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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM 20-F

(Mark One)

o **REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR 12(g) OF THE SECURITIES EXCHANGE ACT OF 1934**

OR

x **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the fiscal year ended December 31, 2019.

OR

o **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

OR

o **SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

Date of event requiring this shell company report . . . . . .
Commission file number: 001-38527

Uxin Limited

(Exact name of Registrant as specified in its charter)

N/A

(Translation of Registrant's name into English)

Cayman Islands

(Jurisdiction of incorporation or organization)

2-5/F, Tower E, LSHM Center,
No. 8 Guangshun South Avenue,
Chaoyang District,
Beijing, 100102
People's Republic of China

(Address of principal executive offices)

Zhen Zeng, Chief Financial Officer
Telephone: +86 10 5631-2700
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2-5/F, Tower E, LSHM Center,
No. 8 Guangshun South Avenue,
Chaoyang District,
Beijing, 100102
People's Republic of China

(Name, Telephone, Email and/or Facsimile number and Address of Company Contact Person)

Securities registered or to be registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Name of each exchange on which registered
American depositary shares (one American depositary share representing three Class A ordinary shares, par value US$0.0001 per share)	UXIN	The Nasdaq Stock Market LLC (The Nasdaq Global Select Market)
Class A ordinary shares, par value US$0.0001 per share*		The Nasdaq Stock Market LLC (The Nasdaq Global Select Market)

* Not for trading, but only in connection with the listing on The Nasdaq Global Select Market of American depositary shares.

Securities registered or to be registered pursuant to Section 12(g) of the Act:

None

(Title of Class)

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act:

None

(Title of Class)

Indicate the number of issued and outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report.

846,771,473 Class A ordinary shares (excluding the 16,599,045 Class A ordinary shares issued to the depositary bank for bulk issuance of ADSs reserved for future issuances upon the exercise or vesting of awards granted under the Share Incentive Plan) and 40,809,861 Class B ordinary shares, par value US$0.0001 per share, as of December 31, 2019.

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

o Yes x No

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.

o Yes x No

Note — Checking the box above will not relieve any registrant required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 from their obligations under those Sections.

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

x Yes o No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

x Yes o No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer o Accelerated filer x Non-accelerated filer o Emerging growth company x

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 13(a) of the Exchange Act. o

† 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.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

o Yes x No

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

U.S. GAAP x International Financial Reporting Standards as issued by the International Accounting Standards Board o Other o

If "Other" has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow.

o Item 17 o Item 18

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

o Yes x No

(APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY PROCEEDINGS DURING THE PAST FIVE YEARS)

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Sections 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court.

o Yes o No

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INTRODUCTION

Unless otherwise indicated or the context otherwise requires, references in this annual report to:

- "ADSs" are to the American depositary shares, each of which represents three Class A ordinary shares, par value US$0.0001 each;
- "agents" are to our third-party local partners who undertake sales function and provide in-person car-buying services to consumers by operating Uxin service centers across China.
- "Check Auto" are to our proprietary car inspection system;
- "China" or "PRC" are to the People's Republic of China, excluding, for the purpose of this annual report only, Taiwan, Hong Kong, and Macau;
- "GMV" are to gross merchandise value of used cars as measured by gross selling price of used cars, excluding service fees and interests (if any) charged;
- "RMB" and "Renminbi" are to the legal currency of China, which is our reporting currency;
- "shares" or "ordinary shares" are to our Class A and Class B ordinary shares, par value US$0.0001 per share;
- "US$," "U.S. dollars," "$," and "dollars" are to the legal currency of the United States;
- "Uxin" or "our platform" are to our platform primarily for buying and selling used cars, which primarily consisted of two businesses in 2019, 2C business — Uxin Used Car and 2B business — Uxin Auction. We divested Uxin Auction pursuant to definitive agreements we entered into in March 2020. See "Item 4. Information on the Company—A. History and Development of the Company— Divestitures of Our Loan Facilitation, Salvage Car and 2B Businesses";
- "Uxin Used Car" are to our 2C business;
- "Our WFOEs" are to our wholly-owned subsidiaries in China;
- "Our VIEs" are to our variable interest entities, which are Youxin Internet (Beijing) Information Technology Co., Ltd. or Youxin Hulian, and Youxin Yishouche (Beijing) Information Technology Co., Ltd., or Yishouche; and
- "we," "us," "our company" and "our" are to Uxin Limited, our Cayman Islands holding company, and its subsidiaries, and its consolidated affiliated entities in the PRC.

Unless otherwise noted, all translations from Renminbi to U.S. dollars and from U.S. dollars to Renminbi in this annual report were made at a rate of RMB6.9618 to US$1.00, the exchange rate on as of the end of December 2019 set forth in the H.10 statistical release of the Board of Governors of the Federal Reserve System. 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, or at all.

FORWARD-LOOKING INFORMATION

This annual report on Form 20-F contains forward-looking statements that reflect our current expectations and views of future events. These statements are made under the "safe harbor" provisions of the U.S. Private Securities Litigation Reform Act of 1995. You can identify these forward-looking statements by terminology 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 and financial trends that we believe may affect our financial condition, results of operations, business strategy and financial needs. These forward-looking statements include statements relating to, among other things:

- our goals and strategies;
- our ability to retain and increase the number of customers on our platform and for our services, and expand our service offerings;
- our ability to provide quality services and compete effectively;
- our ability to effectively manage risks, including credit risks and fraud risks;
- our future business development, financial condition and results of operations;
- expected changes in our revenues, costs, expenses or expenditures;
- the expected growth of, and trends in, the market for our services;
- our expectations regarding demand for and market acceptance of our services;
- competition in our industry;
- relevant government policies and regulations relating to our industry;
- public health crisis, such as the COVID-19 pandemic, MERS, SARS, H1N1 flu, H7N9 flu, and avian flu; and
- general economic and business conditions in China and globally.

We would like to caution you not to place undue reliance on these forward-looking statements and you should read these statements in conjunction with the risk factors disclosed in "Item 3. Key Information—D. Risk Factors." Those risks are not exhaustive. We operate in an evolving environment. New risks emerge from time to time and it is impossible for our management to predict all risk factors, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ from those contained in any forward-looking statement. We do not undertake any obligation to update or revise the forward-looking statements except as required under applicable law. You should read this annual report and the documents that we reference in this annual report completely and with the understanding that our actual future results may be materially different from what we expect.

PART I

Item 1. Identity of Directors, Senior Management and Advisers

Not applicable.

Item 2. Offer Statistics and Expected Timetable

Not applicable.

Item 3. Key Information

A. Selected Financial Data

The selected consolidated statements of comprehensive loss data for the years ended December 31, 2017, 2018 and 2019, selected consolidated balance sheets data as of December 31, 2018 and 2019 and selected consolidated cash flow data for the years ended December 31, 2017, 2018 and 2019 have been derived from our audited consolidated financial statements, which are included in this annual report beginning on page F-1. The selected consolidated statements of comprehensive loss data and selected consolidated cash flow data for the years ended December 31, 2016, and selected consolidated balance sheets data as of December 31, 2016 and 2017 have been derived from our audited consolidated financial statements for the year ended December 31, 2016 and 2017, which are not included in this annual report. Our consolidated financial statements are prepared and presented in accordance with U.S. GAAP. Our historical results do not necessarily indicate results expected for any future periods. You should read this Selected Financial 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 annual report.

