Lender, unless in favor of the Lender or the person designated by the Lender;

4.2.5 they shall procure the shareholders meeting and/or board of directors of the Borrower Company to disapprove the merger or consolidation of the Borrower Company with any person or acquisition of or investment in any person by the Borrower Company, in each case without prior written consent of the Lender;

4.2.6 they shall inform the Lender promptly of any actual or threatened litigation, arbitration or administrative procedures in connection with the Borrower Interests;

4.2.7 they shall execute all such documents, take all such actions, make all such allegations, or present such defense against all claims as are necessary and appropriate for maintaining their ownership over the Borrower Interests;

4.2.8 without prior written consent of the Lender, they shall not take any action or omission that may cause a material adverse effect on the assets, business and liabilities of the Borrower Company;

4.2.9 they shall, at the request of the Lender, appoint any person designated by the Lender as director of the Borrower Company;

4.2.10 to the extent permitted by the PRC laws, they shall, upon the request of the Lender from time to time, unconditionally transfer the Borrower Interests to the Lender or the person designated by the Lender, and cause other shareholders of the Borrower Company to waive their pre-emptive rights to the equity interests transfer under this paragraph;

4.2.11 to the extent permitted by the PRC laws, they shall, upon the request of the Lender from time to time, cause other shareholders of the Borrower Company to unconditionally transfer all the equity interests they hold in the Borrower Company to the Lender or the representative designated by the Lender, in which case, the Borrowers shall waive their pre-emptive rights to the equity interests transfer under this paragraph;

4.2.12 the Borrowers shall use the purchase price for repaying for the Loan first if the Lender purchases the Borrower Interests from them in accordance with the Exclusive Option Agreement; and

4.2.13 without prior written consent of the Lender, they shall not supplement, change or amend their articles of association in any manner, increase or decrease the registered capital, or change the capital structure in any form.

5. Liabilities for Breach of Contract

5.1 Either Party that breaches this Agreement and thus causes it impossible to perform this Agreement in whole or in part shall bear the liability for breach of contract, and indemnify the other Party against the losses (including litigation fees and attorney fees) thus caused. Where both Parties are in breach of this Agreement, they shall bear their respective liabilities according to the actual circumstances.

5.2 Where the Borrowers fail to perform their obligations to make repayment within the period set out in this Agreement, they shall pay the default interests at a rate of 0.1% of the overdue amount on a daily basis, until all the principal, default interests and other amount are paid up.

6. Notice

6.1 All notices and other communications required or permitted to be given pursuant to this Agreement shall be delivered personally or sent by registered mail with postage prepaid, commercial courier service or facsimile transmission to the address of such Party set forth below. Each notice shall be followed by a confirmation copy sent by email. The dates on which notices shall be deemed to have been effectively given shall be determined as follows:

6.1.1 Notices given by personal delivery, courier service, registered mail with postage prepaid shall be deemed effectively given on the date of receipt or rejection at the address specified for notices; or

6.1.2 Notices given by facsimile transmission shall be deemed effectively given on the date of successful transmission (as evidenced by an automatically generated confirmation of transmission).

6.2 The addresses of the Parties for receiving notices are as follows:

Lender:

Beijing Shijitong Technology Co., Ltd.

Address: 27/F, CES Tower, No. 3099 Keyuan South Road, Nanshan District, Shenzhen

Attn: XIAO Wenjie

Tel.: 0755-33688788

Borrowers:

XIAO Wenjie

Address: **********, Nanshan District, Shenzhen

Tel.: **********

LI Wenbin

Address: **********, Futian District, Shenzhen

Tel.: **********

6.3 Any Party may send a notice to the other Party as provided in this Section to change its address used to receive notice.

7. Confidentiality

The Parties acknowledge that any oral or written information exchanged between the Parties in connection with the preparation and performance this Agreement constitute confidential information. Each Party shall maintain confidentiality of all such

confidential information, and without obtaining the written consent of the other Party, it shall not disclose any relevant confidential information to any third parties, except for the information that: (i) is or becomes available to the general public (other than through the receiving Party's unauthorized disclosure); (ii) is required to be disclosed by applicable laws or regulations or rules or regulations of any stock exchange; or (iii) is necessary to be disclosed by any Party to its legal counsels or financial advisors regarding the transaction contemplated hereunder, provided that such legal counsels or financial advisors shall be bound by the confidentiality obligations similar to those set forth in this Section. Disclosure of any confidential information by the employees of or agencies engaged by any Party shall be deemed disclosure by such Party itself and such Party shall be held liable for breach of this Agreement. This Section shall survive the termination of this Agreement for any reason.

8. Governing Law and Dispute Resolution

8.1 The execution, effectiveness, construction, performance, amendment and termination of this Agreement and the resolution of disputes hereunder shall be governed by the formally published and publicly available laws of China. Matters not covered by formally published and publicly available laws of China shall be governed by international legal principles and practices.

8.2 In the event of any dispute with respect to the construction and performance of this Agreement, the Parties shall first resolve the dispute through friendly negotiations. In the event the Parties fail to reach an agreement within 30 days after either Party requests to the other Parties for resolution of the dispute through negotiations, either Party may submit the relevant dispute to the China International Economic and Trade Arbitration Commission for arbitration, in accordance with its then effective arbitration rules. The arbitration shall be conducted in Beijing, and the language shall be Chinese. The arbitration award shall be final and binding on all Parties.

8.3 Upon occurrence of any disputes arising from the construction and performance of this Agreement or pending arbitration of any dispute, except for the matters under dispute, the Parties shall continue to exercise their respective rights and perform their respective obligations hereunder.

9. Miscellaneous

9.1 This Agreement shall take effect on the day when it is executed by the Parties and expire on the day when the Parties have completed the performance of their obligations under this Agreement.

9.2 This Agreement is made in Chinese in four counterparts of equal legal force with each of the Lender and the Borrower holding one.

9.3 The Parties may amend and supplement this Agreement by written agreement. The amendment agreement and/or supplementary agreement among the Parties in connection with this Agreement shall be integral part of and have the equal legal effect with this Agreement.

9.4 In the event that one or several provisions hereof are found to be invalid, illegal or unenforceable in any aspect in accordance with any laws or regulations, the validity, legality or enforceability of the remaining provisions of this Agreement shall not be affected or compromised in any aspect. The Parties shall negotiate in good faith to replace such invalid, illegal or unenforceable provisions with effective provisions that accomplish to the greatest extent permitted by law the intentions of the Parties, and the economic effect of such effective provisions shall be as close as possible to the economic effect of those invalid, illegal or unenforceable provisions.

9.5 The schedules, if any, to this Agreement shall be integral part of and have equal legal effect with this Agreement.

[Signature page follows]

IN WITNESS WHEREOF, the Parties have caused their authorized representatives to execute sign this Loan Agreement as of the date first above written.

Lender:

Beijing Shijitong Technology Co., Ltd. (Seal)

Signature: /s/XIAO Wenjie

Name: XIAO Wenjie

Title: Legal Representative

/s/Seal of Beijing Shijitong Technology Co., Ltd.

Borrowers:

Signature: /s/XIAO Wenjie

Name: XIAO Wenjie

Signature: /s/LI Wenbin

Name: LI Wenbin

Appendix 1

Loan Amount

Borrower	Loan Amount (RMB)
XIAO Wenjie	950,000
LI Wenbin	50,000
Total	**1,000,000**

Exhibit 10.18

Exclusive Business Cooperation Agreement

This Exclusive Business Cooperation Agreement (this "**Agreement**") is made and entered into by and between the following parties on January 13, 2016 in Beijing, the People's Republic of China.

Party A: **Beijing Shijitong Technology Co., Ltd.**

Address: Room 1505, Buildings 1, No.108 Zhichun Road, Haidian District, Beijing

Party B: **Shenzhen Qianhai Dingsheng Asset Management Co., Ltd.**

Address: c/o Shenzhen Qianhai Commerce Secretariat Co., Ltd., Room 201, Block A, No.1 Qianwan 1st Road, Qianhai Shenzhen-Hongkong Corporation Zone, Shenzhen

Party A and Party B shall be hereinafter referred to as a **"Party"** individually, and as the **"Parties"** collectively.

Whereas,

1. Party A is a wholly foreign-owned enterprise registered in the People's Republic of China's (hereinafter "**China**" or "**PRC**") with necessary resources for providing technical services and commercial consulting services;

2. Party B is a domestic company registered in China and is approved by competent Chinese government authorities to engage in equity investment, entrusted asset management, equity investment fund management (raising funds publicly and management of publicly raised funds prohibited), investment management, investment consulting, guarantee business (excluding financing guarantee business and other restricted businesses), industrial and commercial investments (specific projects to be separately applied for); domestic trade, supply and marketing of material, various types of economic information consulting (excluding state-monopolized commodities, commodities under special government control and restricted items); import/export business; enterprise management consulting, enterprise image planning, enterprise financial consulting, supply chain management and supporting services, online commercial activities (excluding restricted activities); sales of dyed knitwear and electronic products; and real estate development and operation on land plots for which use rights have been lawfully obtained. Party B's current business and any business to be operated and developed at any time during the term of this Agreement are collectively referred to as "**Principal Business**".

3. Party A is willing to, with its advantages in technology, human resources, and information, provide Party B with technical support, consulting services and other services on an exclusive basis in relation to the Principal Business during the term of this Agreement, and Party B is willing to accept such services provided by Party A or Party A's designee(s), each on the terms set forth herein.

Now, therefore, the Parties hereby agree as follows through mutual negotiations:

1. **Services to be Provided by Party A**

1.1 Pursuant to the terms and conditions set forth herein, Party B hereby appoints Party A as Party B's exclusive services provider to provide Party B with full-range business support and technical and consulting services during the term of this Agreement, which may include all such services as may be determined from time to time by Party A within Party B's scope of the Principal Business, such as but not limited to technical services, network support, business consultations, intellectual property licenses, equipment or office premise leasing, marketing consultancy, system integration, product research and development, and system maintenance.

1.2 Party B agrees to accept the consultations and services provided by Party A. Party B further agrees that unless with Party A's prior written consent, during the term of this Agreement, Party B shall not directly or indirectly accept any same or similar services provided by any third party and shall not establish similar cooperation relationships with any third party regarding the matters contemplated by this Agreement. Party A may appoint other parties, who may enter into certain agreements described in Section 1.3 with Party B, to provide Party B with the services under this Agreement.

1.3 Service Mode

1.3.1 Party A and Party B agree that during the term of this Agreement, both Parties may, directly or through their respective affiliates, enter into further technical service agreements or consulting service agreements, which shall specify the specific contents, manner, personnel, and fees for the specific technical services and consulting services to be provided by Party A.

1.3.2 To fulfill this Agreement, Party A and Party B agree that during the term of this Agreement, both Parties may, directly or through their respective affiliates, enter into intellectual property (including, but not limited to, software, trademark, patent and know-how) license agreements which shall permit Party B to, based on its business needs, use Party A's relevant intellectual property rights at any time and from time to time.

1.3.3 To fulfill this Agreement, Party A and Party B agree that during the term of this Agreement, both Parties may, directly or through their respective affiliates, enter into equipment or property leases which shall permit Party B to, based on its business needs, use Party A's relevant equipment or property at any time and from time to time.

1.3.4 Party B hereby grants to Party A an irrevocable and exclusive option to purchase from Party B, at Party A's sole discretion, any or all of the assets of Party B, to the extent permitted under PRC law, and at the lowest purchase price permitted by PRC law. Upon exercise

of such option by Party A, The Parties shall enter into a separate asset transfer agreement, specifying the terms and conditions of the transfer of the assets.

2. **The Calculation and Payment of Service Fees**

Both Parties agree that Party B shall pay Party A consulting service fees in the amount and on the date stipulated in the invoice. Party A shall have the right to adjust the service fee rate at any time in accordance with the quantity and content of consulting services it provides to Party B.

2.1 Party B shall pay service fees to Party A in the following manner for the services provided by Party A hereunder.

2.1.1 Service fee equivalent to a certain ratio of the balance of Party B's current-year revenue deducting the cost recognized by Party A, which ratio shall be otherwise determined by Party A annually based on Party B's actual profitability; and

2.1.2 Service fee otherwise agreed upon by the Parties for specific technical services provided by Party A from time to time upon Party B's request.

2.2 Party B shall pay the service fees determined pursuant to Section 2.1 to Party A's designated bank account in a lump sum within three (3) months following the end of each Gregorian Calendar year.

2.3 With fifteen (15) days following the end of each financial year, Party B shall provide Party A with current-year financial statements and all business records, business contracts and financial information necessary for the issuance of financial statements. If Party A disputes with the financial information provided by Party B, it may appoint an independent accountant with good reputation to audit relevant information and Party B shall cooperate.

3. **Intellectual Property Rights and Confidentiality Clauses**

3.1 Party A shall have exclusive and proprietary ownership, rights and interests in any and all intellectual properties arising out of or created during the performance of this Agreement, including but not limited to copyrights, patents, patent applications, trademarks, software, technical secrets, trade secrets, regardless of whether they have been developed by Party A or Party B. Party B shall execute all appropriate documents, take all appropriate actions, submit all filings and/or applications, render all appropriate assistance and otherwise conduct as deemed necessary by Party A at its sole discretion, so as to vest any ownership, right or interest of any such intellectual property rights in Party A, and/or perfect the protections for any such intellectual property rights of Party A.

3.2 The Parties acknowledge that the existence and the terms of this Agreement and any oral or written information exchanged between the Parties in connection with the preparation and performance of this Agreement constitute confidential information. Each Party shall maintain confidentiality of all such confidential information, and without obtaining written consent of the other Party, it shall not disclose any relevant confidential information to any third party, except for the information that: (i) is or becomes available to the general public (other than through the receiving Party's unauthorized disclosure); (ii) is required to be disclosed by applicable laws or regulations or rules or regulations of any stock exchange; or (iii) is necessary to be disclosed by any Party to its shareholders, directors, employees, legal counsels or financial advisors regarding the transaction contemplated hereunder, provided that such shareholders, directors, employees, legal counsels or financial advisors shall be bound by the confidentiality obligations similar to those set forth in this Section. Disclosure of any confidential information by the shareholders, director, employees of or agencies engaged by any Party shall be deemed disclosure by such Party itself and such Party shall be held liable for breach of this Agreement. This Section shall survive the termination of this Agreement for any reason.

3.3 The Parties agree that this Section shall survive changes to, and rescission or termination of, this Agreement.

4. **Representation and Warranties**

4.1 Party A hereby represents and warrants as follows:

4.1.1 Party A is a wholly foreign-owned enterprise legally established and validly existing under the laws of China;

4.1.2 Party A has taken all necessary corporate actions, obtained all necessary authorizations as well as all consents and approvals from third parties and government agencies (if required) for the execution, delivery and performance of this Agreement. Party A's execution, delivery and performance of this Agreement do not violate any restrictions in law or otherwise binding or having an impact on Party A.

4.1.3 This Agreement constitutes Party A's legal, valid and binding obligations, enforceable against it in accordance with its terms.

4.2 Party B hereby represents and warrants as follows:

4.2.1 Party B is a company legally established and validly existing under the laws of China and has obtained all government permits and licenses for engaging in the Principal Business.

4.2.2 Party B's execution and performance of this Agreement is within its corporate capacity and the scope of its business operations; Party B has taken necessary corporate actions and given appropriate authorization and has obtained the consent and approval from third parties and government agencies, and will not violate any restrictions in law or otherwise binding or having an impact on Party B.