In July 2019 and September 2019, we entered into a binding term sheet and definitive agreements, respectively, with Golden Pacer, a limited liability company incorporated and existing under the laws of the Cayman Islands that operates a leading financial technology platform in China, to divest our loan facilitation related business. In April 2020, we entered into supplemental agreements with Golden Pacer to modify and supplement certain terms and conditions in connection with the divestiture (these agreements are collectively referred to as "Loan facilitation transaction agreements"). Pursuant to the Loan facilitation transaction agreements, we divested our entire 2C intra-regional business and ceased to provide loan facilitation related guarantee services in connection with our 2C cross-regional business (which became the sole component of our 2C business following the divestiture and is currently referred to as "2C online transaction business") since November 2019. In addition, we have divested the assets and liabilities in relation to our historically-facilitated loans for XW Bank to Golden Pacer as one of the pre-conditions for the transaction. As a result, assets and liabilities related to the historically-facilitated loans for XW Bank were reclassified on a net basis as net assets transferred on our consolidated balance sheet as of December 31, 2019, and results of operations related to the divested business were reported as loss from discontinued operations in the consolidated statements of comprehensive loss. The transactions contemplated under the Loan facilitation transaction agreements closed upon the signing of the supplemental agreements in April 2020.

In addition, we entered into definitive agreements with Beijing Hengtai Boche Auction Co. Ltd., or Boche, in January 2020 to divest our salvage car related business. Assets and liabilities associated with the divestiture of the salvage car related business were reclassified as assets and liabilities held for sale on our consolidated balance sheet as of December 31, 2019. Due to the insignificance of the salvage car business to our overall business, the divested business did not meet the criteria of discontinued operations and the results of operations were not presented as discontinued operations. The transaction with Boche closed in January 2020.

In March 2020, we entered into definitive agreements with 58.com to divest our B2B online used car auction business (which constituted the core of our 2B business). Assets and liabilities associated with the divestiture were reclassified as assets and liabilities held for sale on our consolidated balance sheet as of December 31, 2019, and results of operations related to the divested 2B business were reported as loss from discontinued operations in the consolidated statements of comprehensive loss. The transaction with 58.com closed in April 2020.

Unless indicated otherwise, the discussion of our financial data in this annual report relates to continuing operations only. The following table presents our selected consolidated statements of comprehensive loss data for the years ended December 31, 2016, 2017, 2018 and 2019:

	For the Year Ended December 31, (in thousands, except for share data)				
	2016	2017	2018	2019	
	RMB	RMB	RMB	RMB	US$
Selected Consolidated Statements of Comprehensive Loss Data:					
Revenues:					
To consumers ("2C")					
—Commission revenue	—	—	203,158	711,362	102,181
—Value-added service revenue	—	—	166,482	636,046	91,362
Others	135,298	309,133	289,450	240,623	34,563
Total Revenues	**135,298**	**309,133**	**659,090**	**1,588,031**	**228,106**
Cost of revenues[(1)]	(57,972)	(92,735)	(418,852)	(689,292)	(99,011)
Gross profit	**77,326**	**216,398**	**240,238**	**898,739**	**129,096**
Operating expenses:					
Sales and marketing[(1)]	(149,489)	(179,328)	(1,488,699)	(1,184,997)	(170,214)
Research and development[(1)]	—	—	(124,513)	(140,006)	(20,111)
General and administrative[(1)]	(569,845)	(389,072)	(1,070,419)	(402,040)	(57,749)
Gains/(losses) from guarantee liabilities	1,983	1,840	(4,414)	(194,385)	(27,922)
Provision for credit losses	(3,012)	(38,075)	(40,626)	(271,372)	(38,980)
Total operating expenses	**(720,363)**	**(604,635)**	**(2,728,671)**	**(2,192,800)**	**(314,976)**
Other operating income	—	—	—	1,925	277
Loss from continuing operations	**(643,037)**	**(388,237)**	**(2,488,433)**	**(1,292,136)**	**(185,604)**
Interest income	1,482	2,234	24,554	14,958	2,149
Interest expenses	(66)	(199)	(63,880)	(112,587)	(16,172)
Other income	2,643	4,248	23,721	71,142	10,219
Other expenses	(4,544)	(3,808)	(25,568)	(36,569)	(5,253)
Foreign exchange gains/(losses)	769	(627)	(8,232)	4,247	610
Fair value change of derivative liabilities	(116,056)	(885,821)	1,185,090	—	—
Gain from disposal of investment, net	—	—	—	28,257	4,059
Impairment of long-term investment	—	—	—	(37,775)	(5,426)
Loss from continuing operations before income tax expense	**(758,809)**	**(1,272,210)**	**(1,352,748)**	**(1,360,463)**	**(195,418)**
Income tax (expense)/credit	(64)	(211)	(1,644)	2,554	367
Equity in (losses)/income of affiliates	(9,637)	3,597	2,631	30,231	4,342
Net loss from continuing operations, net of tax	**(768,510)**	**(1,268,824)**	**(1,351,761)**	**(1,327,678)**	**(190,709)**
Less: net loss attributable to non-controlling interests shareholders	(35,181)	(25,202)	(15,771)	(1,452)	(209)
Net loss from continuing operations, attributable to UXIN LIMITED	**(733,329)**	**(1,243,622)**	**(1,335,990)**	**(1,326,226)**	**(190,500)**
Discontinued operations					

	For the Year Ended December 31, (in thousands, except for share data)				
	2016	2017	2018	2019	
	RMB	RMB	RMB	RMB	US$
Loss from discontinued operations before income tax	(622,675)	(1,478,615)	(173,583)	(659,458)	(94,725)
Income tax expense	(1,741)	(359)	(12,941)	(2,992)	(430)
Net loss from discontinued operations, net of tax	**(624,416)**	**(1,478,974)**	**(186,524)**	**(662,450)**	**(95,155)**
Net loss from discontinued operations, attributable to UXIN LIMITED	**(624,416)**	**(1,478,974)**	**(186,524)**	**(662,450)**	**(95,155)**
Net loss	**(1,392,926)**	**(2,747,798)**	**(1,538,285)**	**(1,990,128)**	**(285,864)**
Less: net loss attributable to non-controlling interests shareholders	(35,181)	(25,202)	(15,771)	(1,452)	(209)
Net loss attributable to UXIN LIMITED	**(1,357,745)**	**(2,722,596)**	**(1,522,514)**	**(1,988,676)**	**(285,655)**
Accretion on redeemable preferred shares	(421,346)	(555,824)	(318,951)	—	—
Deemed contribution from preferred shareholders	3,428	—	—	—	—
Deemed dividend to preferred shareholders	—	(587,564)	(544,773)	—	—
Deemed dividend from preferred shareholders	—	92,779	—	—	—
Net loss attributable to ordinary shareholders	**(1,775,663)**	**(3,773,205)**	**(2,386,238)**	**(1,988,676)**	**(285,655)**
Net loss	**(1,392,926)**	**(2,747,798)**	**(1,538,285)**	**(1,990,128)**	**(285,864)**
Foreign currency translation	(3,252)	43,406	4,818	(17,976)	(2,582)
Total comprehensive loss	**(1,396,178)**	**(2,704,392)**	**(1,533,467)**	**(2,008,104)**	**(288,446)**
Less: total comprehensive loss attributable to non-controlling interests shareholders	(31,438)	(27,861)	(22,359)	(1,558)	(224)
Total comprehensive loss attributable to UXIN LIMITED	(1,364,740)	**(2,676,531)**	**(1,511,108)**	**(2,006,546)**	**(288,222)**
Net loss attributable to ordinary shareholders	**(1,775,663)**	**(3,773,205)**	**(2,386,238)**	**(1,988,676)**	**(285,655)**
Weighted average number of ordinary shares used in computing net loss per share, basic and diluted	49,174,850	49,318,860	477,848,763	886,613,598	886,613,598
Loss per share for ordinary shareholders, basic					
—Continuing operations	(23.41)	(46.52)	(4.60)	(1.50)	(0.21)
—Discontinued operations	(12.70)	(29.99)	(0.39)	(0.75)	(0.11)
Loss per share for ordinary shareholders, diluted					
—Continuing operations	(23.41)	(46.52)	(4.60)	(1.50)	(0.21)
—Discontinued operations	(12.70)	(29.99)	(0.39)	(0.75)	(0.11)

(1) Share-based compensation in the amount of RMB226.4 million, RMB165.9 million, RMB1,052.0 million and RMB100.3 million (US$ 14.4 million) in 2016, 2017, 2018 and 2019, respectively, was charged to cost of revenues, sales and marketing expenses, research and development expenses, and general and administrative expenses.