4.2.3 This Agreement constitutes Party B's legal, valid and binding obligations, and shall be enforceable against it in accordance with its terms.

5. **Effectiveness and Term**

5.1 This Agreement is executed on the date first above written and shall take effect as of such date. This Agreement shall have an indefinite term and remain effective unless terminated in accordance with the provisions of this Agreement or terminated in writing by Party A.

5.2 During the term of this Agreement, each Party shall renew its operation term prior to the expiration thereof so as to enable this Agreement to remain effective. This Agreement shall be terminated upon the expiration of the operation term of a Party if the application for the renewal of its operation term is not approved by relevant government authorities.

6. **Termination**

6.1 Party B shall not terminate this Agreement prior to expiration of the term of this Agreement.

6.2 During the term of this Agreement, Party A shall have the right to terminate this Agreement upon giving 30 days' prior written notice to Party B at any time.

6.3 The rights and obligations of the Parties under Sections 3, 7 and 8 shall survive the termination of this Agreement.

7. **Governing Law and Dispute Resolution**

7.1 The execution, effectiveness, construction, performance, amendment and termination of this Agreement and the dispute resolution hereunder shall be governed by the laws of China.

7.2 In the event of any dispute with respect to the construction and performance of this Agreement, the Parties shall first resolve the dispute through friendly negotiations. In the event that the Parties fail to reach an agreement within 30 days after either Party requests to the other Party for resolution of the dispute through negotiations, either Party may submit the relevant dispute to the China International Economic and Trade Arbitration Commission for arbitration in accordance with its then effective arbitration rules. The arbitration shall be conducted in Beijing. The arbitration award shall be final and binding on both Parties.

7.3 Upon occurrence of any disputes arising from the construction and performance of this Agreement or pending arbitration of any dispute, except for the matters under dispute, the Parties shall continue to exercise their respective rights and perform their respective obligations hereunder.

8. **Indemnification**

Party B shall indemnify and hold harmless Party A from any losses, injuries, obligations or expenses incurred by Party A due to any lawsuit, claims or other demands against Party A arising from or caused by the consultations and services provided by Party A at the request of Party B, except where such losses, injuries, obligations or expenses arise from the gross negligence or willful misconduct of Party A.

9. **Notices**

9.1 All notices and other communications required or permitted to be given pursuant to this Agreement shall be delivered personally or sent by registered mail with postage prepaid, commercial courier service or facsimile transmission to the address of such Party set forth below. Each notice shall be followed by a confirmation copy sent by email. The dates on which notices shall be deemed to have been effectively given shall be determined as follows:

9.1.1 Notices given by personal delivery, courier service, registered mail with postage prepaid shall be deemed effectively given on the date of receipt or rejection at the address specified for notices.

9.1.2 Notices given by facsimile transmission shall be deemed effectively given on the date of successful transmission (as evidenced by an automatically generated confirmation of transmission).

9.2 The addresses of the Parties for receiving notices are as follows:

Party A: Beijing Shijitong Technology Co., Ltd.

Address: 6/F, Block B, Huazhong University of Science and Technology, Virtual University Park, Nanshan Science Zone, Nanshan District, Shenzhen

Attn: XIAO Wenjie

Tel.: 0755-86530952

Party B: Shenzhen Qianhai Dingsheng Asset Management Co., Ltd.

Address: 6/F, Block B, Huazhong University of Science and Technology, Virtual University Park, Nanshan Science Zone, Nanshan District, Shenzhen

Attn: XIAO Wenjie

Tel.: 0755-86530952

9.3 Either Party may at any time change its address for notices by a notice delivered to the other Party in accordance with the terms hereof.

10. **Assignment**

10.1 Without Party A's prior written consent, Party B shall not assign its rights and obligations hereunder to any third party.

10.2 Party B agrees that Party A may assign its obligations and rights hereunder to any third party and in the case of such assignment, Party A is only required to give written notice to Party B and does not need to seek any consent from Party B.

11. **Severability**

In the event that one or several provisions hereof are found to be invalid, illegal or unenforceable in any aspect in accordance with any laws or regulations, the validity, legality or enforceability of the remaining provisions of this Agreement shall not be affected or compromised in any aspect. The Parties shall negotiate in good faith to replace such invalid, illegal or unenforceable provisions with effective provisions that accomplish to the greatest extent permitted by law the intentions of the Parties, and the economic effect of such effective provisions shall be as close as possible to the economic effect of those invalid, illegal or unenforceable provisions.

12. **Modification and Supplement**

Any amendments and supplements to this Agreement shall be in writing. Any amendment agreements and supplementary agreements signed by the Parties with respect to this Agreement shall form an integral part of this Agreement and have the same legal effect as this Agreement.

13. **Language and Counterparts**

This Agreement is written in Chinese in two counterparts of equal legal force, with each Party holding one.

[Signature page follows]

IN WITNESS WHEREOF, the Parties have caused their authorized representatives to execute this Exclusive Business Cooperation Agreement as of the date first above written.

Party A: Beijing Shijitong Technology Co., Ltd. (Seal)

Signature: /s/XIAO Wenjie

Name: XIAO Wenjie

Title: Legal Representative

/s/Seal of Beijing Shijitong Technology Co., Ltd.

Party B: Shenzhen Qianhai Dingsheng Asset Management Co., Ltd. (Seal)

Signature: /s/XIAO Wenjie

Name: XIAO Wenjie

Title: Legal Representative

/s/Seal of Shenzhen Qianhai Dingsheng Asset Management Co., Ltd.

Exhibit 10.19

EXCLUSIVE OPTION AGREEMENT

This Exclusive Option Agreement (this "**Agreement**") is made and entered into by and among the following Parties as of March 9, 2017 in Beijing, the People's Republic of China ("**China**"):

Party A: **Beijing Shijitong Technology Co., Ltd**, a wholly foreign-owned enterprise duly registered in China, with its address at Room 1505, Buildings 1, No.108 Zhichun Road, Haidian District, Beijing;

Party B: **QIAO Qian**, a Chinese citizen whose ID number is **********

WEI Jianwei, a Chinese citizen whose ID number is **********

Shenzhen Xinjie Investment Co., Ltd., a limited liability company organized and existing under the laws of China with its address at 6/F, Block B, Shenzhen Industry-University-Research Cooperation Base of Huazhong University of Science and Technology, No.9 Yuexing 3rd Road, Gaoxin Zone, Yuehai Sub-district, Nanshan District, Shenzhen; and

Party C: **Shenzhen Qianhai Dingsheng Asset Management Co., Ltd.,** a limited liability company organized and existing under the laws of China, with its address at the offices of Shenzhen Qianhai Commerce Secretariat Co., Ltd., Room 201, Block A, No.1 Qianwan 1st Road, Qianhai Shenzhen-Hongkong Corporation Zone, Shenzhen.

Party A, Party B and Party C shall be hereinafter referred to as a "**Party**" individually, and the "**Parties**" collectively.

WHEREAS:

Party B is a shareholder of Party C and holds 100% of the Equity Interest in Party C as of the execution date hereof;

Now Therefore, the Parties hereby agree as follows through mutual negotiations:

1. Sale and Purchase of Equity Interest

1.1 Grant of Option

In consideration of the payment of RMB 10.00 by Party A, the receipt and sufficiency of which is hereby acknowledged by Party B, Party B hereby irrevocably grants Party A an irrevocable and exclusive right to purchase, or designate one or more persons (each, a "**Designee**") to purchase in whole or in part the equity interests in Party C now or then held by Party B (regardless of whether Party B's capital contribution and/or shareholding percentage is changed or not in the future) at any time and from time to time at Party A's sole and absolute discretion to the extent permitted by Chinese laws and at the price described in Section 1.3 herein (such right being the "**Equity Interest Purchase Option**"). Except for Party A and the

Designee(s), no other person shall be entitled to the Equity Interest Purchase Option or other rights with respect to the equity interests held by Party B. Party C hereby agrees to the grant by Party B of the Equity Interest Purchase Option to Party A. The term "person" as used herein shall refer to individuals, corporations, joint ventures, partnerships, enterprises, trusts or non-corporate organizations.

1.2 Steps for Exercise of Equity Interest Purchase Option

Subject to the provisions of the laws and regulations of China, Party A may exercise the Equity Interest Purchase Option by issuing a written notice to Party B (the "**Equity Interest Purchase Option Notice**"), specifying: (i) Party A's decision to exercise the Equity Interest Purchase Option; (ii) the portion of equity interests Party A proposes to be purchase from Party B (the "**Optioned Interests**"); and (iii) the date for purchasing/transferring the Optioned Interests.

1.3 Equity Interest Purchase Price

Unless an appraisal is required by the laws of China for the Equity Interest Purchase Option exercised by Party A, the purchase price of the Optioned Interests (the "**Equity Interest Purchase Price**") shall be the minimum price to the extent permitted by law.

1.4 Transfer of Optioned Interests

For each exercise of the Equity Interest Purchase Option:

1.4.1 Party B shall cause Party C to promptly convene a shareholders meeting, at which a resolution shall be adopted approving Party B's transfer of the Optioned Interests to Party A and/or the Designee(s);

1.4.2 Party B shall obtain written statements from the other shareholders of Party C (if any) giving consent to the transfer of the equity interest to Party A and/or the Designee(s) and waiving any right of first refusal related thereto;

1.4.3 Party B shall execute a share transfer contract with Party A and/or each Designee (whichever is applicable) with respect to each transfer ("**Transfer Contract**"), in accordance with the provisions of this Agreement and the Equity Interest Purchase Option Notice;

1.4.4 The relevant Parties shall execute all other necessary contracts, agreements or documents, obtain all necessary government licenses and permits and take all necessary actions to transfer valid ownership of the Optioned Interests to Party A and/or the Designee(s),

unencumbered by any security interests, and cause Party A and/or the Designee(s) to become the registered owner(s) of the Optioned Interests. For the purposes of this Section and this Agreement, "**Security Interests**" shall include securities, mortgages, third party's rights or interests, any stock options, acquisition right, right of first refusal, right to offset, title retention or other security arrangements, but shall be

deemed to exclude any security interest created by this Agreement and Party B's Equity Pledge Agreement. "**Party B's Equity Pledge Agreement**" as used in this Section and this Agreement shall refer to the Equity Pledge Agreement executed by and among Party A, Party B and Party C on the date of this Agreement ("**Equity Pledge Agreement**"), whereby Party B pledges all of its equity interests in Party C to Party A, in order to guarantee Party C's performance of its obligations under the Exclusive Business Cooperation Contract and other agreements executed by and between Party C and Party A.

2. Covenants

2.1 Covenants regarding Party C

Party B (as a shareholder of Party C) and Party C hereby covenant as follows:

2.1.1 Without prior written consent of Party A, they shall not in any manner supplement, change or amend the articles of association and bylaws of Party C, increase or decrease its registered capital, or otherwise change its structure of registered capital;

2.1.2 They shall maintain Party C's corporate existence in accordance with good financial and business standards and practices, obtain and maintain all government permits and licenses necessary for Party C to engage in its business, and prudently and effectively operate its business and handle its affairs;

2.1.3 Without prior written consent of Party A, they shall not at any time after the execution date hereof, sell, transfer, mortgage or otherwise dispose of any assets of Party C or legal or beneficial interest in the business or revenues of Party C, or allow creation of any encumbrance or security interest thereon;

2.1.4 Without prior written consent of Party A, they shall not incur, inherit, guarantee or allow the existence of any debt, except for (i) debts incurred in the ordinary course of business other than through borrowing loans; and (ii) debts that have been disclosed to Party A and for which Party A's written consent has been obtained;

2.1.5 They shall always operate all of Party C's businesses during the ordinary course of business to maintain the asset value of Party C and refrain from any action/omission that may affect Party C's operating status and asset value;

2.1.6 Without prior written consent of Party A, they shall not cause Party C to execute any major contract, except for contracts executed in the ordinary course of business (for the purpose of this subsection, a contract with a value exceeding RMB 100,000 shall be deemed a major contract);

2.1.7 Without prior written consent of Party A, they shall not cause Party C to provide any person with any loan or credit;

2.1.8 They shall provide Party A with information on Party C's business operations and financial condition at Party A's request;

2.1.9 If requested by Party A, they shall procure and maintain insurance in respect of Party C's assets and business from an insurance carrier acceptable to Party A, at an amount and type of coverage typical for companies that operate similar businesses;

2.1.10 Without prior written consent of Party A, they shall not cause or permit Party C to merge, consolidate with, acquire or invest in any person;

2.1.11 Without prior written consent of Party A, they shall not liquidate, dissolve or deregister Party C;

2.1.12 They shall immediately notify Party A of the occurrence or possible occurrence of any litigation, arbitration or administrative proceedings relating to Party C's assets, business or revenue;

2.1.13 To maintain the ownership by Party C of all of its assets, they shall execute all necessary or appropriate documents, take all necessary or appropriate actions and file all necessary or appropriate complaints or raise necessary and appropriate defenses against all claims;

2.1.14 Without prior written consent of Party A, they shall ensure that Party C shall not in any manner distribute dividends to its shareholder, provided that upon Party A's written request, Party C shall immediately distribute all distributable profits to its shareholders; and

2.1.15 At the request of Party A, they shall appoint any persons designated by Party A as the director of Party C.

2.2 Covenants of Party B

Party B hereby covenants as follows:

2.2.1 Without prior written consent of Party A, Party B shall not sell, transfer, mortgage or otherwise dispose any legal or beneficial interest in the equity interests in Party C held by Party B, or allow creation of any encumbrance or security interest thereon, except for the pledge created on these equity interests in accordance with Party B's Equity Pledge Agreement;

2.2.2 Party B shall cause the shareholder and/or the board of directors and/or executive director of Party C to disapprove the sale, transfer, mortgage or otherwise disposition of any legal or beneficial interest in the equity interests in Party C held by Party B, or allow the creation of encumbrance or any security interest thereon, without prior written consent of Party A, except for the pledge created on these equity interests in accordance with Party B's Equity Pledge Agreement;

2.2.3 Party B shall cause the shareholder or the board of directors and/or executive director of Party C to disapprove Party C's merger or consolidation with any person, or the acquisition of or investment in any person, without prior written consent of Party A;

2.2.4 Party B shall immediately notify Party A of the occurrence or possible occurrence of any litigation, arbitration or administrative proceedings relating to the equity interests in Party C held by Party B;

2.2.5 Party B shall cause the shareholder or executive director and/or the board of directors of Party C to vote their approval of the transfer of the Optioned Interests as set forth in this Agreement and to take any and all other actions that may be requested by Party A;

2.2.6 To the extent necessary to maintain Party B's ownership in Party C, Party B shall execute all necessary or appropriate documents, take all necessary or appropriate actions and file all necessary or appropriate complaints or raise necessary and appropriate defenses against all claims;

2.2.7 Party B shall, at the request of Party A, appoint any designee of Party A as the director and/or executive director of Party C;

2.2.8 Party B shall, at the request of Party A at any time, promptly and unconditionally transfer its equity interests in Party C to Party A's Designee(s) in accordance with the Equity Interest Purchase Option under this Agreement, and Party B hereby waives its right of first refusal (if any) to the share transfer by the other existing shareholder of Party C (if any); and

2.2.9 If Party B receives from Party C any profit, profit sharing, stock dividend, or liquidation proceeds, Party B shall promptly donate the same to Party A or any of its Designee(s) on the premise of complying with Chinese laws; and

2.2.10 Party B shall strictly abide by the provisions of this Agreement and other contracts jointly or separately executed by and among Party B and/or Party C and Party A, perform the obligations hereunder and thereunder, and refrain from any action/omission that may affect the effectiveness and enforceability hereof and thereof. To the extent that Party B has any residual rights with respect to the equity interests subject to this Agreement hereunder or under Party B's Equity Pledge Agreement or under the Power of Attorney Agreement granted in favor of Party A, Party B shall not exercise such rights except in accordance with the written instructions of Party A.