The following table presents our selected consolidated balance sheets data as of December 31, 2016, 2017, 2018 and 2019:

	As of December 31,				
	2016	2017	2018	2019	
	RMB	RMB	RMB	RMB	US$
			(in thousands, except for share data)		
Selected Consolidated Balance Sheets Data:					
Cash and cash equivalents	332,259	291,973	800,997	478,200	68,689
Restricted cash	705,854	1,617,230	1,011,705	706,988	101,552
Advance to sellers	45,774	246,287	692,714	288,550	41,448
Financial lease receivables, net	413,462	438,693	294,511	121,820	17,498
Total assets	**2,317,979**	**5,298,913**	**7,349,390**	**5,383,096**	**773,233**
Convertible notes, current	—	—	1,188,192	324,644	46,632
Short-term borrowings	204,068	426,783	624,588	263,425	37,839
Total liabilities	**1,986,194**	**5,059,894**	**4,977,747**	**4,917,976**	**706,423**
Total Mezzanine equity	**4,775,637**	**8,420,644**	**—**	**—**	**—**
Total shareholders' (deficit)/equity	**(4,443,852)**	**(8,181,625)**	**2,371,643**	**465,120**	**66,810**
Capital Stock	30	30	575	581	83
Number of outstanding ordinary shares	49,318,860	49,318,860	880,659,899	887,617,391	887,617,391

The following table presents our selected consolidated statements of cash flow data for the years ended December 31, 2016, 2017, 2018 and 2019:

	For the Year Ended December 31,				
	2016	2017	2018	2019	
	RMB	RMB	RMB	RMB	US$
			(in thousands)		
Selected Consolidated Statements of Cash Flow Data:					
Net cash used in operating activities	(661,210)	(1,834,243)	(2,281,333)	(1,194,101)	(171,522)
Net cash generated from / (used in) investing activities	576,083	(586,843)	(1,078,617)	(484,254)	(69,559)
Net cash (used in) / generated from financing activities	(133,001)	3,288,842	4,274,052	73,630	10,576
Effect of exchange rate changes on cash, cash equivalents and restricted cash	6,464	3,334	(9,278)	960	138
Net (decrease)/increase in cash, cash equivalents and restricted cash	(211,664)	871,090	904,824	(1,603,765)	(230,366)
Cash, cash equivalents and restricted cash at beginning of the year	1,249,777	1,038,113	1,730,001	1,812,702	260,378
Cash, cash equivalents and restricted cash at end of the year	1.038,113	1,730,001	1,812,702	1,185,188	170,242

B. Capitalization and Indebtedness

Not applicable.

C. Reasons for the Offer and Use of Proceeds

Not applicable.

D. Risk Factors

Risks Related to Our Business and Industry

If we fail to provide a differentiated and superior customer experience, the size of our customer base and the number of transactions on our platform could decline, and our business would be materially and adversely affected.

Providing a differentiated and superior online used car transaction experience for our customers, including both consumers and businesses, is critical to our business. Our ability to provide a high-quality customer experience depends on a number of factors, including:

- our ability to improve our existing service offerings and upgrade our platform;
- our ability to meet the diverse needs of our customers with ongoing innovation and new service offerings;
- our ability to maintain and improve operating efficiency, customer experience of online transactions and service quality of our offline networks and personnel;
- our ability to leverage technology and data to improve our services;
- our ability to adequately train and manage our employees; and
- our ability to effectively ensure the quality of services provided by our third-party agents and service providers on our platform.

We cannot guarantee that we can provide a differentiated and superior experience to our customers as our business continues to evolve. Our failure to do so would materially and adversely affect our business, financial condition and results of operations.

Failure to maintain or enhance customer trust in us could damage our reputation, reduce or slow the growth of our customer base, which could harm our business, financial condition and results of operations.

Our reputation as a trusted transaction platform is critical to our success. If we fail to maintain a high level of customer trust in our services, our business, financial condition and results of operations could be materially and adversely affected.

We work with third parties to provide many services through our platform, such as car delivery, title transfer and warranty services, which are the key to earn customer trust. If we fail to maintain a high level of customer satisfaction or fail to properly manage these services, our business, financial condition and results of the operations would be adversely affected. Starting from December 2018, we have also worked with third-party agents to enlarge our sales force in the effort to effectively expand our service network across China. We currently have more than 1,100 service centers operated by our agents in more than 230 cities at prefecture level or above. We provide trainings to our agents and require them to operate the service centers in line with our operating and customer servicing standards. However, if these service centers fail to maintain a high level of performance consistent with our requirements, the level of customer satisfaction and trust we enjoy may be harmed, and our business, financial condition and results of the operations may be adversely affected.

We have received in the past, and we may continue to receive in the future, communications or complaints alleging that cars listed on or sold through our platform are defective, inconsistent with car information provided on our platform, or the services provided by our third-party service providers are unsatisfactory to our customers. The information we include in our car listings is collected and maintained by us, which may not be accurate or complete due to human error, technological issues or willful misconduct. Moreover, if dealers experience difficulties in meeting our requirements or standards or provide inaccurate or unreliable information to us, we may be subject to legal liabilities for the actions or services of these dealers and we may fail to maintain customer trust in our platform, which may adversely affect our business, financial condition and results of the operations.

Our business, operating results and financial condition have been and may continue to be adversely affected by the COVID-19 pandemic.

Since the beginning of 2020, the COVID-19 pandemic have resulted in the temporary closure of many corporate offices, retail stores, and manufacturing facilities across China and globally. In early 2020, in response to intensifying efforts to contain the spread of COVID-19, the Chinese government took a number of actions, which included extending the Chinese New Year holiday, quarantining individuals infected with or suspected of having COVID-19, prohibiting residents from free travel, encouraging employees of enterprises to work remotely from home and cancelling public activities, among others. In addition, as the pandemic continues to threaten global economies, it may continue to cause significant market volatility and declines in general economic activities.

We have taken a series of measures in response to the pandemic to protect our employees, including, among others, temporary closure of some offices, remote working arrangements for our employees and travel restrictions or suspension. These measures have negatively affected the capacity and efficiency of our operations, which in turn could negatively affect our results of operations. The extent to which COVID-19 impacts our results of operations will depend on the future developments of the pandemic, including new information concerning the global severity of and actions taken to contain the pandemic, which are highly uncertain and unpredictable. In addition, our results of operations could be adversely affected to the extent that the pandemic harms the Chinese and global economies in general.

The COVID-19 pandemic has severely affected the used car industry with disruptions impacting the industry's infrastructure and supply chains since January 2020. Throughout February and early March 2020, the majority of local used car markets and dealerships in China were closed and unable to resume operations. Logistics and delivery of used cars were also impacted by the closure of roads and highways in many regions across China. Title transfers were also hindered as local vehicle registration and management bureaus either remained closed or yet to resume full operations. All of these factors created considerable barriers to used car purchase and fulfillment, which has severely disrupted our business operations during the first quarter of 2020 and may continue to weigh on our results for the rest of 2020. In addition, borrowers' ability or willingness to repay their auto loans may also be negatively affected by general economic downturns. As the impact of the pandemic are being fully considered in the credit loss assessment under the new accounting standard effective on January 1, 2020, a significant provision for credit losses and losses from guarantee liabilities will be provided for the first quarter of 2020 associated with our historically-facilitated loans that were not transferred to Golden Pacer as part of the divestiture of our loan facilitation related business.

The extent of the impact on our results due to COVID-19 will depend on, to a large extent, future developments and new information that may emerge regarding the duration and severity of COVID-19 and the actions taken by government authorities and other entities to contain COVID-19 or treat the infection, almost all of which are beyond our control. While many of the restrictions on movement within China have been relaxed as of the date of this annual report, there is great uncertainty as to the future progress of the disease. Currently, there is no vaccine or specific anti-viral treatment for COVID-19. Relaxation of restrictions on economic and social life may lead to new cases which may lead to the re-imposition of restrictions. Since late March 2020, the used car industry has been gradually recovering as businesses restart operations, but we expect that it will still take some time before overall operations recover to normal levels.

We face intense competition, which may lead to loss of market share, reduced service fees and revenue, increased expenses, departures of qualified employees, and disputes with competitors.

We face intense competition in the used car industry both online and offline. Our competitors may have significantly more resources than we do, including financial, technological, marketing and others and may be able to devote greater resources to the development and promotion of their platforms and services. As a result, they may have deeper relationships with dealers, auto financing partners and other third-party service providers than we do. This could allow them to develop new services, adapt more quickly to changes in technology and to undertake more extensive marketing campaigns, which may render our platform less attractive to consumers and businesses and cause us to lose market share. Moreover, intense competition in the markets we operate in may reduce our service fees and revenue, increase our operating expenses and capital expenditures, and lead to departures of our qualified employees. We may also be harmed by negative publicity instigated by our competitors, regardless of its validity. We are currently subject to an ongoing unfair competition claim, and we have encountered and may in the future continue to encounter other disputes with our competitors, including lawsuits involving claims asserted under intellectual property laws, unfair competition laws and defamation which may adversely affect our business and reputation. Failure to compete with current and potential competitors could materially harm our business, financial condition and our results of operations.

We are exposed to credit risk in connection with some of auto loans we facilitated in the past. Our risk management system may not be able to accurately assess and mitigate all the risks to which we are exposed, including credit risk.

Prior to the divestiture of our loan facilitation related business to Golden Pacer as first announced in July 2019, we provided guarantees to our third-party financing partners for all consumer auto loans facilitated through our 2C business. See “Item 4. Information on the Company— A. History and Development of the Company— Divestitures of Our Loan Facilitation, Salvage Car and 2B Businesses.” While we have ceased to provide loan facilitation related guarantee services in connection with our 2C business since November 2019 as a result of the divestiture, we remain subject to certain guarantee liabilities in connection with certain loans we historically facilitated. In addition, as we work with third-party financing partners under Easy Loan program to facilitate short-term inventory financing for qualified dealers, we remain exposed to certain credit risk with respect to this program. Dealers may default on their loans for a number of reasons including those outside of their or our control. We cannot assure you that our risk management system will accurately assess and mitigate all risks, including credit risk, that we are exposed to, and any failure to accurately assess or mitigate such risks could materially harm our business, financial condition and results of operations.

We are not profitable and have negative cash flows from operations, which may continue in the future.

We have not been profitable since our inception in 2011. We incurred net losses from continuing operations of RMB1,268.8 million, RMB1,351.8 million and RMB1,327.7 million (US$190.7 million) in 2017, 2018 and 2019, respectively. In addition, we had negative cash flow from operating activities of RMB1,834.2 million, RMB2,281.3 million and RMB1,194.1 million (US$171.5 million) in 2017, 2018 and 2019, respectively. We may continue to make significant investments including in sales and marketing, to further develop and expand our business and these investments may not result in an increase in revenue or positive cash flow on a timely basis, or at all.

We may incur substantial losses and negative cash flow in the future for a number of reasons, including decreasing demand or slower than expected increase in demand for used cars and our services, increasing competition, weakness in the automotive retail industry in general, as well as other risks discussed herein, and we may incur unforeseen expenses, or encounter difficulties, complications and delays in generating revenue or achieving profitability. If our revenues decrease, we may not be able to reduce our costs and expenses proportionally in a timely manner because many of our costs and expenses are fixed. In addition, if we reduce our costs and expenses, we may limit our ability to acquire customers and grow our revenues. Accordingly, we may not be able to achieve profitability and we may continue to incur significant losses in the future.

If we are unable to effectively manage our growth or implement our business strategies, our business, results of operations and financial condition may be materially and adversely affected.

Our business and prospects depend in part on our ability to effectively manage our growth or implement our growth strategies. As part of our business strategies, we intend to increase our penetration in existing markets and expand into new geographic markets. Our experience in the markets in which we currently operate may not be applicable to other parts of China. We may not be able to leverage our experience to expand into new geographic markets in China. As a result, our expansion and monetization strategies, including sales and marketing efforts designed to attract more consumers and businesses to use our services, may not be successful. Furthermore, expanding into new geographical markets will require us to hire additional employees to cover these markets. We will incur additional compensation and benefit costs, office rental expenses and other costs, as well as experience additional strain on our managerial resources. If we are unable to successfully expand and generate sufficient revenues to cover our increased costs and expenses, our business, financial condition and results of operations may be materially and adversely affected.

Moreover, our rapid expansion may lead to new challenges and risks. To manage the further expansion of our business, we need to continuously expand and enhance our infrastructure and technology, and improve our operational and financial systems, procedures and internal controls. We also need to train, manage and motivate the growing number of our employees. In addition, we need to maintain and expand our relationships with our customers, third-party service providers and other third parties. We cannot assure you that our personnel, infrastructure, systems, procedures and controls will be adequate to support our operations. Effectively managing our growth is dependent on a number of other factors, including our ability to:

- effectively expand into new geographic markets;
- continue to improve our existing services;
- launch new services and develop cross-selling opportunities;
- stabilize our costs and expenses and enhance our efficiency;
- recruit and retain skilled and experienced employees;
- strengthen relationships with our business partners;
- enhance our risk management and internal control;
- charge service fees from customers;
- upgrade our technology and continue to innovate; and
- maintain and enhance the network effects of our platform.

If we fail to effectively manage our growth or implement our business strategies, our business, results of operations and financial condition may be materially and adversely affected.

Our business is dependent upon dealers' willingness to provide inventory to our platform. A reduction in the number of dealers on our platform would have a material adverse effect on our business, financial condition and results of operations.

Dealers serve as providers of the virtual inventory for our 2C business. Failure to attract and retain a large number of dealers to our platform, whether because of competition, vehicle supply shortage, or other factors, would adversely affect our business, financial condition and results of operations. Maintaining a large number of dealers on our platform depends on a number of factors, including our ability to:

- reach a large number of potential used car buyers on our platform;
- maintain and expand relationships with existing dealers;
- develop new business relationships with potential dealers;
- offer services to meet the needs of dealers; and
- enhance our service offerings by leveraging our technological capabilities.

There is no guarantee that we will be able to maintain and grow the number of dealers on our platform, and if we fail to do so, the number of quality listings and transactions on our platform would decline, and our business, results of operations and financial condition would be materially and adversely affected.

We work with third-party service providers and business partners. Actions of third parties are outside of our control and could materially and adversely affect our reputation, business, financial condition and results of operations.

We work with third parties in providing many of the services offered on our platform, such as auto financing, logistics and delivery, title transfers, car repair and certain data services. We also work with third-party agents and currently have more than 1,100 service centers operated by our agents in more than 230 cities at prefecture level or above. We carefully select our third-party agents, service providers and business partners, but we are not able to fully control their actions. If these third parties fail to perform as we expect, experience difficulty meeting our requirements or standards, fail to conduct their business ethically, fail to provide satisfactory services to our customers, receive negative press coverage, violate applicable laws or regulations, breach the agreements with us, or if the agreements we have entered into with the third parties are terminated or not renewed, it could damage our business and reputation. In addition, if such third-party service providers cease operations, temporarily or permanently, face financial distress or other business disruptions, increase their fees, or if our relationships with them deteriorate, we would suffer from increased costs, be involved in legal or administrative proceedings with or against our third-party service providers and experience delays in providing customers with similar services until we find or develop a suitable alternative. In addition, if we are unsuccessful in identifying high-quality partners, or establishing cost-effective relationships with them, or effectively managing these relationships, our business and results of operations would be materially and adversely affected.