3. Representations and Warranties

Party B and Party C hereby represent and warrant to Party A, jointly and severally, as of the date of this Agreement and each date of transfer of the Optioned Interests, that:

3.1 They have the authority to execute and deliver this Agreement and any share transfer contracts to which they are a party concerning the Optioned Interests to be transferred thereunder (each, a **"Transfer Contracts"**), and to perform their obligations under this Agreement and any Transfer Contracts. Party B and Party C agree to enter into Transfer Contracts consistent with the terms of this Agreement upon Party A's exercise of the Equity Interest Purchase Option. This Agreement and the Transfer Contracts to which Party B and Party C are a party constitute or will constitute their legal, valid and binding obligations and shall be enforceable against them in accordance with the provisions thereof;

3.2 The execution and delivery of this Agreement or any Transfer Contracts and the obligations under this Agreement or any Transfer Contracts shall not: (i) cause any violation of any applicable Chinese laws; (ii) be inconsistent with the articles of association, bylaws or other organizational documents of Party C; (iii) cause the violation of any contracts or instruments to which they are a party or which are binding on them, or constitute any breach under any contracts or instruments to which they are a party or which are binding on them; (iv) cause any violation of any condition for the grant and/or continued effectiveness of any licenses or permits issued to either of them; or (v) cause the suspension or revocation of or imposition of additional conditions to any licenses or permits issued to either of them;

3.3 Party B has a good and merchantable title to the equity interests in Party C held by Party B. Except for that disclosed in Party B's Equity Pledge Agreement or other written instruments, Party B has not created any security interest on such equity interests;

3.4 Party C has a good and merchantable title to all of its assets, and except otherwise disclosed in writing, has not created any security interest or purchase option on the aforementioned assets;

3.5 Party C does not have any outstanding debts, except for (i) debt incurred in the ordinary course of business; and (ii) debts that have been disclosed to Party A and for which Party A's written consent has been obtained;

3.6 There are no pending or threatened litigation, arbitration or administrative proceedings involving the equity interests in Party C, assets of Party C or Party C; and

3.7 Party C has complied with all laws and regulations of China applicable to asset acquisitions;

4. Effective Date

This Agreement shall become effective upon the execution date hereof, and shall be terminated upon the complete transfer of all options held by Party B in Party C to Party A and/or its Designee(s) pursuant to this Agreement.

5. Governing Law and Resolution of Disputes

5.1 Governing Law

The execution, effectiveness, construction, performance, amendment and termination of this Agreement and the resolution of disputes hereunder shall be governed by the formally published and publicly available laws of China. Matters not covered by formally published and publicly available laws of China shall be governed by international legal principles and practices.

5.2 Dispute Resolution

In the event of any dispute with respect to the construction and performance of this Agreement, the Parties shall first resolve the dispute through friendly negotiations. In the event the Parties fail to reach an agreement within 30 days after either Party requests to the other Parties for resolution of the dispute through negotiations, either Party may submit the relevant dispute to the China International Economic and Trade Arbitration Commission for arbitration, in accordance with its then effective arbitration rules. The arbitration shall be conducted in Beijing, and the language shall be Chinese. The arbitration award shall be final and binding on all Parties.

6. Taxes and Fees

Each Party shall pay any and all transfer and registration tax, expenses and fees incurred by or levied on itself in accordance with the laws of China in connection with the preparation and execution of this Agreement and the Transfer Contracts, as well as the consummation of the transactions contemplated under this Agreement and the Transfer Contracts.

7. Notices

7.1 All notices and other communications required or permitted to be given pursuant to this Agreement shall be delivered personally or sent by registered mail with postage prepaid, commercial courier service or facsimile transmission to the address of such Party set forth below. Each notice shall be followed by a confirmation copy sent by email. The dates on which notices shall be deemed to have been effectively given shall be determined as follows:

7.1.1 Notices given by personal delivery, courier service, registered mail with postage prepaid shall be deemed effectively given on the date of receipt or rejection at the address specified for notices.

7.1.2 Notices given by facsimile transmission shall be deemed effectively given on the date of successful transmission (as evidenced by an automatically generated confirmation of transmission).

7.2 The addresses of the Parties for receiving notices are as follows:

Party A: **Beijing Shijitong Technology Co., Ltd.**

Address: 27/F, CES Tower, No. 3099 Keyuan South Road, Nanshan District, Shenzhen

Attn: XIAO Wenjie

Tel.: 0755-33688788

Party B:

QIAO Qian

Address: 1807, Building B, Yulong Garden, No. 3058 Nanxin Road, Nanshan District, Shenzhen

Tel.: **********

WEI Jianwei

Address: 1304, Unit 1, Building 7, Merchants Green Garden, Baoan District, Shenzhen

Tel.: **********

Shenzhen Xinjie Investment Co., Ltd.

Address: 27/F, CES Tower, No. 3099 Keyuan South Road, Nanshan District, Shenzhen

Attn: XIAO Wenjie

Tel.: 0755-33688788

Party C: **Shenzhen Qianhai Dingsheng Asset Management Co., Ltd.**

Address: 27/F, CES Tower, No. 3099 Keyuan South Road, Nanshan District, Shenzhen

Attn: QIAO Qian

Tel.: 0755-33688788

7.3 Any Party may at any time change its address for notices by a notice delivered to the other Parties in accordance with the terms hereof.

8. Confidentiality

The Parties acknowledge that any oral or written information exchanged between the Parties in connection with the preparation and performance this Agreement constitute confidential information. Each Party shall maintain confidentiality of all such confidential information, and without obtaining the written consent of the other Party, it shall not disclose any relevant confidential information to any third parties, except for the information that: (i) is or becomes available to the general public (other than through the receiving Party's unauthorized disclosure); (ii) is required to be disclosed by applicable laws or regulations or rules or regulations of any stock exchange; or (iii) is necessary to be disclosed by any Party to its legal counsels or financial advisors regarding the transaction contemplated hereunder, provided that such legal counsels or

financial advisors shall be bound by the confidentiality obligations similar to those set forth in this Section. Disclosure of any confidential information by the employees of or agencies engaged by any Party shall be deemed disclosure by such Party itself and such Party shall be held liable for breach of this Agreement. This Section shall survive the termination of this Agreement for any reason.

9. Further Warranties

The Parties agree to promptly execute documents that are reasonably required for or are conducive to the implementation of the provisions and purposes of this Agreement and take further actions that are reasonably required for or are conducive to the implementation of the provisions and purposes of this Agreement.

10. Miscellaneous

10.1 Amendment, change and supplement

Any amendment, change and supplement to this Agreement shall be made only by a written contract executed by all of the Parties.

10.2 Entire Agreement

Except for the amendments, supplements or changes made in writing after the execution hereof, this Agreement shall constitute the entire agreement reached by and among the Parties hereto with respect to the subject matter hereof, and shall supersede all prior oral and written consultations, representations and contracts reached with respect to the subject matter of this Agreement.

10.3 Headings

The headings of this Agreement are inserted for convenience only, and shall not be used to interpret, explain or otherwise affect the meanings of the provisions of this Agreement.

10.4 Language

This Agreement is written in Chinese and English in five counterparts of equal legal force, with each Party holding one.

10.5 Severability

In the event that one or several provisions hereof are found to be invalid, illegal or unenforceable in any aspect in accordance with any laws or regulations, the validity, legality or enforceability of the remaining provisions of this Agreement shall not be affected or compromised in any aspect. The Parties shall negotiate in good faith to replace such invalid, illegal or unenforceable provisions with effective provisions that accomplish to the greatest extent permitted by law the intentions of the Parties, and the economic effect of such effective provisions shall be as close as possible to the economic effect of those invalid, illegal or unenforceable provisions.

10.6 Successors

This Agreement shall be binding on and shall inure to the interest of the respective successors of the Parties and the permitted assignees of such Parties.

10.7 Survival

10.7.1 Any obligations arising out of or due hereunder before the expiration or early termination of this Agreement shall survive the expiration or early termination thereof.

10.7.2 Sections 5, 7, 8 and this Section 10.7 shall survive the expiration or termination of this Agreement.

10.8 Waivers

Any Party may waive the terms and conditions of this Agreement, provided that such a waiver must be made in writing and shall require the signatures of all the Parties. No waiver by any Party in certain circumstances with respect to a breach by other Parties shall operate as a waiver by such Party with respect to any similar breach in other circumstances.

10.9 Termination of the Original Contract

The Exclusive Option Agreement executed by and among Party A, XIAO Wenjie, Shenzhen Xinjie Investment Co., Ltd. and Party C on January 13, 2016 shall be automatically terminated as at the execution date hereof.

[Signature page follows]

IN WITNESS WHEREOF, the Parties have caused their respective duly authorized representatives to execute this Exclusive Option Agreement as of the date first above written.

Party A: Beijing Shijitong Technology Co., Ltd. (Seal)

Signature: /s/XIAO Wenjie

Name: XIAO Wenjie

Title: Legal Representative

/s/Seal of Beijing Shijitong Technology Co., Ltd.

Party B:

QIAO Qian

Signature: /s/QIAO Qian

WEI Jianwei

Signature: /s/WEI Jianwei

Shenzhen Xinjie Investment Co., Ltd. (Seal)

Signature: /s/XIAO Wenjie

Name: XIAO Wenjie

Title: Legal Representative

/s/Seal of Shenzhen Xinjie Investment Co., Ltd.

Party C: Shenzhen Qianhai Dingsheng Asset Management Co., Ltd. (Seal)

Signature: /s/QIAO Qian

Name: QIAO Qian

Title: Legal Representative

/s/Seal of Shenzhen Qianhai Dingsheng Asset Management Co., Ltd.

Exhibit 10.20

Equity Pledge Agreement

This Equity Pledge Agreement (this "**Contract**") is made and entered into by and among the following parties on March 9, in Beijing, the People's Republic of China ("**China**" or "**PRC**"):

Party A: **Beijing Shijitong Technology Co., Ltd. ("Pledgee")**

Address: Room 1505, Buildings 1, No.108 Zhichun Road, Haidian District, Beijing

Party B: **QIAO Qian** ("**Party B1**"), a Chinese citizen whose ID number is **********

WEI Jianwei ("**Party B2**"), a Chinese citizen whose ID number is **********; and

Shenzhen Xinjie Investment Co., Ltd. ("**Party B3**"), a limited liability company established and existing under the laws of China, whose address is 6/F, Block B, Shenzhen Industry-University-Research Cooperation Base of Huazhong University of Science and Technology, No.9 Yuexing 3rd Road, Gaoxin Zone, Yuehai Sub-district, Nanshan District, Shenzhen.

Party B1, Party B2 and Party B3 are collectively referred to as the "**Pledgers**" or "**Party B**".

Party C: **Shenzhen Qianhai Dingsheng Asset Management Co., Ltd.**

Address: c/o Shenzhen Qianhai Commerce Secretariat Co., Ltd., Room 201, Block A, No.1 Qianwan 1st Road, Qianhai Shenzhen-Hongkong Corporation Zone, Shenzhen

The Pledgee, the Pledgers and Party C are hereinafter referred to individually as a **"Party"** and collectively the **"Parties"**.

Whereas:

1. The Pledgers are citizens/limited liability companies of China who as of the date hereof hold 100% of equity interests of Party C in total. Party C is a limited liability company registered in Shenzhen, China, engaging in equity investment, entrusted asset management, equity investment fund management (raising funds publicly and management of publicly raised funds prohibited), investment management, investment consulting, guarantee business (excluding financing guarantee business and other restricted businesses), industrial and commercial investments (specific projects to be separately applied for); domestic trade, supply and marketing of material, various types of economic information consulting (excluding state-monopolized commodities, commodities under special government control and restricted items); import/export business; enterprise management consulting, enterprise image planning, enterprise financial consulting, supply chain management and supporting services, online commercial activities (excluding restricted activities); sales of dyed knitwear and electronic products; and real

estate development and operation on land plots for which use rights have been lawfully obtained. Party B1, Party B2 and Party B3 respectively hold 60%, 30% and 10% of Party C's equity interests. Party C acknowledges the respective rights and obligations of the Pledgers and the Pledgee hereunder and agrees to provide any necessary assistance for the registration of the Pledge;

2. The Pledgee is a wholly foreign-owned enterprise registered in Beijing, China. The Pledgee and Party C entered into an Exclusive Business Cooperation Agreement (**"Exclusive Business Cooperation Agreement"**) on January 13, 2016; the Pledgee entered into an Exclusive Option Agreement ("**Exclusive Option Agreement**") with the Pledgers and Party C on March 9, 2017; the Pledgers and Pledgee signed an Power of Attorney ("**Power of Attorney**") on March 9, 2017;

3. To ensure the performance by Party C and the Pledgers of their obligations under the Exclusive Business Cooperation Agreement, Exclusive Option Agreement, Power of Attorney (collectively referred to as "**Transaction Documents**"), the Pledgers pledge with the Pledgee all of their equity in Party C as security for the performance of the Exclusive Business Cooperation Agreement, the Exclusive Option Agreement, and the Power of Attorney by Party C and the Pledgers.

To perform the provisions of the Transaction Documents, the Parties hereby agree as follows through mutual negotiations.

1. <u>Definitions</u>

Unless otherwise specified herein, the terms below shall have the following meanings:

1.1 **"Pledge":** shall refer to the security interest created by the Pledgers in favor of the Pledgee pursuant to Section 2 of this Contract, i.e., the right of the Pledgee to be paid in priority from the proceeds from the transfer, auction or sale of the Equity Interest.

1.2 **"Equity Interest":** shall refer to all equity interests currently held by and hereafter acquired by the Pledgers in Party C.

1.3 **"Term of Pledge":** shall refer to the term set forth in Section 3 of this Contract.

1.4 **"Transaction Documents":** shall refer to the Exclusive Business Cooperation Agreement, the Exclusive Option Agreement, the Power of Attorney and any revision, amendment and/or restatement thereto.

1.5 **"Contractual Obligations"**: shall refer to all the obligations of the Pledgers under the Exclusive Option Agreement, the Power of Attorney and this Contract; as well as all the obligations of Party C under the Exclusive Business Cooperation Agreement, the Exclusive Option Agreement and this

Contract.

1.6 **"Secured Indebtedness**": shall refer to any and all direct, indirect, derivative losses and losses of predictable benefits incurred due to any default by the Pledgers and/or Party C, the amount of which shall be determined based on the pledgee's reasonable business plan and profit forecast; service fees payable by Party C under the Exclusive Business Cooperation Agreement; and all costs and expenses incurred by the Pledgee in enforcing the Pledgers and/or Party C to perform their contractual obligations.

1.7 **"Event of Default":** shall refer to any of the circumstances as enumerated in Section 7 of this Contract.

1.8 **"Notice of Default":** shall refer to the notice issued by the Pledgee in accordance with this Contract declaring an Event of Default.