In addition, we work with third-party service providers for collection of loans in connection with our historical loan facilitation services. We aim to ensure the collection efforts carried out by our third-party service providers comply with the relevant laws and regulations in the PRC and have employed contractual measures to further ensure such compliance. However, we do not have complete control over third-party service providers, and if our collection methods are viewed by the borrowers or regulatory authorities as harassments, threats or other illegal means, we may be subject to risks relating to third-party debt collection services providers, including lawsuits initiated by the borrowers or prohibition from using certain collection methods by the regulatory authorities. The current regulatory regime for debt collection in the PRC also remains unclear and are subject to changes. Any perception that our collection practices are aggressive and not compliant with the relevant laws and regulations in the PRC may adversely affect our reputation or result in fines and penalties imposed by the relevant regulatory authorities, any of which may have a material adverse effect on our business, financial condition and results of operations.

We rely, in part, on our marketing efforts for customer acquisition and achieving higher level of brand recognition. If we fail to conduct our marketing activities effectively and efficiently, our business would be harmed.

We may continue to invest substantial financial and other resources in marketing initiatives to grow our customer base. We currently carry out our marketing activities mainly by acquiring traffic through a combination of online channels with the goal of attracting more visitors to our platform. We also used to engage brand ambassador and launch advertising campaigns to build brand awareness in 2019. We face intense competition from our competitors who may have greater marketing resources than we do. If we fail to conduct our marketing activities effectively and efficiently, or if our traffic acquisition efforts and marketing campaigns are not successful, our growth, results of operations and financial condition would be materially and adversely affected.

Negative media coverage related to our business, regardless of its validity, could adversely affect our business, financial position and results of operations.

Negative news or media coverage of our business, our employees, our third-party service providers and business partners, our brand ambassador, our directors and management or our shareholders, including, without limitation, alleged failure to comply with applicable laws and regulations, alleged fraudulent car listings, alleged misrepresentation by our sales consultants or third-party agents, breach of data security, failure to protect user privacy, inappropriate business practices, disclosure of inaccurate operating data, negative information on blogs and social media websites, regardless of their validity, could damage our reputation. If we fail to correct or mitigate misinformation or negative information about us, including information spread through social media or traditional media channels, customer trust in us may be undermined, which would have a material adverse effect on our business, results of operations and financial condition.

Our limited operating history in certain of our services and the rapid evolution of our business model make it difficult for investors to evaluate our business and prospects.

We began operating our 2C business in 2015. Our limited operating history in our services and the rapid evolution of our business model mean that our historical growth is not necessarily indicative of our future performance. We cannot assure you that our new product and service offerings will achieve the expected results or we will be able to achieve similar results or grow at the same rate as we did in the past. As our business and China's used car industry continue to develop, we may adjust our product and service offerings or modify our business model. For example, starting from early 2018, we have started to fulfill online used car transactions for consumers, which we previously referred to as "2C cross-regional business". With our online used-car-buying product and service offerings, we enable consumers to buy used cars online without the need to go to offline dealerships or see the actual car when making the purchase. In addition, we entered into a binding term sheet, definitive agreements and supplemental agreements, in July 2019, September 2019 and April 2020, respectively, with Golden Pacer to divest our loan facilitation related business. Pursuant to the series of agreements, we divested our entire 2C intra-regional business in which we facilitated offline used car transactions between consumers and dealers in local used car marketplaces, and ceased to provide loan facilitation related guarantee services in connection with our 2C online transaction business since November 2019. We also divested our salvage car related business to Boche in January 2020 as well as our 2B business to 58.com pursuant to definitive agreements we entered into in March 2020. The transaction with Golden Pacer closed upon the signing of the supplemental agreements in April 2020, and the transactions with Boche and 58.com closed in January 2020 and April 2020, respectively. Such developments or adjustments may not achieve expected results and may have a material and adverse impact on our financial condition and results of operations.

The fees we charge from transactions on our platform may fluctuate or decline in the future and any material decrease in such service fees would harm our business, financial condition and results of operations.

Most of our revenues are derived from the fees we charge from transactions on our platform, such as commission fee and value-added service fee from our 2C business. Prior to the divestiture of our 2B business, we also generated transaction facilitation service fee from the 2B business. Maintaining and growing our revenues depends on a number of factors, including:

- our ability to deliver satisfactory online used car transaction experience to our customers;
- our ability to attract consumers and dealers to our platform;
- the average unit price of used cars sold on our platform, which may decrease if we adjust down the price range of used cars available on our platform or enter into lower-tier city markets, or as a result of declining selling prices of new cars;

- the average commission rate and corresponding fee as well as the average value-added service take rate and corresponding fee that we charge per transaction, which is subject to market condition and competition;

- our ability to foster relationships with third-party service providers to provide services through our platform at attractive terms and prices to us and our customers; and

- fluctuation in other macro-economic changes.

Any failure to adequately and promptly address any of these risks and uncertainties would materially and adversely affect our business and results of operations. For example, as we further expand our 2C business by entering into lower-tier city markets, we have and may continue to experience decreases in average commission and value-added service fees that we charge per transaction, as the average unit price of used cars sold in those markets may be lower than that of cars sold in tier-one and tier-two cities.

Failure to obtain certain filings, approvals, licenses, permits and certificates required for our business operations may materially and adversely affect our business, financial condition and results of operations.

Pursuant to relevant laws and regulations, as some of our PRC subsidiaries and VIEs used to provide vehicle maintenance services and were regarded as motor vehicle maintenance operators, these entities were required to file for motor vehicle maintenance operation with the road transport administration. See "Item 4. Information on the Company—B. Business Overview—Regulation—Regulations on Motor Vehicle Maintenance." As of the date of this annual report these entities have not obtained all the requisite licenses, but we no longer provide motor vehicle maintenance services. Failure to obtain these licenses shall be ordered to make rectification, and, in case of refusing to rectify, be subject to a fine of RMB5,000 to RMB20,000. Although we do not provide motor vehicle maintenance services any more, we cannot assure you that our prior operation will not be regarded by the governmental authorities as historical non-compliance, and imposition of any enforcement action would adversely affect our reputation and business, financial condition and results of operations.

Certain of our PRC subsidiaries and VIEs used to engage in business activities that are not within their registered business scope. As of the date of this annual report, we are not aware of any action, claim, or investigation being conducted or threatened by the State Administration for Market Regulation (formerly known as the State Administration for Industry and Commerce), or the SAMR or its local branches with respect to such business activities. While we have ceased conducting such business activities, we cannot rule out the possibility that our past practice could be interpreted by the SAMR as "doing business beyond the business scope" and subject us to enforcement actions such as confiscation of any illegal gains, or imposition of fines.

In addition, pursuant to relevant laws and regulations, as some of our PRC subsidiaries and VIEs are regarded as operators of used car marketplaces and used car related business, these entities are required to complete filing with the Ministry of Commerce of the PRC, or the MOFCOM, at provincial level. Although we are in the process of preparing the filings, we may not be able to complete such filings in certain locations since the relevant authorities in those areas do not accept such filing application in practice due to the lack of local implementation rules and policies in such respects. We plan to submit our application as soon as the relevant governmental authorities are ready to accept our filing application. However, there is no assurance we will be able to complete the filing in a timely manner, or at all. Failure to comply with the filing requirements may subject our business to restriction, which would have an adverse impact on our business and results of operations.

In addition, it is required by PRC laws and regulations for companies responsible for the construction projects to prepare environmental impact report, environmental impact statement, or environmental impact registration form based on the different level of potential environmental impact of the projects. The environmental impact reports (required if potentially serious environmental impact) and the environmental impact statements (required if potentially mild environmental impact) are subject to review and approval by the governmental authority and failure to satisfy such requirements may subject one to discontinuation of the construction projects, fines of 1% to 5% of the total investment in the projects or an order of restoration. The environmental impact registration forms (required if very little environmental impact where environmental impact assessment is not necessary) are required to be filed with competent authority and failure to satisfy such requirement may subject one to fines up to RMB50,000 (US$7,182). We do not regularly conduct construction projects in the ordinary course of our business. However, some of our projects, including the building and overall decoration of our transaction centers from time to time, could be recognized as construction projects where a timely filing or submission for approval is required and failure to do so may subject us to fines and other enforcement actions as mentioned above.