2. Pledge

2.1 The Pledgers agree to pledge all the Equity Interest that it lawfully owns and has the right to dispose of to the Pledgee as security for payment of the Secured Indebtedness under this Contract, and Party C hereby assents to such pledge.

2.2 During the Term of Pledge, the Pledgee is entitled to receive dividends distributed on the Equity Interest. The Pledgers may receive dividends distributed on the Equity Interest only with prior written consent of the Pledgee. Dividends received by the Pledgers on Equity Interest shall be, as required by the Pledgee, (1) deposited into an account designated and supervised by the Pledgee and applied first to pay the Secured Indebtedness; or (2) unconditionally donated to the Pledgee or any other person designated by the Pledgee to the extent permitted under applicable PRC laws.

2.3 The Pledgers may subscribe for capital increase in Party C only with prior written consent of the Pledgee. Any equity interest obtained by the Pledgers as a result of the Pledgers' subscription of the increased registered capital of the Company shall also be deemed as Equity Interest.

2.4 In the event that Party C is to be liquidated or dissolved under compulsory laws of China, any interest distributed to the Pledgers upon Party C's dissolution or liquidation shall, at the request of the Pledgee, be (i) deposited into an account designate and supervised by the Pledgee and applied first to pay the Secured Indebtedness; or (ii) unconditionally donated to the Pledgee or any other person designated by the Pledgee to the extent permitted under applicable PRC laws.

3. Term of Pledge

3.1 The Pledge shall become effective on such date when it is registered with competent administration for industry and commerce (the "**AIC**") at the location of Party C. The Pledge shall remain effective until full discharge of all Contractual Obligations. All Parties agree that the Pledgers and Party C shall (i) register the Pledge in the shareholders' register of Party C within 3 business days following execution of this Contract, and (ii) submit an application to the AIC for the registration of the Pledge of the Equity Interest contemplated herein within 30 business days following the execution of this Contract. The Pledgers and Party C shall submit to the AIC all necessary documents and complete all necessary formalities to ensure that the Pledge of the Equity Interest shall be registered with the AIC as soon as possible.

3.2 During the Term of Pledge, in the event that the Pledgers and/or Party C fail to perform the Contractual Obligations, the Pledgee shall have the right, but not the obligation, to dispose of the Pledge in accordance with the provisions of this Contract.

4. Custody of Equity Interest Records

4.1 During the Term of Pledge, the Pledgers shall deliver to the Pledgee's custody the capital contribution certificate for the Equity Interest and the shareholders' register indicating the Pledge within one week following execution of this Contract. The Pledgee shall have custody of such documents during the entire Term of Pledge.

4.2 During the Term of Pledge, the Pledgers shall have the right to collect dividends accrued on the Equity Interest.

5. Representations and Warranties of the Pledgers and Party C

As of the execution date of this Contract, the Pledgers and Party C hereby jointly and severally represent and warrant to the Pledgee that:

5.1 The Pledgers are the sole legal and beneficial owner of the Equity Interest.

5.2 Except for the Pledge, the Pledgers have not created any security interest or other encumbrance on the Equity Interest.

5.3 The Pledgee shall have the right to dispose of and transfer the Equity Interest in accordance with the provisions of this Contract.

5.4 The Pledgers and Party C have obtained any and all approvals and consents from competent government authorities and third parties (if required) for execution, delivery and performance of this Contract.

5.5 The execution, delivery and performance of this Contract will not: (i) violate any relevant PRC laws; (ii) conflict with Party C's articles of association or other constitutional documents; (iii) result in any breach of or constitute any default under any contract or instrument to which it is a party or by which it is otherwise bound; (iv) result in any violation of any condition for the grant and/or maintenance of any permit or approval granted to any Party; or (v) cause any permit or approval granted to any Party to be suspended, cancelled or imposed with additional conditions.

6. Covenants and Further Agreement of the Pledgers and Party C

6.1 During the term of this Contract, the Pledgers and Party C hereby jointly and severally covenant to the Pledgee that the Pledgers and Party C:

6.1.1 shall not transfer the Equity Interest, create or permit the existence of any security interest or other encumbrance on the Equity Interest, without the prior written consent of the Pledgee, except for the purposes of the performance of the Transaction Documents;

6.1.2 shall promptly notify the Pledgee of any event or notice received by the Pledgers that may have an impact on the Equity Interest or any portion thereof, as well as any event or notice received by the Pledgers that may have an impact on any guarantees and other obligations of the Pledgers hereunder.

6.2 The Pledgers agree that the rights acquired by the Pledgee in accordance with this Contract with respect to the Pledge shall not be interrupted or jeopardized by the Pledgers or any heirs or representatives of the Pledgers or any other persons through any legal proceedings.

6.3 To protect or perfect the security hereunder for the Contractual Obligations and Secured Indebtedness, the Pledgers hereby undertakes to execute in good faith and to cause other parties who have an interest in the Pledge to execute all such certificates, contracts, deeds and/or covenants, and take all such actions as required by the Pledgee, to facilitate the exercise by the Pledgee of its rights and authority hereunder, to enter into all relevant documents regarding ownership of Equity Interest with the Pledgee or assignee(s) of the Pledgee (natural persons/legal persons), and to provide the Pledgee within a reasonable time with all notices, orders and decisions regarding the Pledge that the Pledgee deems necessary.

6.4 The Pledgers hereby undertakes to comply with and perform all guarantees, promises, agreement, representations and conditions of and under this Contract. In the event of failure or partial performance of such guarantees, promises, agreements, representations and conditions, the Pledgers shall indemnify the Pledgee for all losses resulting therefrom.

7. Event of Breach

7.1 The following circumstances shall be deemed Event of Default:

7.1.1 The Pledgers and/or Party B breach any obligations under the Transaction Documents and/or this Contract;

7.1.2 The Pledgers have serious misstatement or mistake in any statement or warranty made in Section 5 of this Contract and/or the Pledgers violate any warranty in Section 5 of this Contract;

7.1.3 The Pledgers and Party C fail to complete the registration of equity pledge with the registration authority in accordance with Section 3.1.

7.1.4 The Pledgers and Party C violate any provision of this Contract;

7.1.5 Except otherwise clearly stipulated in Section 6.1.1, the Pledgers transfer or intend to transfer or surrender the Equity Interest or assign the Equity Interest without the Pledgee’s written consent;

7.1.6 The Pledgers (i) are required to repay or perform in advance or (ii) fails to repay or perform upon maturity any debt obligations owed to any third party such as loan, guarantee, indemnification and promise;

7.1.7 Any government approval, license, permit or authorization that renders this Contract enforceable, lawful and valid is withdrawn, terminated, invalid or substantially changed;

7.1.8 The enactment of governing laws renders this Contract unlawful or makes the Pledgers unable to continue performing its obligations hereunder;

7.1.9 The Pledgers’ assets experience negative change to the extent that affects the Pledgers’ ability to perform its obligations hereunder;

7.1.10 Party B’s heirs or custodians only partially perform or refuse to perform their payment obligations under the Transaction Documents;

7.1.11 Any other circumstance where the Pledgers cannot or possibly cannot exercise its rights over the Pledge.

7.2 Upon notice or discovery of the occurrence of any circumstances or event that may lead to the aforementioned circumstances described in Section 7.1, the Pledgers shall immediately notify the Pledgee in writing accordingly.

7.3 Unless an Event of Default set forth in this Section 7.1 has been successfully resolved to the Pledgee’s satisfaction, the Pledgee may issue a Notice of Default to the Pledgers upon the occurrence of the Event of Default or at any time thereafter, demanding the Pledgers and/or Party C to immediately perform their due obligations under the Transaction Documents and/or dispose of the Pledge in accordance with Section 8 of this Contract.

8. Exercise of Pledge

8.1 When the Pledgers and Party C are yet to fully perform their Contractual Obligations under the Transaction Documents, the Pledgers shall not transfer the Pledge or its Equity Interest in Party C without the Pledgee’s written consent.

8.2 The Pledgee may issue a written Notice of Default to the Pledgers when it exercises the Pledge.

8.3 Subject to the provisions of Section 7.3, the Pledgee may exercise the right to enforce the Pledge at any time after the issuance of the Notice of Default in accordance with Section 8.2. Once the Pledgee elects to exercise the right to dispose the Pledge, the Pledgers shall cease to be entitled to any rights or interests associated with the Equity Interest.

8.4 The Pledgee shall the have right to be paid in priority with all or part of the Equity Interest from the proceeds from the transfer, auction or sale of the Equity Interest until the complete compensation of all outstanding payments due under the Transaction Documents and all other due payments to the Pledgee. The Pledgee shall not be liable for any loss incurred by its due exercise of such rights and powers.

8.5 The Pledgee may exercise any remedy available simultaneously or in any order. The Pledgee may exercise the right to be paid in priority with the Equity Interest from the proceeds from auction or sale of the Equity Interest under this Contract, without recourse to any other remedy measure first.

8.6 When the Pledgee disposes of the Pledge in accordance with this Contract, the Pledgers and Party C shall provide necessary assistance to enable the Pledgee to enforce the Pledge in accordance with this Contract.

9. Assignment

9.1 Without the Pledgee's prior written consent, the Pledgers shall not assign or delegate their rights and obligations under this Contract.

9.2 This Contract shall be binding on the Pledgers and his/her successors and permitted assignees, and shall be valid with respect to the Pledgee and each of his/her successors and assignees.

9.3 The Pledgee may at any time assign any and all of its rights and obligations under the Transaction Documents to its assignee(s) (natural persons/legal persons), in which case the assignee shall enjoy and undertake the rights and obligations of the Pledgee under this Contract, as if it were the original party to this Contract. When the assignee transfers its rights and obligations under the Transaction Documents, the Pledgers shall execute relevant agreements or other documents related to such transfer as required by the Pledgee.

9.4 In the event of change of the Pledgee due to assignment, the Pledgers shall, at the request of the Pledgee, execute a new pledge contract with the new the Pledgee on the same terms and conditions as this Contract.

9.5 The Pledgers shall strictly abide by the provisions of this Contract and other contracts jointly or separately executed by all or any of the Parties hereto, including the Exclusive Option Agreement and the Power of Attorney, perform the obligations hereunder and thereunder, and refrain from any action/omission that may affect the effectiveness and enforceability hereof and thereof. Any residual rights of the Pledgers with respect to the Equity Pledged hereunder shall not be exercised by the Pledgers except in accordance with the written instructions of the Pledgee.

10. Termination

Upon the sufficient and complete fulfillment of all Contractual Obligations and the full payment of all Secured Indebtedness by the Pledgers and Party C, this Contract shall be terminated and the Pledgee shall terminate this Contract within reasonable and effective scope.

Sections 10, 12 and 14 of this Contract shall survive the expiration or termination of this Contract.

11. Handling Fees and Other Expenses

All fees and out of pocket expenses relating to this Contract, including but not limited to legal costs, costs of production, stamp tax and any other taxes and fees, shall be borne by Party C. If the Pledgee is required under applicable laws to bear certain taxes and fees, the Pledgers shall cause Party C to reimburse in full such taxes and fees paid by the Pledgee.

12. Confidentiality

The Parties acknowledge that any oral or written information exchanged between the Parties in connection with the preparation and performance this Contract constitute confidential information. Each Party shall maintain confidentiality of all such confidential information, and without obtaining the written consent of the other Party, it shall not disclose any relevant confidential information to any third parties, except for the information that: (i) is or becomes available to the general public (other than through the receiving Party's unauthorized disclosure); (ii) is required to be disclosed by applicable laws or regulations or rules or regulations of any stock exchange; or (iii) is necessary to be disclosed by any Party to its legal counsels or financial advisors regarding the transaction contemplated hereunder, provided that such legal counsels or financial advisors shall be bound by the confidentiality obligations similar to those set forth in this Section. Disclosure of any confidential information by the employees of or agencies engaged by any Party shall be deemed disclosure by such Party itself and such Party shall be held liable for breach of this Contract. This Section shall survive the termination of this Agreement for any reason.

13. Governing Law and Dispute Resolution

13.1 The execution, effectiveness, construction, performance, amendment and termination of this Contract and the dispute resolution hereunder shall be governed by the promulgated and publicly available laws of China. For matters not covered by the promulgated and publicly available laws of China, the principles and practices of international laws shall apply.

13.2 In the event of any dispute with respect to the construction and performance of this Contract, the Parties shall first resolve the dispute through friendly negotiations. In the event the Parties fail to reach an agreement within 30 days after either Party requests to the other Parties for resolution of the dispute through negotiations, either Party may submit the relevant dispute to the China International Economic and Trade Arbitration Commission

(CIETAC) for arbitration in accordance with its then effective Arbitration Rules. The arbitration shall be conducted in Beijing. The language of arbitration shall be Chinese. The arbitration award shall be final and binding on all Parties.

13.3 Upon occurrence of any disputes arising from the construction and performance of this Agreement or pending arbitration of any dispute, except for the matters under dispute, the Parties shall continue to exercise their respective rights and perform their respective obligations hereunder.

14. Notices

14.1 All notices and other communications required or permitted to be given pursuant to this Agreement shall be delivered personally or sent by registered mail with postage prepaid, commercial courier service or facsimile transmission to the address of such Party set forth below. Each notice shall be followed by a confirmation copy sent by email. The dates on which notices shall be deemed to have been effectively given shall be determined as follows:

14.1.1 Notices given by personal delivery, courier service, registered mail with postage prepaid shall be deemed effectively given on the date of receipt or rejection at the address specified for notices.

14.1.2 Notices given by facsimile transmission shall be deemed effectively given on the date of successful transmission (as evidenced by an automatically generated confirmation of transmission).

14.2 The addresses of the Parties for receiving notices are as follows:

Party A: **Beijing Shijitong Technology Co., Ltd.**

Address: 27/F, CES Tower, No. 3099 Keyuan South Road, Nanshan District, Shenzhen

Attn: XIAO Wenjie

Tel.: 0755-33688788

Party B:

QIAO Qian

Address: **********, Nanshan District, Shenzhen

Tel.: **********

WEI Jianwei

Address: **********, Baoan District, Shenzhen

Tel.: **********

Shenzhen Xinjie Investment Co., Ltd.

Address: 27/F, CES Tower, No. 3099 Keyuan South Road, Nanshan District, Shenzhen

Attn: XIAO Wenjie

Tel.: 0755-33688788

Party C: **Shenzhen Qianhai Dingsheng Asset Management Co., Ltd.**

Address: 27/F, CES Tower, No. 3099 Keyuan South Road, Nanshan District, Shenzhen

Attn: QIAO Qian

Tel.: 0755-33688788

14.3 Any Party may at any time change its address for notices by a notice delivered to the other Parties in accordance with the terms hereof.

15. Severability

In the event that one or several provisions hereof are found to be invalid, illegal or unenforceable in any aspect in accordance with any laws or regulations, the validity, legality or enforceability of the remaining provisions of this Agreement shall not be affected or compromised in any aspect. The Parties shall negotiate in good faith to replace such invalid, illegal or

unenforceable provisions with effective provisions that accomplish to the greatest extent permitted by law the intentions of the Parties, and the economic effect of such effective provisions shall be as close as possible to the economic effect of those invalid, illegal or unenforceable provisions.

16. Schedules

The schedules hereto shall form an integral part of this Contract.

17. Effectiveness

17.1 This Contract shall come into force upon being signed by the Parties. Any amendment, change and supplement to this Contract shall be made in written form and become effective after being signed and stamped by the Parties and upon the completion of the registration with the government (if applicable).

17.2 This Contract is written in Chinese and English in five counterparts of equal legal force, with each Party holding one.

17.3 The Equity Pledge Agreement signed by and among Party A, XIAO Wenjie, Party B3 and Party C on January 13, 2016 shall be automatically terminated as at the execution date hereof.

[Signature page follows]

IN WITNESS WHEREOF, the Parties have caused their authorized representatives to execute this Equity Pledge Agreement as of the date first above written.

Party A: **Beijing Shijitong Technology Co., Ltd. (Seal)**

By: /s/XIAO Wenjie
Name: XIAO Wenjie
Title: Legal Representative
/s/Seal of Beijing Shijitong Technology Co., Ltd.

Party B:

By: **/s/**QIAO Qian
Name: QIAO Qian

By: **/s/**WEI Jianwei
Name: WEI Jianwei

Shenzhen Xinjie Investment Co., Ltd. (Seal)

By: **/s/**XIAO Wenjie
Name: XIAO Wenjie
Title: Legal Representative
/s/Seal of Shenzhen Xinjie Investment Co., Ltd.

Party C: **Shenzhen Qianhai Dingsheng Asset Management Co., Ltd. (Seal)**

By: /s/QIAO Qian
Name: QIAO Qian
Title: Legal Representative
/s/Seal of Shenzhen Qianhai Dingsheng Asset Management Co., Ltd.

Schedules

1. Capital Contribution Certificate

2. Shareholders' Register of Shenzhen Qianhai Dingsheng Asset Management Co., Ltd.

Schedule 1

Capital Contribution Certificate

This is to certify that QIAO Qian (ID No. **********) has subscribed to the contribution of RMB six million (6,000,000), thus holding 60% equity interest of Shenzhen Qianhai Dingsheng Asset Management Co., Ltd. and that all of such 60% equity interest has been pledged to Beijing Shijitong Technology Co., Ltd.

Company: Shenzhen Qianhai Dingsheng Asset Management Co., Ltd.
(Seal)

By: /s/QIAO Qian

Name: QIAO Qian

Title: Legal Representative

/s/Seal of Shenzhen Qianhai Dingsheng Asset Management Co., Ltd.

Date: March 9, 2017

Schedule 1

Capital Contribution Certificate

This is to certify that WEI Jianwei (ID No. **********) has subscribed to the contribution of RMB three million (3,000,000), thus holding 30% equity interest of Shenzhen Qianhai Dingsheng Asset Management Co., Ltd. and that all of such 30% equity interest has been pledged to Beijing Shijitong Technology Co., Ltd.

Company: Shenzhen Qianhai Dingsheng Asset Management Co., Ltd.
(Seal)

By: /s/QIAO Qian

Name: QIAO Qian

Title: Legal Representative

/s/Seal of Shenzhen Qianhai Dingsheng Asset Management Co., Ltd.

Date: March 9, 2017

Schedule 1

Capital Contribution Certificate

This is to certify that Shenzhen Xinjie Investment Co., Ltd. (Uniform Social Credit Code: 91440300359619977T) has subscribed to the contribution of RMB one million (1,000,000), thus holding 10% equity interest of Shenzhen Qianhai Dingsheng Asset Management Co., Ltd. and that all of such 10% equity interest has been pledged to Beijing Shijitong Technology Co., Ltd.

Company: Shenzhen Qianhai Dingsheng Asset Management Co., Ltd.
(Seal)

By: /s/QIAO Qian

Name: QIAO Qian

Title: Legal Representative

/s/Seal of Shenzhen Qianhai Dingsheng Asset Management Co., Ltd.

Date: March 9, 2017

Schedule 2

Shareholders' Register
of
Shenzhen Qianhai Dingsheng Asset Management Co., Ltd.

Shareholder's name	ID No. / Uniform Social Credit Code	Amount of Subscription (RMB)	Ratio of Contribution	Equity Pledge
QIAO Qian	**********	6,000,000	60%	QIAO Qian owns 60% equity interest of Shenzhen Qianhai Dingsheng Asset Management Co., Ltd. and all of such 60%

				equity interest has been pledged to Beijing Shijitong Technology Co., Ltd.
WEI Jianwei	**********	3,000,000	30%	WEI Jianwei owns 30% equity interest of Shenzhen Qianhai Dingsheng Asset Management Co., Ltd. and all of such 30% equity interest has been pledged to Beijing Shijitong Technology Co., Ltd.
Shenzhen Xinjie Investment Co., Ltd.	91440300359619977T	1,000,000	10%	Shenzhen Xinjie Investment Co., Ltd. owns 10% equity interest of Shenzhen Qianhai Dingsheng Asset Management Co., Ltd. and all of such 10% equity interest has been pledged to Beijing Shijitong Technology Co., Ltd.

Company: Shenzhen Qianhai Dingsheng Asset Management Co., Ltd. (Seal)

Signature: /s/XIAO Wenjie

Name: XIAO Wenjie

Title: Legal Representative

/s/Seal of Shenzhen Qianhai Dingsheng Asset Management Co., Ltd.

Shareholder: QIAO Qian

Signature: /s/QIAO Qian

WEI Jianwei

Signature: /s/WEI Jianwei

Shenzhen Xinjie Investment Co., Ltd. (Seal)

Signature: /s/XIAO Wenjie

Name: XIAO Wenjie

Title: Legal Representative

/s/Seal of Shenzhen Xinjie Investment Co., Ltd.

Date: March 9, 2017

Supplementary Agreement to the Equity Pledge Agreement

This Supplementary Agreement to the Equity Pledge Agreement (hereinafter referred to as **this "Supplementary Agreement"**) is entered into by and among the following Parties on April 13, 2017 in Beijing, People's Republic of China (hereinafter referred to as **"China"**):

Party A: **Beijing Shijitong Technology Co., Ltd. (**hereinafter referred to as **"Pledgee"**)

Address: Room 1505, Building 1, No. 108 Zhichun Road, Haidian District, Beijing

Party B: **QIAO Qian** (hereinafter referred to as **"Party B1"**), a Chinese citizen whose identification number is **********;

WEI Jianwei (hereinafter referred to as **"Party B2"**), a Chinese citizen whose identification number is **********; and

Shenzhen Xinjie Investment Co., Ltd. (hereinafter referred to as **"Party B3"**), a limited liability company established and existing under the laws of China, whose address is 6/F, Block B, Shenzhen Industry-University-Research Cooperation Base of Huazhong University of Science and Technology, No.9 Yuexing 3rd Road, Gaoxin Zone, Yuehai Sub-district, Nanshan District, Shenzhen.

Party B1, Party B2 and Party B3 are collectively referred to as the **"Pledgers"** or **"Party B"**.

Party C: **Shenzhen Qianhai Dingsheng Asset Management Co., Ltd.**

Address: c/o Shenzhen Qianhai Commerce Secretariat Co., Ltd., Room 201, Block A, No.1 Qianwan 1st Road, Qianhai Shenzhen-Hongkong Corporation Zone, Shenzhen

The Pledgee, the Pledgers and Party C are hereinafter referred to individually as a "**Party**" and collectively the "**Parties**".

Whereas:

1. The Pledgee and Party C entered into an Exclusive Business Cooperation Agreement (**"Exclusive Business Cooperation Agreement"**) on January 13, 2016; the Pledgee entered into an Exclusive Option Agreement ("**Exclusive Option Agreement**") with the Pledgers and Party C on March 9, 2017; and the Pledgers and Pledgee signed an Power of Attorney ("**Power of Attorney**") on March 9, 2017;

2. The Pledgee entered into an Equity Pledge Agreement ("**Equity Pledge Agreement**") with the Pledgers and Party C on March 9, 2017, which stipulates among other things that: the Pledgers should pledge with the Pledgee all of their equity in Party C as security for the performance of the Exclusive Business Cooperation Agreement, Exclusive Option Agreement and Power of Attorney by Party C and the Pledgers; and

3. The Pledgee and Pledgers entered into a Loan Agreement("**Loan Agreement**", together with the Exclusive Business Cooperation Agreement, Exclusive Option Agreement, Power of Attorney and Equity Pledge Contract, hereinafter collectively referred to as "**Transaction Documents**") on April 13, 2017, which stipulates among other things that: the Pledgee should provide the Pledgers with a loan of RMB 10 Million Yuan.

The Parties hereby agree to amend the Equity Pledge Agreement as follows:

1. **Article 2 of the "whereas" clause** of the Equity Pledge Agreement is revised to read as follows: the Pledgee is a wholly foreign-owned enterprise registered in Beijing, China. The Pledgee and Party C entered into an Exclusive Business Cooperation Agreement (**"Exclusive Business Cooperation Agreement"**) on January 13, 2016; the Pledgee entered into an Exclusive Option Agreement ("**Exclusive Option Agreement**") with the Pledgers and Party C on March 9, 2017; the Pledgers and Pledgee signed an Power of Attorney ("**Power of Attorney** ") on March 9, 2017; the Pledgee and Pledgers entered into a Loan Agreement ("**Loan Agreement**") on April 13, 2017.

2. **Article 3 of the "whereas" clause** of the Equity Pledge Agreement is revised to read as follows: to ensure the performance by Party C and the Pledgers of their obligations under the Exclusive Business Cooperation Agreement, Exclusive Option Agreement, Power of Attorney and Loan Agreement (collectively referred to as "**Transaction Documents**"), the Pledgers pledge with the Pledgee all of their equity in Party C as security for the performance of Transaction Documents by Party C and the Pledgers.

3. **Article 1.4 of the "1. Definition" clause** of the Equity Pledge Agreement is revised to read as follows: "**Transaction Documents**" shall refer to the Exclusive Business Cooperation Agreement, Exclusive Option Agreement, Power of Attorney and Loan Agreement and any revision, amendment and/or restatement thereto.

4. **Article 1.5 of the "1. Definition" clause** of the Equity Pledge Agreement is revised to read as follows: "**Contractual Obligations**" shall refer to all the obligations of the Pledgers under the Exclusive Option Agreement, Power of Attorney , Loan Agreement and this Contract; as well as all the obligations of Party C under the Exclusive Business Cooperation Agreement, Exclusive Option Agreement and this Contract.

5. **Article 1.6 of the "1. Definition" clause** of the Equity Pledge Agreement is revised to read as follows: **"Secured Indebtedness**" shall refer to any and all direct, indirect, derivative losses and losses of predictable benefits incurred due to any default by the Pledgers and/or Party C, the amount of which shall be determined based on the pledgee's reasonable business plan and profit forecast; service fees payable by Party C under the Exclusive Business Cooperation Agreement; the principal and interest (if any) repayable by the Pledgers to the Pledgee under the Loan Agreement and all costs and expenses incurred by the Pledgee in enforcing the Pledgers and/or Party C to perform their contractual obligations.

6. This Supplemental Agreement constitutes modification and supplement to the Equity Pledge Agreement and has a legal effect equivalent to that of the Equity Pledge Agreement and any attachment thereof.

7. For matters expressly provided for in this Supplementary Agreement, this Supplementary Agreement shall prevail in the case of any conflict between this Supplementary Agreement and the Equity Pledge Agreement and its attachments. Any matters not agreed upon in this Supplementary Agreement shall be dealt with pursuant to the Equity Pledge Contract.

8. This Supplementary Agreement shall come into force upon being signed by the Parties. Any amendment, change and supplement to the Supplementary Agreement shall be made in written form and become effective after being signed and stamped by the Parties and upon the completion of the registration with the government (if applicable).

9. This Supplementary Agreement shall be made in four originals in Chinese of equal legal force, with each of The Pledgers, Pledgee and Party C holding one.

[Signature page follows]

In Witness Where of, the Parties have caused their authorized representatives to sign this Supplementary Agreement to the Equity Pledge Agreement on the date specified first above.

Party A: Beijing Shijitong Technology Co., Ltd. (Seal)

Signature: /s/XIAO Wenjie

Name: XIAO Wenjie

Title: Legal Representative

/s/Seal of Beijing Shijitong Technology Co., Ltd.

Party B:

Signature: /s/QIAO Qian

Name: QIAO Qian

Signature: /s/WEI Jianwei

Name: WEI Jianwei

Shenzhen Xinjie Investment Co., Ltd. (Seal)

Signature: /s/XIAO Wenjie

Name: XIAO Wenjie

Title: Legal Representative

/s/Seal of Shenzhen Xinjie Investment Co., Ltd.

Party C: Shenzhen Qianhai Dingsheng Asset Management Co., Ltd. (Seal)

Signature: //s/QIAO Qian

Name: QIAO Qian

Title: Legal Representative

/s/Shenzhen Qianhai Dingsheng Asset Management Co., Ltd.

Exhibit 10.21

Power of Attorney

This Power of Attorney (hereinafter this "**Agreement**") is made in Beijing, China on March 9, 2017 by and between the following parties.

Party A: **Beijing Shijitong Technology Co., Ltd.,** a limited company duly incorporated and existing under the laws of the People's Republic of China ("**China**") and having its registered office at Room 1505, Building 1, No. 108 Zhichun Road, Haidian District, Beijing; and

Party B: **QIAO Qian** a Chinese citizen whose identification number is **********.

Party A and Party B shall be hereinafter referred to as **a "Party"** individually and **the "Parties**" collectively.

WHEREAS

Party B holds 60% of the equity interests ("**Party B Equity**") in Shenzhen Qianhai Dingsheng Asset Management Co., Ltd ("**Qianhai Dingsheng**").

Now Therefore, the Parties hereby agree as follows through mutual negotiations:

Party B hereby irrevocably authorizes Party A to exercise the following rights with respect to Party B Equity during the term of this Agreement.

Party A is hereby authorized as the sole and exclusive agent and attorney to act generally on behalf of Party B with respect to all matters relating to Party B Equity, including but not limited to (i) attending the Shareholders Meeting of Qianhai Dingsheng; (ii) exercising all the powers and voting rights of Party B as the shareholder in accordance to Chinese laws and the articles of association of Qianhai Dingsheng, including but not limited to on the sale, transfer, pledge or disposal of partial or entire Party B Equity; and (iii) designating and appointing the legal representative, chairman of the Board, directors, supervisors, chief executive officers and other senior management members on behalf of Party B.

Without prejudice to the generality of the powers conferred upon by this Agreement, Party A shall be entitled as authorized by this Agreement, to act on behalf of Party B to sign the Transfer Contracts as specified in the Exclusive Purchase Option Agreement (to which Party B shall be a party) and execute the Equity Pledge Agreement and the Exclusive Purchase Option Agreement signed on the same day with this Agreement and to which it is a party. The conclusion of the contracts aforementioned and the forms of the contractual rights therein shall not affect the authorization hereunder to any extent.

All actions taken by Party A in relation to Party B Equity shall be deemed as Party B's own actions and all the documents signed by Party A shall be deemed as signed by Party B. Party B hereby acknowledges and approves the actions taken by and/or documents signed by Party A.

Party A shall be entitled at its discretion to delegate or transfer to any other person or entity the rights in relation to the aforementioned issues without prior notification to or consent of Party B.

During the term of Party B as a shareholder of Qianhai Dingsheng, this Agreement and the authorization hereunder shall be irrevocable and remain in full force as from the execution date hereof.

During the term of this Agreement, Party B hereby waives all the rights conferred upon Party A hereunder with respect to Party B Equity and shall not exercise such rights on its own.