Considerable uncertainty exists regarding the interpretation and implementation of existing and future laws and regulations governing our business activities. Historically, some of our PRC subsidiaries have been fined due to late tax filings, although the amount of the fine was not significant. If we fail to complete, obtain, maintain or renew any of the required licenses or approvals or make the necessary filings, we may be subject to various penalties, such as confiscation of the illegal gains, imposition of fines and discontinuation or restriction of our operations. Any such penalties may disrupt our business operations and materially and adversely affect our business, financial condition and results of operations.

Our historical loan facilitation services may subject us to regulatory risks, which may have a material adverse effect on our business, results of operations and financial condition.

Prior to the divestiture of our loan facilitation related business to Golden Pacer ("Loan Facilitation Divestiture"), we historically provided loan facilitation services in partnership with financial institutions who finance our customers' car purchases. As a result of the divestiture, we ceased to provide loan facilitation services since November 2019. We also currently work with third-party financing partners to provide inventory financing to dealers.

According to the Financing Guarantee Circular 37 which was issued and became effective on October 9, 2019, entities shall be prohibited from providing financing guarantee services unless obtaining the approval from the relevant regulatory authorities and establishing financing guarantee companies. Those who have been engaged in financing guarantee services shall properly settle its existing business. The authorities shall intensify the crackdowns on the financing guarantee companies with illegal operation or those who committed serious infringement of consumer's (and guaranteed person's) rights and shall timely report such cases to the banks so as to work together to protect the legitimate rights and interests of the consumers. The Financing Guarantee Circular 37 also stipulates that, without prior approval, any institution which provides customer promotion, credit evaluation and other services for any lending institution shall be prohibited from providing financing guarantee services or doing so in a disguised form. Any entity operating the financing guarantee business without a financing guarantee business license shall be banned by the regulatory authorities. See "Item 4. Information on the Company—B. Business Overview—Regulation—Regulations on Financing Guarantee." While we no longer provide any additional loan facilitation related guarantee services since November 2019 and have divested the guarantee liabilities in relation to our historically-facilitated loans for XW Bank, which accounted for more than half of the total loans we historically facilitated, to Golden Pacer as a result of the Loan Facilitation Divestiture, we remain subject to certain guarantee liabilities for the rest of the consumer auto loans we historically facilitated through our 2C business. As of the date of this annual report, we have not obtained relevant approvals from regulatory authorities. It is required by the Financing Guarantee Circular 37 for us to properly settle our existing business and we plan to settle and gradually relieve our guarantee obligations from these historically facilitated loans along with the maturity of those remaining outstanding loans. However, we cannot assure you that our guarantee services in connection with such historical auto loans will be regarded as our "proper settlement" of our existing auto loan guarantee business by the relevant authority, or that our past practices in connection with our loan facilitation services would not be regarded as historical non-compliance. The imposition of any enforcement action would adversely affect our reputation and business, financial condition and results of operations.

In addition, while we have ceased to provide loan facilitation related guarantee services in connection with our 2C business since November 2019 as a result of the divestiture to Golden Pacer, we remain subject to a portion of guarantee liabilities in connection with certain loans we historically facilitated. The Office of the Leading Group for Specific Rectification against Online Finance Risks and the Office of the Leading Group for Specific Rectification against P2P Online Lending Risks jointly issued the Circular on Regulating and Rectifying Cash Loan Business, or Circular 141, in December 2017 to regulate "cash loans" related business. The Circular 141 specifies the features of "cash loans" as follows: loans are extended without relying on any consumption scenario in connection with sales of goods; the terms of the loans do not specify the use of loan proceeds; there is no qualification requirement on the part of customers; and the loans are unsecured Circular 141 prohibits a financial institution from participating in the "cash loan" business from accepting credit enhancement services from a third party which has not obtained any license or approval to provide guarantees, including credit enhancement service in the form of a commitment to assume default risks, and requires a financial institution to ensure its service providers in "cash loan" business will not charge any interest or fees from borrowers. Given that the loans we historically facilitated are based on real consumption scenarios with specified use and the majority of the loans are secured with the car collateral, we believe they should not be deemed as "cash loans" under Circular 141, and thus our remaining guarantee liabilities in connection with such loans are not subject to the regulation of Circular 141. However, as the Circular 141 has been issued recently and the laws and regulations governing the online consumer finance industry in China are evolving rapidly, there are substantial uncertainties regarding the interpretation and application of the regulations, we cannot rule out the possibility that the PRC regulatory authorities may take a view that is contrary to ours and view the consumer auto loans historically facilitated through our platform as "cash loans" and the guarantees for such consumer auto loans as credit enhancement service. In such events, we may have to further modify our practice, which might materially and adversely affect our results of operations and financial condition.

Furthermore, PRC laws and regulations concerning financial services, including internet financial services, are evolving and the PRC government authorities may promulgate further laws and regulations in the future. We cannot assure you that our past or current practices would not be regarded as non-compliance, and imposition of any enforcement action would adversely affect our reputation and business, financial condition and results of operations. For example, under current regulations, the risk assets of a PRC entity that conducts finance leasing business must not exceed 10 times its total net assets. In addition, PRC regulations stipulate that the amount of auto loans should be capped at 80% of the purchase price for a self-use conventionally-powered new car, 85% for a self-use new energy vehicle, and 70% for a used car. Our financing partners were responsible for designing the financing products that we offered through our historical loan facilitation services and are responsible for the financing products we currently refer to consumers on our platform. The financing products provided by our financing partners on our platform may be deemed to exceed the stipulated cap on the loan amount relative to the car purchase price, in which case we may be required to make adjustments to our cooperation arrangements or cease to cooperate with these financing partners.

We may be deemed to operate financing guarantee business by the PRC regulatory authorities.

In August, 2017 the State Council promulgated the Regulations on the Administration of Financing Guarantee Companies, or the Financing Guarantee Rules which became effective on October 1, 2017. Pursuant to the Financing Guarantee Rules, "financing guarantee" refers to the activities in which guarantors provide guarantee to the guaranteed parties as to loans, bonds or other types of debt financing, and "financing guarantee companies" refer to companies legally established and operating financing guarantee business. According to the Financing Guarantee Rules, the establishment of financing guarantee companies are subject to the approval by the relevant governmental authority, and unless otherwise stipulated, no entity may operate financing guarantee business without such approval. If any entity violates these regulations and operates financing guarantee business without approval, the entity may be subject to penalties including ban or suspension of business, fines of RMB500,000 (US$71,821) to RMB1,000,000 (US$143,641), confiscation of illegal gains if any, and criminal liability if the violation constitutes a criminal offense.

Prior to divesting our loan facilitation business to Golden Pacer as first announced in July 2019, we provided guarantees to our financing partners in connection with the historical consumer auto loans. While we have ceased to provide loan facilitation related guarantee services since November 2019 as a result of the divestiture, we remain subject to guarantee obligations in relation to a part of our historically-facilitated loans. We do not believe that the Financing Guarantee Rules apply to such guarantee obligations as the guarantees were not provided independently from our principal business. However, due to the lack of further interpretations, the exact definition and scope of "operating financing guarantee business" under the Financing Guarantee Rules is unclear. It is uncertain whether we would be deemed to operate financing guarantee business in violation of relevant PRC laws or regulations because of historical arrangements with certain financial institutions. If the relevant regulatory authorities determine that we were and/or are operating financing guarantee business, we may be required to obtain approval or license for financing guarantee business. In such cases, our business, results of operations and financial conditions could be adversely affected.

We may be held liable for information or content displayed on or linked to our platform, which may materially and adversely affect our business and operating results.