In the event of any dispute with respect to the construction and performance of this Agreement, the Parties shall first resolve the dispute through friendly negotiations. In the event that the Parties fail to reach an agreement within 30 days after either Party requests to the other Party for resolution of the dispute through negotiations, either Party may submit the relevant dispute to the China International Economic and Trade Arbitration Commission for arbitration in accordance with its then effective arbitration rules. The arbitration shall be conducted in Beijing. The arbitration award shall be final and binding on both Parties.

This Agreement shall be written in Chinese in duplicates of equal legal force, with each party holding one.

[Signature page follows]

IN WITNESS WHEREOF, the Parties have caused their authorized representatives to execute this Power of Attorney as of the date first above written.

Party A: **Beijing Shijitong Technology Co., Ltd. (Seal)**

Signature: /s/XIAO Wenjie

Name: XIAO Wenjie

Title: Legal Representative

/s/Seal of Beijing Shijitong Technology Co., Ltd.

Party B:

Signature: /s/QIAO Qian

Name: QIAO Qian

Power of Attorney

This Power of Attorney (hereinafter this "**Agreement**") is made in Beijing, China on March 9, 2017 by and between the following parties.

Party A: **Beijing Shijitong Technology Co., Ltd.,** a limited company duly incorporated and existing under the laws of the People's Republic of China ("**China**") and having its registered office at Room 1505, Building 1, No. 108 Zhichun Road, Haidian District, Beijing; and

Party B: **Shenzhen Xinjie Investment Co., Ltd.**, a limited liability company organized and existing under the laws of Chin with its address at 6/F, Block B, Shenzhen Industry-University-Research Cooperation Base of Huazhong University of Science and Technology, No.9 Yuexing 3rd Road, Gaoxin Zone, Yuehai Sub-district, Nanshan District, Shenzhen.

Party A and Party B shall be hereinafter referred to as **a "Party"** individually and **the "Parties**" collectively.

WHEREAS

Party B holds 10% of the equity interests ("**Party B Equity**") in Shenzhen Qianhai Dingsheng Asset Management Co., Ltd ("**Qianhai Dingsheng**").

Now Therefore, the Parties hereby agree as follows through mutual negotiations:

Party B hereby irrevocably authorizes Party A to exercise the following rights with respect to Party B Equity during the term of this Agreement.

Party A is hereby authorized as the sole and exclusive agent and attorney to act generally on behalf of Party B with respect to all matters relating to Party B Equity, including but not limited to (i) attending the Shareholders Meeting of Qianhai Dingsheng; (ii) exercising all the powers and voting rights of Party B as the shareholder in accordance to Chinese laws and the articles of association of Qianhai Dingsheng, including but not limited to on the sale, transfer, pledge or disposal of partial or entire Party B Equity; and (iii) designating and appointing the legal representative, chairman of the Board, directors, supervisors, chief executive officers and other senior management members on behalf of Party B.

Without prejudice to the generality of the powers conferred upon by this Agreement, Party A shall be entitled as authorized by this Agreement, to act on behalf of Party B to sign the Transfer Contracts as specified in the Exclusive Purchase Option Agreement (to which Party B shall be a party) and execute the Equity Pledge Agreement and the Exclusive Purchase Option Agreement signed on the same day with this Agreement and to which it is a party. The conclusion of the contracts aforementioned and the forms of the contractual rights therein shall not affect the authorization hereunder to any extent.

All actions taken by Party A in relation to Party B Equity shall be deemed as Party B's own actions and all the documents signed by Party A shall be deemed as signed by Party B. Party B hereby acknowledges and approves the actions taken by and/or documents signed by Party A.

Party A shall be entitled at its discretion to delegate or transfer to any other person or entity the rights in relation to the aforementioned issues without prior notification to or consent of Party B.

During the term of Party B as a shareholder of Qianhai Dingsheng, this Agreement and the authorization hereunder shall be irrevocable and remain in full force as from the execution date hereof.

During the term of this Agreement, Party B hereby waives all the rights conferred upon Party A hereunder with respect to Party B Equity and shall not exercise such rights on its own.

In the event of any dispute with respect to the construction and performance of this Agreement, the Parties shall first resolve the dispute through friendly negotiations. In the event that the Parties fail to reach an agreement within 30 days after either Party requests to the other Party for resolution of the dispute through negotiations, either Party may submit the relevant dispute to the China International Economic and Trade Arbitration Commission for arbitration in accordance with its then effective arbitration rules. The arbitration shall be conducted in Beijing. The arbitration award shall be final and binding on both Parties.

This Agreement shall be written in Chinese in duplicates of equal legal force, with each party holding one.

The Power of Attorney made and entered into by and between the Parties on January 13, 2016 shall be terminated automatically upon execution hereof.

[Signature page follows]

IN WITNESS WHEREOF, the Parties have caused their authorized representatives to execute this Power of Attorney as of the date first above written.

Party A: **Beijing Shijitong Technology Co., Ltd. (Seal)**

Signature: /s/XIAO Wenjie

Name: XIAO Wenjie

Title: Legal Representative

/s/Seal of Beijing Shijitong Technology Co., Ltd.

Party B: **Shenzhen Xinjie Investment Co., Ltd. (Seal)**

Signature: /s/XIAO Wenjie

Name: XIAO Wenjie

Title: Legal Representative

/s/Seal of Shenzhen Xinjie Investment Co., Ltd.

Power of Attorney

This Power of Attorney (hereinafter this "**Agreement**") is made in Beijing, China on March 9, 2017 by and between the following parties.

Party A: **Beijing Shijitong Technology Co., Ltd.,** a limited company duly incorporated and existing under the laws of the People's Republic of China ("**China**") and having its registered office at Room 1505, Building 1, No. 108 Zhichun Road, Haidian District, Beijing; and

Party B: **WEI Jianwei** a Chinese citizen whose identification number is **********.

Party A and Party B shall be hereinafter referred to as **a "Party"** individually and **the "Parties**" collectively.

WHEREAS

Party B holds 30% of the equity interests ("**Party B Equity**") in Shenzhen Qianhai Dingsheng Asset Management Co., Ltd ("**Qianhai Dingsheng**").

Now Therefore, the Parties hereby agree as follows through mutual negotiations:

Party B hereby irrevocably authorizes Party A to exercise the following rights with respect to Party B Equity during the term of this Agreement.

Party A is hereby authorized as the sole and exclusive agent and attorney to act generally on behalf of Party B with respect to all matters relating to Party B Equity, including but not limited to (i) attending the Shareholders Meeting of Qianhai Dingsheng; (ii) exercising all the powers and voting rights of Party B as the shareholder in accordance to Chinese laws and the articles of association of Qianhai Dingsheng, including but not limited to on the sale, transfer, pledge or disposal of partial or entire Party B Equity; and (iii) designating and appointing the legal representative, chairman of the Board, directors, supervisors, chief executive officers and other senior management members on behalf of Party B.

Without prejudice to the generality of the powers conferred upon by this Agreement, Party A shall be entitled as authorized by this Agreement, to act on behalf of Party B to sign the Transfer Contracts as specified in the Exclusive Purchase Option Agreement (to which Party B shall be a party) and execute the Equity Pledge Agreement and the Exclusive Purchase Option Agreement signed on the same day with this Agreement and to which it is a party. The conclusion of the contracts aforementioned and the forms of the contractual rights therein shall not affect the authorization hereunder to any extent.

All actions taken by Party A in relation to Party B Equity shall be deemed as Party B's own actions and all the documents signed by Party A shall be deemed as signed by Party B. Party B hereby acknowledges and approves the actions taken by and/or documents signed by Party A.

Party A shall be entitled at its discretion to delegate or transfer to any other person or entity the rights in relation to the aforementioned issues without prior notification to or consent of Party B.

During the term of Party B as a shareholder of Qianhai Dingsheng, this Agreement and the authorization hereunder shall be irrevocable and remain in full force as from the execution date hereof.

During the term of this Agreement, Party B hereby waives all the rights conferred upon Party A hereunder with respect to Party B Equity and shall not exercise such rights on its own.

In the event of any dispute with respect to the construction and performance of this Agreement, the Parties shall first resolve the dispute through friendly negotiations. In the event that the Parties fail to reach an agreement within 30 days after either Party requests to the other Party for resolution of the dispute through negotiations, either Party may submit the relevant dispute to the China International Economic and Trade Arbitration Commission for arbitration in accordance with its then effective arbitration rules. The arbitration shall be conducted in Beijing. The arbitration award shall be final and binding on both Parties.

This Agreement shall be written in Chinese in duplicates of equal legal force, with each party holding one.

[Signature page follows]

IN WITNESS WHEREOF, the Parties have caused their authorized representatives to execute this Power of Attorney as of the date first above written.

Party A: **Beijing Shijitong Technology Co., Ltd. (Seal)**

Signature: /s/ XIAO Wenjie

Name: XIAO Wenjie

Title: Legal Representative

/s/Seal of Beijing Shijitong Technology Co., Ltd.

Party B:

Signature: /s/ WEI Jianwei

Name: WEI Jianwei

Exhibit 10.22

LOAN AGREEMENT

This Loan Agreement (this "**Agreement**") is executed on April 13, 2017 in Beijing, the People's Republic of China (the "**PRC**") by and between:

Party A:

Beijing Shijitong Technology Co., Ltd. (the "**Lender**")

Address: Room 1505, Building 1, No. 108 Zhichun Road, Haidian District, Beijing;

and

Party B:

QIAO Qian ("**Party B1**"), a Chinese citizen whose ID number is **********;

WEI Jianwei ("**Party B2**"), a Chinese citizen whose ID number is **********; and

Shenzhen Xinjie Investment Co., Ltd. ("**Party B3**", collectively the "**Borrowers**" with Party B1 and Party B2), a limited liability company incorporated and existing under the PRC laws with its address at 6/F, Block B, Shenzhen Industry-University-Research Cooperation Base of Huazhong University of Science and Technology, No.9 Yuexing 3rd Road, Gaoxin Zone, Yuehai Sub-district, Nanshan District, Shenzhen.

The Lender and the Borrowers are hereinafter referred to as a "**Party**" individually and the "**Parties**" collectively.

WHEREAS:

The Borrowers hold in aggregate 100% equity interests (the "**Borrower Interests**") in Shenzhen Qianhai Dingsheng Asset Management Co., Ltd. (the "**Borrower Company**"), a limited liability company incorporated in Shenzhen, the PRC with a registered capital of RMB10 million.

The Lender intends to extend a loan to the Borrowers for the purposes set out in this Agreement. The Parties hereby agree as follows through friendly consultations:

1. Loan

1.1 In accordance with the terms and conditions of this Agreement, the Lender agrees to extend a loan totaling RMB10 million (the "**Loan**") to the Borrowers. The term of the Loan shall be ten (10) years as from the execution date of this Agreement. Unless otherwise agreed by the Parties in writing, the term of the Loan shall be renewed automatically upon each of its expirations for another ten (10) years.

1.2 During the original or renewed term of the Loan, the Borrowers must make prepayment immediately upon occurrence of any of the following circumstances:

1.1.1 where the 30-day period expires after the Borrowers receive the written notice demanding repayment from the Lender;

1.1.2 where the Borrower, in the case of an individual, dies, losses or becomes limited in terms of civil capacity, or in the case of a limited liability company, is dissolved or liquidated;

1.1.3 where the Borrowers are no longer employed by the Lender, the Borrower Company or their affiliates for whatever reason;

1.1.4 where the Borrowers are engaged or involved in criminal activities;

1.1.5 where any third party make claims against the Borrowers with an amount of RMB100,000 or more; or

1.1.6 where in accordance with the applicable PRC laws, the Lender may directly hold the equity interests in the Borrower Company, the Borrower Company may lawfully continue with its business, and the Lender decides to exercise its exclusive purchase option under the Exclusive Option Agreement (the "**Exclusive Option Agreement**") referred to herein.

1.2 Subject to satisfaction of all conditions precedent set out in Section 2, the Lender agrees to remit the Loan to the bank account designated by the Borrowers within twenty (20) days of the receipt of the written notice indicating the Borrowers' demand for the Loan. The Borrowers shall issue an acknowledgement of receipt to the Lender on the same day when they receive such amount. The Loan extended by the Lender under this Agreement shall be utilized by the Borrowers only, and shall not be used by the successors or assignees of the Borrowers.

1.3 The Borrowers agree to accept the above Loan extended by the Lender, and hereby agree and undertake to use the Loan for funding business development of the Borrower Company. Without prior written consent of the Lender, the Borrowers shall not use such amount for any other purpose.

1.4 Both the Lender and the Borrowers agree and acknowledge that the Borrowers may make repayment only in following manner determined by the Lender: the Borrowers shall transfer all the Borrower Interests they hold to the Lender or the legal or natural person designated by the Lender upon the Lender's exercise of its option to buy the Borrower Interests under the Exclusive Option Agreement.

1.5 Both the Lender and the Borrowers agree and acknowledge that, to the extent permitted, any proceeds obtained by the Borrowers from transfer of the Borrower Interests shall be used for repaying for the Loan in accordance with this Agreement in such manner as designated by the Lender.

1.6 Both the Lender and the Borrowers agree and acknowledge that, to the extent permitted by applicable laws, the Lender shall have the right but no obligation to buy, or designated other legal or natural persons to buy, in whole or in part the Borrower Interests at any time at the purchase price agreed under the Exclusive Option Agreement.

1.7 Both the Lender and the Borrowers agree and acknowledge that the Borrowers agree to create a pledge over all the equity interests they hold in the Borrower Company in favor of the Lender to secure the debt repayment hereunder. For the avoidance of doubt, the Parties acknowledge that, in addition to the debt under this Agreement, the principal debt secured by the equity pledge under this section also includes all the debts owed by the Borrowers and the Borrower Company to the Lender under the Exclusive Business Cooperation Agreement, the Exclusive Option Agreement and the Power of Attorney (as defined below).

1.8 Each of the Borrowers has executed an irrevocable Power of Attorney (the "**Power of Attorney**"), under which they authorize the Lender or any legal or natural person designated by the Lender to exercise all their rights as the shareholders of the Borrower Company.

1.9 When the Borrowers transfer their Borrower Interests to the Lender or the person designated by the Lender, if the transfer price is equal to or lower than the principal of the Loan under this Agreement, the Loan under this Agreement shall be deemed to be interest free loan; if the transfer price is higher than the principal of the Loan under this Agreement, the portion of the transfer price in excess of the principal shall be deemed to be the interests on the principal of the Loan and shall be repaid by the Borrowers to the Lender.

2. <u>Conditions Precedent for Loan Extending</u>

The Lender will not be obligated to extend the Loan to the Borrowers in accordance with Section 1.1 unless and until all the conditions below are satisfied or waived by the Lender in writing.

2.1 The Lender receives on time the drawdown notice duly signed by the Borrowers in accordance with Section 1.2. The Borrower Company and the Lender or the legal or natural person designated by the Lender has duly entered into a definite exclusive business cooperation agreement (the "**Exclusive Business Cooperation Agreement**"), under which the Lender or the person designated by the Lender will, to the extent permitted by the PRC laws, provide the Borrower Company with technical services and business consultancy services in the capacity of an exclusive service provider.

2.2 The Borrower, the Borrower Company and the Lender or the legal or natural person designated by the Lender have duly entered into a definite Equity Pledge Agreement (the "**Equity Pledge Agreement**"), under which the Borrowers agree to create a pledge over all the Borrower Interests in favor of the Lender or the person designated by the Lender.

2.3 The Borrower, the Lender and the Borrower Company have duly entered into a definite Exclusive Option Agreement, under which the Borrowers will, to the extent permitted by the PRC laws, irrevocably grant the Lender an exclusive Purchase Option to buy all Borrower Interests.

2.4 The Borrowers and the Lender have entered into an irrevocable Power of Attorney, under which the Borrowers authorize the Lender or any legal or natural person designated by the Lender to exercise all their rights as the shareholders of the Borrower Company

2.5 The above Equity Pledge Agreement, Power of Attorney, Exclusive Option Agreement and Exclusive Business Cooperation Agreement are executed on or prior to the execution date of this Agreement, and entered into full legal force. There have been no event that breaches or prejudices any of such contracts or agreements, and all the relevant filings, approvals, authorizations, registrations and government procedures have been secured or completed in accordance with such contracts or agreements, if required.

2.6 The representations and warranties made by the Borrowers under Section 3.2 are truthful, complete and accurate, and contain no misleading content.

2.7 The Borrowers have not breached any of the undertakings they make under Section 4 of this Agreement, and there is no actual or threatened event that may affect the performance of their obligations under this Agreement.

3. <u>Representations and Warranties</u>

3.1 From the execution date to the termination of this Agreement, the Lender represents and warrants to the Borrowers as follows:

3.1.1 The Lender is a company duly incorporated and existing under the PRC laws;

3.1.2 The Lender has the authority to execute and perform this Agreement. Its execution and performance of this Agreement are in line with its scope of business and the provisions in its articles of association and other constitutional documents. The Lender has obtained all necessary and appropriate approvals and authorizations required for the execution and performance of this Agreement; and

3.1.3 Upon execution, this Agreement shall constitute lawful, valid and enforceable obligations for the Lender.

3.2 From the execution date to the termination of this Agreement, the Borrowers represent and warrant as follows:

3.2.1 The Borrowers have the authority to execute and perform this Agreement, and have obtained all necessary and appropriate approvals and authorizations required for the execution and performance of this Agreement;

3.2.2 Upon execution, this Agreement shall constitute lawful, valid and enforceable obligations for the Borrowers; and

3.2.3 There is no actual or potential dispute, action, arbitration, administrative procedures or other legal proceedings involving the Borrowers.

4. Undertakings of the Borrowers

4.1 The Borrowers irrevocably undertake in the capacity of the shareholders of the Borrower Company that they will, during the term of this Agreement, procure the Borrower Company:

4.1.1 to strictly comply with the provisions of the Exclusive Option Agreement and the Exclusive Business Cooperation Agreement, and not to engage in any action or omission that is sufficient to affect the validity and enforceability of the Exclusive Option Agreement and the Exclusive Business Cooperation Agreement;

4.1.2 to enter into contracts/agreements on business cooperation with the Lender or the person designated by the Lender or the person designated by the Lender at any time as requested by the Lender, and ensure the strict performance of such contracts/agreements;

4.1.3 to provide the Lender with all its operating and financial information at the request of the Lender;

4.1.4 to inform the Lender promptly of any existing or potential litigation, arbitration or administrative procedures in connection with its assets, business and revenue; and

4.1.5 to appoint any person designated by the Lender as director of the Borrower Company at the request of the Lender.

4.2 The Borrowers undertake that during the term of this Agreement:

4.2.1 they shall exert their best efforts to cause the Borrower Company to continue with its existing business;

4.2.2 they shall strictly comply with the provisions of this Agreement, the Power of Attorney, the Equity Pledge Agreement and the Exclusive Option Agreement, and shall not engage in any action or omission that is sufficient to affect the validity and enforceability of this Agreement, the Power of Attorney, the Equity Pledge Agreement and the Exclusive Option Agreement;

4.2.3 unless otherwise provided under the Equity Pledge Agreement, they shall not sell, transfer, charge or otherwise dispose of the legal or beneficial interests in the Borrower Interests, or permit any other security interests to be created over the same;

4.2.4 they shall procure the shareholders meeting and/or board of directors of the Borrower Company to disapprove any sale, transfer, charge or other disposal of the legal or beneficial interests in the Borrower Interests, or permission of any other security interests to be created over the same, in each case without prior written consent of the Lender, unless in favor of the Lender or the person designated by the Lender;

4.2.5 they shall procure the shareholders meeting and/or board of directors of the Borrower Company to disapprove the merger or consolidation of the Borrower Company with any person or acquisition of or investment in any person by the Borrower Company, in each case without prior written consent of the Lender;

4.2.6 they shall inform the Lender promptly of any actual or threatened litigation, arbitration or administrative procedures in connection with the Borrower Interests;

4.2.7 they shall execute all such documents, take all such actions, make all such allegations, or present such defense against all claims as are necessary and appropriate for maintaining their ownership over the Borrower Interests;

4.2.8 without prior written consent of the Lender, they shall not take any action or omission that may cause a material adverse effect on the assets, business and liabilities of the Borrower Company;

4.2.9 they shall, at the request of the Lender, appoint any person designated by the Lender as director of the Borrower Company;

4.2.10 to the extent permitted by the PRC laws, they shall, upon the request of the Lender from time to time, unconditionally transfer the Borrower Interests to the Lender or the person designated by the Lender, and cause other shareholders of the Borrower Company to waive their pre-emptive rights to the equity interests transfer under this paragraph;

4.2.11 to the extent permitted by the PRC laws, they shall, upon the request of the Lender from time to time, cause other shareholders of the Borrower Company to unconditionally transfer all the equity interests they hold in the Borrower Company to the Lender or the representative designated by the Lender, in which case, the Borrowers shall waive their pre-emptive rights to the equity interests transfer under this paragraph;

4.2.12 the Borrowers shall use the purchase price for repaying for the Loan first if the Lender purchases the Borrower Interests from them in accordance with the Exclusive Option Agreement; and

4.2.13 without prior written consent of the Lender, they shall not supplement, change or amend their articles of association in any manner, increase or decrease the registered capital, or change the capital structure in any form.

5. Liabilities for Breach of Contract

5.1 Either Party that breaches this Agreement and thus causes it impossible to perform this Agreement in whole or in part shall bear the liability for breach of contract, and indemnify the other Party against the losses (including litigation fees and attorney fees) thus caused. Where both Parties are in breach of this Agreement, they shall bear their respective liabilities according to the actual circumstances.

5.2 Where the Borrowers fail to perform their obligations to make repayment within the period set out in this Agreement, they shall pay the default interests at a rate of 0.1% of the overdue amount on a daily basis, until all the principal, default interests and other amount are paid up.

6. Notice

6.1 All notices and other communications required or permitted to be given pursuant to this Agreement shall be delivered personally or sent by registered mail with postage prepaid, commercial courier service or facsimile transmission to the address of such Party set forth below. Each notice shall be followed by a confirmation copy sent by email. The dates on which notices shall be deemed to have been effectively given shall be determined as follows:

6.1.1 Notices given by personal delivery, courier service, registered mail with postage prepaid shall be deemed effectively given on the date of receipt or rejection at the address specified for notices; or

6.1.2 Notices given by facsimile transmission shall be deemed effectively given on the date of successful transmission (as evidenced by an automatically generated confirmation of transmission).

6.2 The addresses of the Parties for receiving notices are as follows:

Lender:

Beijing Shijitong Technology Co., Ltd.

Address: 27/F, CES Tower, No. 3099 Keyuan South Road, Nanshan District, Shenzhen

Attn: XIAO Wenjie

Tel.: 0755-33688788

Borrowers:

QIAO Qian

Address: **********, Nanshan District, Shenzhen

Tel.: **********

WEI Jianwei

Address: **********, Shenzhen

Tel.: **********

Shenzhen Xinjie Investment Co., Ltd.

Address: 27/F, CES Tower, No. 3099 Keyuan South Road, Nanshan District, Shenzhen

Attn: XIAO Wenjie

Tel.: 0755-33688788

6.3 Any Party may send a notice to the other Party as provided in this Section to change its address used to receive notice.

7. Confidentiality

The Parties acknowledge that any oral or written information exchanged between the Parties in connection with the preparation and performance this Agreement constitute confidential information. Each Party shall maintain confidentiality of all such confidential information, and without obtaining the written consent of the other Party, it shall not disclose any relevant confidential information to any third parties, except for the information that: (i) is or becomes available to the general public (other than through the receiving Party's unauthorized disclosure); (ii) is required to be disclosed by applicable laws or regulations or rules or regulations of any stock exchange; or (iii) is necessary to be disclosed by any Party to its legal counsels or financial advisors regarding the transaction contemplated hereunder, provided that such legal counsels or financial advisors shall be bound by the confidentiality obligations similar to those set forth in this Section. Disclosure of any confidential information by the employees of or agencies engaged by any Party shall be deemed disclosure by such Party itself and such Party shall be held liable for breach of this Agreement. This Section shall survive the termination of this Agreement for any reason.

8. Governing Law and Dispute Resolution

8.1 The execution, effectiveness, construction, performance, amendment and termination of this Agreement and the resolution of disputes hereunder shall be governed by the formally published and publicly available laws of China. Matters not covered by formally published and publicly available laws of China shall be governed by international legal principles and practices.

8.2 In the event of any dispute with respect to the construction and performance of this Agreement, the Parties shall first resolve the dispute through friendly negotiations. In the event the Parties fail to reach an agreement within 30 days after either Party requests to the other Parties for resolution of the dispute through negotiations, either Party may submit the relevant dispute to the China International Economic and Trade Arbitration Commission for arbitration, in accordance with its then effective arbitration rules. The arbitration shall be conducted in Beijing, and the language shall be Chinese. The arbitration award shall be final and binding on all Parties.

8.3 Upon occurrence of any disputes arising from the construction and performance of this Agreement or pending arbitration of any dispute, except for the matters under dispute, the Parties shall continue to exercise their respective rights and perform their respective obligations hereunder.

9. Miscellaneous

9.1 This Agreement shall take effect on the day when it is executed by the Parties and expire on the day when the Parties have completed the performance of their obligations under this Agreement.

9.2 This Agreement is made in Chinese in four counterparts of equal legal force with each of the Lender and the Borrower holding one.

9.3 The Parties may amend and supplement this Agreement by written agreement. The amendment agreement and/or supplementary agreement among the Parties in connection with this Agreement shall be integral part of and have the equal legal effect with this Agreement.

9.4 In the event that one or several provisions hereof are found to be invalid, illegal or unenforceable in any aspect in accordance with any laws or regulations, the validity, legality or enforceability of the remaining provisions of this Agreement shall not be affected or compromised in any aspect. The Parties shall negotiate in good faith to replace such invalid, illegal or unenforceable provisions with effective provisions that accomplish to the greatest extent permitted by law the intentions of the Parties, and the economic effect of such effective provisions shall be as close as possible to the economic effect of those invalid, illegal or unenforceable provisions.

9.5 The schedules, if any, to this Agreement shall be integral part of and have equal legal effect with this Agreement.

[Signature page follows]

IN WITNESS WHEREOF, the Parties have caused their authorized representatives to execute sign this Loan Contract as of the date first above written.

Lender:

Beijing Shijitong Technology Co., Ltd. (Seal)

Signature: /s/XIAO Wenjie

Name: XIAO Wenjie

Title: Legal Representative

/s/Seal of Beijing Shijitong Technology Co., Ltd.

Borrowers:

Signature: /s/QIAO Qian

Name: QIAO Qian

Signature: /s/WEI Jianwei

Name: WEI Jianwei

Shenzhen Xinjie Investment Co., Ltd. (Seal)

Signature: /s/XIAO Wenjie

Name: XIAO Wenjie

Title: Legal Representative

/s/Seal of Shenzhen Xinjie Investment Co., Ltd.

Appendix 1

Loan Amount

Borrower	Loan Amount (RMB)
QIAO Qian	6,000,000
WEI Jianwei	3,000,000
Shenzhen Xinjie Investment Co., Ltd.	1,000,000
Total	**10,000,000**

Exhibit 21.1

Principal Subsidiaries, Consolidated Affiliated Entities and Subsidiaries of Consolidated Affiliated Entities of the Registrant

Subsidiaries:

Installment (HK) Investment Limited, a Hong Kong company

Beijing Shijitong Technology Co., Ltd., a PRC company

Shenzhen Lexin Software Technology Co., Ltd., a PRC company

Consolidated Affiliated Entities:

Shenzhen Xinjie Investment Co., Ltd., a PRC company

Shenzhen Fenqile Network Technology Co., Ltd., a PRC company

Beijing Lejiaxin Network Technology Co., Ltd., a PRC company

Shenzhen Qianhai Dingsheng Asset Management Co., Ltd., a PRC company

Subsidiaries of Consolidated Affiliated Entities:

Ji’an Fenqile Network Microcredit Co., Ltd., a PRC company

Shenzhen Fenqile Trading Co., Ltd., a PRC company

Shenzhen Qianhai Juzi Information Technology Co., Ltd., a PRC company

Shenzhen Tiqianle Network Technology Co., Ltd., a PRC company

Exhibit 99.1

LEXINFINTECH HOLDINGS LTD.

CODE OF BUSINESS CONDUCT AND ETHICS

(Adopted by the Board of Directors of LexinFintech Holdings Ltd. on October 30, 2017, effective upon the effectiveness of its registration statement on Form F-1 relating to its initial public offering)

I. PURPOSE

This Code of Business Conduct and Ethics (the "**Code**") contains general guidelines for conducting the business of LexinFintech Holdings Ltd. and its subsidiaries and affiliates (collectively, the "**Company**") consistent with the highest standards of business ethics, and is intended to qualify as a "code of ethics" within the meaning of Section 406 of the Sarbanes-Oxley Act of 2002 and the rules promulgated thereunder. To the extent this Code requires a higher standard than required by commercial practice or applicable laws, rules or regulations, the Company adheres to these higher standards.

This Code is designed to deter wrongdoing and to promote:

- honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- full, fair, accurate, timely, and understandable disclosure in reports and documents that the Company files with, or submits to, the U.S. Securities and Exchange Commission (the "**SEC**") and in other public communications made by the Company;
- compliance with applicable laws, rules and regulations;
- prompt internal reporting of violations of the Code; and
- accountability for adherence to the Code.

II. APPLICABILITY

This Code applies to all directors, officers and employees of the Company, whether they work for the Company on a full-time, part-time, consultative or temporary basis (each, an "**employee**" and collectively, the "**employees**"). Certain provisions of the Code apply specifically to our chief executive officer, chief financial officer, senior finance officer, controller, senior vice presidents, vice presidents and any other persons who perform similar functions for the Company (each, a "**senior officer**," and collectively, the "**senior officers**").

The Board of Directors of the Company (the "**Board**") has appointed each of the Head of the Legal Department, the Head of the Compliance Department and the Head of the Internal Audit of the Company, as the Compliance Officers for the Company (each, the "**Compliance Officer**"). If you have any questions regarding the Code or would like to report any violation of the Code, please contact the Compliance Officer.

This Code has been adopted by the Board and shall become effective (the "**Effective Time**") upon the effectiveness of the Company's registration statement on Form F-1 filed by the Company with the SEC relating to the Company's initial public offering.