We may be held liable for inaccurate or incomplete information, including car listings, that is available through or linked to our platform. The data we collect and use for the car listings may be inaccurate or incomplete due to errors or on the part of our employees or third-party information providers, or frauds. We received a penalty decision and a fine issued by the governmental authority in March 2018 for providing inconsistent car information on our platform. Our failure to ensure the accuracy and integrity of our data, regardless of its source, could undermine customer trust, result in further administrative penalties and adversely affect our business, financial position and results of operations.

We depend on our proprietary technology for critical functions of our business. Failure to properly maintain or promptly upgrade our technology may result in disruptions to or lower quality of our services and our business, results of operations and financial condition may be materially and adversely affected.

We rely on our proprietary technology, including websites and mobile apps, car inspection system, AI algorithms and VR technology for critical functions of our businesses. See "Item 4. Information on the Company—B. Business Overview—Technology." Maintaining and upgrading our technology carry certain risks, including the risk of disruptions caused by significant design or deployment errors, delays or deficiencies, which has made and may continue to make our platform and services unavailable. We may also implement additional or enhanced technology in the future to accommodate our growth and to provide additional capabilities and functionalities. The implementation of new or enhanced technologies may be disruptive to our business and can be time-consuming and expensive, and may increase management responsibilities and divert management attention. Additionally, our proprietary AI algorithms are based on data-driven analytics. If we do not have a large amount of data or the quality of data available to us for analysis is unsatisfactory, or if our algorithms have deficiencies, our proprietary AI algorithms may fail to perform effectively. If we fail to properly maintain or promptly upgrade our technology, our services may be disrupted or become of lower quality or unprofitable, and our results of operations and financial condition may be materially and adversely affected.

Our business is subject to risks related to China's online used car transaction industry, including industry-wide and macroeconomic risks.

We operate as a national online used car dealer in China's used car market. We cannot assure you that this market will continue to grow rapidly in the future. Furthermore, the growth of China's used car industry could be affected by many factors, including:

- general economic conditions in China and around the world;
- outbreaks of COVID-19 or any other serious contagious diseases;
- the growth of disposable household income and the availability and cost of credit available to finance used car purchases;
- the growth of China's automobile industry;
- the growth of China's auto financing industry;
- consumer acceptance of used cars and willingness to purchase used cars online;
- consumer acceptance of financing car purchases;
- taxes and other incentives or disincentives related to used car purchases and ownership;
- environmental concerns and measures taken to address these concerns;

- the cost of energy, including gasoline prices, and the cost of car license plates in various cities with license plate lottery or auction systems;
- the improvement of highway system and availability of parking facilities;
- other government policies relating to used cars and auto financing in China;
- fluctuations in the sales and price of new and used cars;
- ride sharing, transportation networks, and other fundamental changes in transportation pattern; and
- other industry-wide issues, including supply and demand for used cars, age distribution of cars, and supply chain challenges.

Any adverse change to these factors could reduce demand for used cars and hence demand for our services, and our results of operations and financial condition could be materially and adversely affected.

We collect, process, store, share, disclose and use personal information and other data, and any actual or perceived failure to protect such information and data could damage our reputation and brand and harm our business and results of operations.

We collect, process, store, share, disclose and use personal information and other data provided by consumers and our business partners. Although we have spent significant resources to protect our user and transaction data against security breaches, our internal control mechanism may not be sufficient and our security measures may be compromised. Any failure or perceived failure to maintain the security of personal and other data that are provided to or collected by us could harm our reputation and brand and may expose us to legal proceedings and potential liabilities, any of which could adversely affect our business and results of operations.

There are numerous laws and regulations regarding privacy and the collection, processing, storing, sharing, disclosing, using and protecting of personal information and other 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 strive to comply with applicable laws, regulations, policies, and legal obligations relating to privacy and data protection, to the extent possible. However, it is possible that these obligations may be interpreted and applied in new or inconsistent ways and may conflict with other rules or our practices, or that new regulations may be enacted. Any failure or perceived failure by us to comply with our privacy policies, privacy-related obligations to consumers or other third parties or other privacy-related legal obligations, or any compromise of security that results in the unauthorized release or transfer of sensitive information, such as personally identifiable information or other customer data, may result in governmental enforcement actions, litigation or public statements against us by consumer advocacy groups or others and could cause consumers and our business partners to lose trust in us, which could have an adverse effect on our business. Additionally, if third parties that we work with violate applicable laws or our policies, such violations may also put our customers' information at risk and could in turn harm our reputation, business and results of operations.

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.

Any breaches to our security measures, including unauthorized access, computer viruses and "hacking" may adversely affect our database and reduce use of our services and damage our reputation and brand names.

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. Breaches to our security measures, including computer viruses and hacking, may result in significant damage to our hardware and software systems and database, disruptions to our business activities, inadvertent disclosure of confidential or sensitive information, interruptions in access to our platform, and other material adverse effects on our operations, during transfer of data or at any time, and result in persons obtaining unauthorized access to our systems and data. Our systems may be subject to infiltration as a result of third-party action, employee error, malfeasance or otherwise. While we have taken steps to protect the confidential information that we have access to, 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.

We depend heavily on our management team and other key personnel to manage our business. If we fail to retain their services or to attract talents, our ability to run and grow our business could be severely impaired.

Our future success is highly dependent on the ongoing efforts of our senior management and key personnel. We rely on our management team for their extensive knowledge of and experience in China's automobile and internet industries as well as their deep understanding of the Chinese automobile market, business environment and regulatory regime. The loss of the services of one or more of our senior executives or key personnel may have a material adverse effect on our business, financial condition and results of operations. Competition for senior management and key personnel is intense, and the pool of suitable candidates is very limited, and we may not be able to retain the services of our senior executives or key personnel, or attract and retain senior executives or key personnel in the future. If we fail to retain our senior management, our business and results of operations could be materially and adversely affected. In addition, if any members of our senior management or any of our key personnel join a competitor or form a competing company, we may not be able to replace them easily and we may lose customers, business partners and key staff members.

Our business is susceptible to employee misconduct, improper business practices and other fraudulent conduct by or between our employees and third parties.

We rely on our employees to carry out our operating objectives. 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 potential customers, conduct car inspection, process large numbers of transactions and provide support for other key aspects of our business, all of which involve the use and disclosure of personal information and are susceptible to human errors and mistakes on the part of our employees.

We could be materially 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 other third parties through our marketplace is governed by various PRC laws.

Although we provide periodic trainings to all our employees, it is not always possible to identify and deter misconduct or errors by employees, and the precautions we take to detect and prevent potential misconducts and human errors may not be effective in controlling 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 among themselves, 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 the failure to follow protocol, and therefore be subject to civil or criminal liability. Our employees may also engage in improper business practices and other fraudulent conduct with third parties. As a result of these potential damaging activities, we could incur significant losses, which could have a material adverse effect on our results of operations and financial condition.

Failure to adequately protect our intellectual property and proprietary information could materially harm our business and operating results.

We believe our patents, trademarks, software copyrights, trade secrets, our brand and other intellectual property rights and proprietary information are critical to our success. Any unauthorized use of intellectual property rights and proprietary information could harm our business, reputation and competitive advantages. We rely on a combination of patent, trademark, trade secret and copyright law, our internal control mechanism, and contractual arrangements to protect our intellectual property.

Legal protection may not always be effective. Infringement of intellectual property rights continues to pose a serious risk in doing business in China. Monitoring and preventing unauthorized use is difficult. Furthermore, the application of laws governing intellectual property rights in China is uncertain and evolving, and could involve substantial risks to us. The practice of intellectual property rights enforcement action by Chinese regulatory authorities is in its early stage of development. In the event that we have to resort to litigation and other legal proceedings to enforce our intellectual property rights, such action, litigation or other legal proceedings could result in substantial costs and diversion of our management's attention and resources and could disrupt our business. There is no assurance that we will be able to enforce our intellectual property rights effectively or otherwise prevent others from the unauthorized use of our intellectual property.