III. CONFLICTS OF INTEREST

Identifying Conflicts of Interest

A conflict of interest occurs when an employee's private interest interferes, or appears to interfere, in any way with the interests of the Company as a whole. An employee should actively avoid any private interest that may impact such employee's ability to act in the interests of the Company or that may make it difficult to perform the employee's work objectively and effectively. In general, the following should be considered conflicts of interest:

- Competing Business. No employee may be employed by a business that competes with the Company or deprives it of any business.
- Corporate Opportunity. No employee should use corporate property, information or his/her position with the Company to secure a business opportunity that would otherwise be available to the Company. If an employee discovers a business opportunity that is in the Company's line of business through the use of the Company's property, information or position, the employee must first present the business opportunity to the Company before pursuing the opportunity in his/her individual capacity.
- Financial Interests.

  (i) No employee may have any financial interest (ownership or otherwise), either directly or indirectly through a spouse or other family member, in any other business or entity if such interest adversely affects the employee's performance of duties or responsibilities to the Company, or requires the employee to devote time to it during such employee's working hours at the Company;

  (ii) No employee may hold any ownership interest in a privately held company that is in competition with the Company;

  (iii) An employee may hold up to 5% ownership interest in a publicly traded company that is in competition with the Company; provided that if the employee's ownership interest in such publicly traded company increases to more than 5%, the employee must immediately report such ownership to the Compliance Officer;

(iv) No employee may hold any ownership interest in a company that has a business relationship with the Company if such employee's duties at the Company include managing or supervising the Company's business relations with that company; and

(v) Notwithstanding the other provisions of this Code,

(a) a director or any family member of such director (collectively, "**Director Affiliates**") or a senior officer or any family member of such senior officer (collectively, "**Officer Affiliates**") may continue to hold his/her investment or other financial interest in a business or entity (an "**Interested Business**") that:

(1) was made or obtained either (x) before the Company invested in or otherwise became interested in such business or entity; or (y) before the director or senior officer joined the Company (for the avoidance of doubt, regardless of whether the Company had or had not already invested in or otherwise become interested in such business or entity at the time the director or senior officer joined the Company); or

(2) may in the future be made or obtained by the director or senior officer, provided that at the time such investment or other financial interest is made or obtained, the Company has not yet invested in or otherwise become interested in such business or entity;

provided that such director or senior officer shall disclose such investment or other financial interest to the Board;

(b) an interested director or senior officer shall refrain from participating in any discussion among senior officers of the Company relating to an Interested Business and shall not be involved in any proposed transaction between the Company and an Interested Business; and

(c) before any Director Affiliate or Officer Affiliate (i) invests, or otherwise acquires any equity or other financial interest, in a business or entity that is in competition with the Company; or (ii) enters into any transaction with the Company, the related director or senior officer shall obtain prior approval from the Audit Committee of the Board.

· Loans or Other Financial Transactions. No employee may obtain loans or guarantees of personal obligations from, or enter into any other personal financial transaction with, any company that is a material customer, supplier or competitor of the Company. This guideline does not prohibit arms-length transactions with recognized banks or other financial institutions.

· Service on Boards and Committees. No employee shall serve on a board of directors or trustees or on a committee of any entity (whether profit or not-for-profit) whose interests could reasonably be expected to conflict with those of the Company. Employees must obtain prior approval from the Board before accepting any such board or committee position. The Company may revisit its approval of any such position at any time to determine whether an employee's service in such position is still appropriate.

The above is in no way a complete list of situations where conflicts of interest may arise. The following questions might serve as a useful guide in assessing a potential conflict of interest situation not specifically addressed above:

· Is the action to be taken legal?

· Is it honest and fair?

· Is it in the best interests of the Company?

Disclosure of Conflicts of Interest

The Company requires that employees fully disclose any situations that could reasonably be expected to give rise to a conflict of interest. If an employee suspects that he/she has a conflict of interest, or a situation that others could reasonably perceive as a conflict of interest, the employee must report it immediately to the Compliance Officer. Conflicts of interest may only be waived by the Board, or the appropriate committee of the Board, and will be promptly disclosed to the public to the extent required by law and applicable rules of the NASDAQ Stock Market.

Family Members and Work

The actions of family members outside the workplace may also give rise to conflicts of interest because they may influence an employee's objectivity in making decisions on behalf of the Company. If a member of an employee's family is interested in doing business with the Company, the criteria as to whether to enter into or continue the business relationship and the terms and conditions of the relationship must be no less favorable to the Company compared with those that would apply to an unrelated party seeking to do business with the Company under similar circumstances.

Employees should report any situation involving family members that could reasonably be expected to give rise to a conflict of interest to their supervisor or the Compliance Officer. For purposes of this Code, "family members" or "members of employee's family" include an employee's spouse, parents, children and siblings, whether by blood, marriage or adoption or anyone residing in such employee's home.

IV. GIFTS AND ENTERTAINMENT

The giving and receiving of appropriate gifts may be considered common business practice. Appropriate business gifts and entertainment are welcome courtesies designed to build relationships and understanding among business partners. However, gifts and entertainment should never compromise, or appear to compromise, an employee's ability to make objective and fair business decisions.

It is the responsibility of employees to use good judgment in this area. As a general rule, employees may give or receive gifts or entertainment to or from customers or suppliers only if the gift or entertainment is in compliance with applicable law, insignificant in amount and not given in consideration or expectation of any action by the recipient. All gifts and entertainment expenses made on behalf of the Company must be properly accounted for on expense reports.

We encourage employees to submit gifts received to the Company. While it is not mandatory to submit small gifts, gifts of over RMB200 must be submitted immediately to the administration department of the Company.

Bribes and kickbacks are criminal acts, strictly prohibited by law. An employee must not offer, give, solicit or receive any form of bribe or kickback anywhere in the world.

V. FCPA COMPLIANCE

The U.S. Foreign Corrupt Practices Act ("**FCPA**") prohibits giving anything of value, directly or indirectly, to officials of foreign governments or foreign political candidates in order to obtain or retain business. A violation of FCPA does not only violate the Company's policy but also constitute a civil or criminal offense under FCPA which the Company is subject to after the Effective Time. No employee shall give or authorize directly or indirectly any illegal payments to government officials of any country. While the FCPA does, in certain limited circumstances, allow nominal "facilitating payments" to be made, any such payment must be discussed with and approved by an employee's supervisor in advance before it can be made.

VI. PROTECTION AND USE OF COMPANY ASSETS

Employees should protect the Company's assets and ensure their efficient use for legitimate business purposes only. Theft, carelessness and waste have a direct impact on the Company's profitability. Any use of the funds or assets of the Company, whether for personal gain or not, for any unlawful or improper purpose is strictly prohibited.

To ensure the protection and proper use of the Company's assets, each employee should:

- Exercise reasonable care to prevent theft, damage or misuse of Company property;
- Promptly report any actual or suspected theft, damage or misuse of Company property;
- Safeguard all electronic programs, data, communications and written materials from unauthorized access; and
- Use Company property only for legitimate business purposes.

Except as approved in advance by the Chief Executive Officer or Chief Financial Officer of the Company, the Company prohibits political contributions (directly or through trade associations) by any employee on behalf of the Company. Prohibited political contributions include:

- any contributions of the Company's funds or other assets for political purposes;
- encouraging individual employees to make any such contribution; and
- reimbursing an employee for any political contribution.

VII. INTELLECTUAL PROPERTY AND CONFIDENTIALITY

Employees should abide by the Company's rules and policies in protecting the intellectual property and confidential information, including the following:

- All inventions, creative works, computer software, and technical or trade secrets developed by an employee in the course of performing the employee's duties or primarily through the use of the Company's assets or resources while working at the Company shall be the property of the Company.

- Employees should maintain the confidentiality of information entrusted to them by the Company or entities with which the Company has business relations, except when disclosure is authorized or legally mandated. Confidential information includes all non-public information that might be of use to competitors, or harmful to the company or its business associates, if disclosed.
- The Company maintains a strict confidentiality policy. During an employee's term of employment with the Company, the employee shall comply with any and all written or unwritten rules and policies concerning confidentiality and shall fulfill the duties and responsibilities concerning confidentiality applicable to the employee.
- In addition to fulfilling the responsibilities associated with his/her position in the Company, an employee shall not, without obtaining prior approval from the Company, disclose, announce or publish trade secrets or other confidential business information of the Company, nor shall an employee use such confidential information outside the course of his/her duties to the Company.
- Even outside the work environment, an employee must maintain vigilance and refrain from disclosing important information regarding the Company or its business, business associates or employees.
- An employee's duty of confidentiality with respect to the confidential information of the Company survives the termination of such employee's employment with the Company for any reason until such time as the Company discloses such information publicly or the

information otherwise becomes available in the public sphere through no fault of the employee.

- Upon termination of employment, or at such time as the Company requests, an employee must return to the Company all of its property without exception, including all forms of medium containing confidential information, and may not retain duplicate materials.

VIII. ACCURACY OF FINANCIAL REPORTS AND OTHER PUBLIC COMMUNICATIONS

Upon the Effective Time, the Company will be required to report its financial results and other material information about its business to the public and the SEC. It is the Company's policy to promptly disclose accurate and complete information regarding its business, financial condition and results of operations. Employees must strictly comply with all applicable standards, laws, regulations and policies for accounting and financial reporting of transactions, estimates and forecasts. Inaccurate, incomplete or untimely reporting will not be tolerated and can severely damage the Company and result in legal liability.

Employees should be on guard for, and promptly report, any possibility of inaccurate or incomplete financial reporting. Particular attention should be paid to:

- Financial results that seem inconsistent with the performance of the underlying business;
- Transactions that do not seem to have an obvious business purpose; and
- Requests to circumvent ordinary review and approval procedures.

The Company's senior financial officers and other employees working in the finance department have a special responsibility to ensure that all of the Company's financial disclosures are full, fair, accurate, timely and understandable. Any practice or situation that might undermine this objective should be reported to the Compliance Officer.

Employees are prohibited from directly or indirectly taking any action to coerce, manipulate, mislead or fraudulently influence the Company's independent auditors for the purpose of rendering the financial statements of the Company materially misleading. Prohibited actions include but are not limited to:

- issuing or reissuing a report on the Company's financial statements that is not warranted in the circumstances (due to material violations of U.S. GAAP, generally accepted auditing standards or other professional or regulatory standards);
- not performing audit, review or other procedures required by generally accepted auditing standards or other professional standards;
- not withdrawing an issued report when withdrawal is warranted under the circumstances; or
- not communicating matters required to be communicated to the Company's Audit Committee.

IX. COMPANY RECORDS

Accurate and reliable records are crucial to the Company's business and form the basis of its earnings statements, financial reports and other disclosures to the public. The Company's records are a source of essential data that guides business decision-making and strategic planning. Company records include, but are not limited to, booking information, payroll, timecards, travel and expense reports, e-mails, accounting and financial data, measurement and performance records, electronic data files and all other records maintained in the ordinary course of business.

All Company records must be complete, accurate and reliable in all material respects. There is never an acceptable reason to make false or misleading entries. Undisclosed or unrecorded funds, payments or receipts are strictly prohibited. An employee is responsible for understanding and complying with the Company's recordkeeping policy. An employee should contact the Compliance Officer if he/she has any questions regarding the recordkeeping policy.

X. COMPLIANCE WITH LAWS AND REGULATIONS

Each employee has an obligation to comply with the laws of the cities, provinces, regions and countries in which the Company operates. This includes, without limitation, laws covering commercial bribery and kickbacks, patent, copyrights, trademarks and trade secrets, information privacy, insider trading, offering or receiving gratuities, employment harassment, environmental protection, occupational health and safety, false or misleading financial information, misuse of corporate assets and foreign currency exchange activities. Employees are expected to understand and comply with all laws, rules and regulations that apply to their positions at the Company. If any doubt exists about whether a course of action is lawful, the employee should seek advice immediately from the Compliance Officer.

XI. DISCRIMINATION AND HARASSMENT

The Company is firmly committed to providing equal opportunity in all aspects of employment and will not tolerate any illegal discrimination or harassment based on race, ethnicity, religion, gender, age, national origin or any other protected class. For further information, employees should consult the Compliance Officer.

XII. FAIR DEALING

Each employee should endeavor to deal fairly with the Company's customers, suppliers, competitors and employees. None should take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other unfair-dealing practice.

XIII. HEALTH AND SAFETY

The Company strives to provide employees with a safe and healthy work environment. Each employee has responsibility for maintaining a safe and healthy workplace for other employees by following environmental, safety and health rules and practices and reporting accidents, injuries and unsafe equipment, practices or conditions. Violence or threats of violence are not permitted.

Each employee is expected to perform his/her duty to the Company in a safe manner, not under the influence of alcohol, illegal drugs or other controlled substances. The use of illegal drugs or other controlled substances in the workplace is prohibited.

XIV. VIOLATIONS OF THE CODE

All employees have a duty to report any known or suspected violation of this Code, including any violation of laws, rules, regulations or policies that apply to the Company. Reporting a known or suspected violation of this Code by others will not be considered an act of disloyalty, but an action to safeguard the reputation and integrity of the Company and its employees.

If an employee knows of or suspects a violation of this Code, it is such employee's responsibility to immediately report the violation to the Compliance Officer, who will work with the employee to investigate his/her concern. All questions and reports of known or suspected violations of this Code will be treated with sensitivity and discretion. The Compliance Officer and the Company will protect the employee's confidentiality to the extent possible, consistent with the law and the Company's need to investigate the employee's concern.

It is the Company's policy that any employee who violates this Code will be subject to appropriate discipline, including termination of employment, based upon the facts and circumstances of each particular situation. An employee's conduct, if it does not comply with the law or with this Code, can result in serious consequences for both the employee and the Company.

The Company strictly prohibits retaliation against an employee who, in good faith, seeks help or reports known or suspected violations. An employee inflicting reprisal or retaliation against another employee for reporting a known or suspected violation will be subject to disciplinary action, including termination of employment.

XV. WAIVERS OF THE CODE

Waivers of this Code will be granted on a case-by-case basis and only in extraordinary circumstances. Waivers of this Code may be made only by the Board, or the appropriate committee of the Board, and may be promptly disclosed to the public if so required by applicable laws and regulations and rules of the NASDAQ Stock Market.

XVI. CONCLUSION

This Code contains general guidelines for conducting the business of the Company consistent with the highest standards of business ethics. If employees have any questions about these guidelines, they should contact the Compliance Officer. We expect all employees to adhere to these standards. Each employee is separately responsible for his/her actions. Conduct that violates the law or this Code cannot be justified by claiming that it was ordered by a supervisor or someone in higher management positions. If an employee engages in conduct prohibited by the law or this Code, such employee will be deemed to have acted outside the scope of his/her employment. Such conduct will subject the employee to disciplinary action, including termination of employment.

Exhibit 99.4

November 6, 2017

27/F CES Tower
No. 3099 Keyuan South Road
Nanshan District, Shenzhen 518052
The People's Republic of China

Dear Sirs:

Pursuant to Rule 438 under the Securities Act of 1933, as amended, I hereby consent to the references to my name in the Registration Statement on Form F-1 (the "Registration Statement") of LexinFintech Holdings Ltd. (the "Company") and any amendments thereto, which indicate that I have accepted the nomination to become a director of the Company. I further agree that immediately upon the Securities and Exchange Commission's declaration of effectiveness of the Registration Statement, I will serve as a member of the board of directors of the Company.

* * *

Sincerely yours,

/s/ Wei Wu
Name: Wei Wu

[Signature Page to Consent of Independent Director]