We try, to the extent possible, to protect our intellectual property, technology, and confidential information by requiring our employees, third-party service providers, and consultants to enter into confidentiality and assignment of inventions agreements. Due to potential willful or unintentional conduct of personnel who have access to our confidential and proprietary information, these agreements and control measures may not effectively prevent unauthorized use or disclosure of our confidential information, intellectual property, or technology and may not provide an adequate remedy in the event of unauthorized use or disclosure of our confidential information, intellectual property, or technology. The enforceability of confidentiality agreements may vary from jurisdiction to jurisdiction. Failure to obtain or maintain trade secrets and/or confidential know-how protection could adversely affect our competitive position.

Competitors may adopt service names or trademarks similar to ours, thereby harming our ability to build brand identity and possibly leading to user confusion. Our competitors may independently develop substantially equivalent proprietary information and may even apply for patent protection. If successful in obtaining such patent protection, our competitors could limit our use of our trade secrets and confidential know-how, and our financial position and operating results would be adversely affected.

We have been and may continue to be subject to intellectual property infringement claims or other allegations by third parties, which may materially and adversely affect our business, results of operations and prospects.

We depend to a large extent on our ability to develop and maintain the intellectual property rights relating to our technology and online businesses. We have devoted considerable resources to the development and improvement of our car inspection technology, big data and AI capabilities, VR technology, mobile applications, mobile sites and websites and information technology systems. We cannot be certain that third parties will not claim that our business infringes upon or otherwise violates patents, trademarks, copyrights or other intellectual property rights that they hold. Companies operating online businesses and provide technology-based services are frequently involved in litigation related to allegations of infringement of intellectual property rights. The validity, enforceability and scope of protection of intellectual property rights, particularly in China, are still evolving. We are currently subject to several ongoing trademark claims, and may in the future continue to be subject to intellectual property infringement claims from time to time. As we face increasing competition and as litigation becomes a more common method for resolving commercial disputes in China, we face a higher risk of being the subject of intellectual property infringement claims.

Defending against intellectual property claims is costly and can impose a significant burden on our management and resources, and favorable final outcomes may not be obtained in all cases. Such claims, even if they do not result in liability, may harm our reputation. Any resulting liability or expenses, or changes required to our services to reduce the risk of future liability, may have a material adverse effect on our business, results of operations and prospects.

We have been named as a defendant in two putative shareholder class action lawsuits that could have a material adverse impact on our business, financial condition, results of operation, cash flows and reputation.

We will have to defend against the putative shareholder class action lawsuits described in "Item 8, Financial Information—A. Consolidated Statements and Other Financial Information—Legal Proceedings," including any appeals of such lawsuits should our initial defense be unsuccessful. We are currently unable to estimate the possible outcome or loss or possible range of loss, if any, associated with the resolution of these lawsuits. In the event that our initial defense of these lawsuits is unsuccessful, there can be no assurance that we will prevail in any appeal. Any adverse outcome of these cases, including any plaintiff's appeal of a judgment in these lawsuits, could have a material adverse effect on our business, financial condition, results of operation, cash flows and reputation. In addition, there can be no assurance that our insurance carriers will cover all or part of the defense costs, or any liabilities that may arise from these matters. The litigation process may utilize a significant portion of our resources and divert management's attention from the day-to-day operations of our company, all of which could harm our business. We also may be subject to claims for indemnification related to these matters, and we cannot predict the impact that indemnification claims may have on our business or financial results.

We may be subject to legal proceedings in the ordinary course of our business. If the outcomes of these proceedings are adverse to us, it could have a material adverse effect on our business, results of operations and financial condition.

We may be subject to legal proceedings from time to time in the ordinary course of our business, which could have a material adverse effect on our business, results of operations and financial condition. Claims arising out of actual or alleged violations of law could be asserted against us by consumers and businesses that utilize our services, by competitors, or by governmental entities in civil or criminal investigations and proceedings or by other entities. These claims could be asserted under a variety of laws, including but not limited to consumer finance laws, product liability laws, consumer protection laws, intellectual property laws, unfair competition laws, privacy laws, labor and employment laws, securities laws, real estate laws, tort laws, contract laws, property laws and employee benefit laws. We may also be subject to lawsuits due to actions by our third-party financing partners, or third-party providers of various services, including logistics and delivery service, title transfer service, car repair, car inspection equipment, loan servicing, car collateral repossession, and certain data services.

For example, we are subject to ongoing trademark, unfair competition, contractual disputes and other proceedings in the PRC. These cases are still ongoing, but we believe the claims are without merit and we will defend ourselves accordingly. We are unable, however, to predict the outcome of these cases, or reasonably estimate a range of possible loss, if any, given the current status of the proceedings. We have not recorded any accrual for expected loss payments with respect to these cases as of December 31, 2019 and do not believe that any of the intellectual property infringement claims is material to our overall business operations. There is no guarantee that we will be successful in defending ourselves in legal and administrative actions or in asserting our rights under various laws. Even if we are successful in our attempt to defend ourselves in legal and administrative actions or to assert our rights under various laws, enforcing our rights against the various parties involved may be expensive, time-consuming and ultimately futile. These actions could expose us to negative publicity and to substantial monetary damages and legal defense costs, injunctive relief and criminal and civil fines and penalties, including but not limited to suspension or revocation of licenses to conduct business. See "Item 8. Financial Information—A. Consolidated Statements and Other Financial Information—Legal Proceedings."

Acquisitions, strategic alliances and investments could be costly, difficult to integrate, disrupt our business and adversely affect our results of operations and the value of your investment.

As we continue to expand our operations, we have and may in the future enter into strategic alliances or to acquire substantial asset or equities from a pool of candidates that fit our criteria. We are not certain that we will be able to consummate any such transactions in the future or identify those candidates that would result in the most successful combinations, or that future acquisitions will be able to be consummated at reasonable prices and terms. In addition, increased competition for acquisition candidates could result in fewer acquisition opportunities for us and higher acquisition prices. Strategic investments or acquisitions will involve risks commonly encountered in business relationships, including:

- lack of suitable acquisition candidates;
- intense competition with other auction groups or new industry consolidators for suitable acquisitions;
- deterioration of our financial capabilities;
- difficulties in assimilating and integrating the operations, personnel, systems, data, technologies, products and services of the acquired business;
- inability of the acquired technologies, products or businesses to achieve expected levels of revenue, profitability, productivity or other benefits;
- difficulties in retaining, training, motivating and integrating key personnel;
- diversion of management's time and resources from our normal daily operations;
- difficulties in successfully incorporating licensed or acquired technology and rights into our platform and service offerings;
- difficulties in maintaining uniform standards, controls, procedures and policies within the combined organizations;
- difficulties in retaining relationships with customers, employees and third-party service providers of the acquired business;
- risks of entering markets in which we have limited or no prior experience;
- regulatory risks, including remaining in good standing with existing regulatory bodies or receiving any necessary pre-closing or post-closing approvals, as well as being subject to new regulators with oversight over an acquired business;
- assumption of contractual obligations that contain terms that are not beneficial to us, require us to license or waive intellectual property rights or increase our risk for liability;
- failure to successfully further develop the acquired technology or maintain acquired facilities;
- liability for activities of the acquired business before the acquisition, including intellectual property infringement claims, violations of laws, commercial disputes, tax liabilities and other known and unknown liabilities;
- potential disruptions to our ongoing businesses; and
- unexpected costs and unknown risks and liabilities associated with strategic investments or acquisitions.

We may not make any investments or acquisitions, or any future investments or acquisitions may not be successful, may not benefit our business strategy, may not generate sufficient revenues to offset the associated acquisition costs or may not otherwise result in the intended benefits. In addition, we cannot assure you that any future investment in or acquisition of new businesses or technology will lead to the successful development of new or enhanced service offerings and that any new or enhanced technology or services, if developed or offered, will achieve market acceptance or prove to be profitable.

We may need additional capital to achieve our business targets and respond to market opportunities. If we could not obtain sufficient capital through either debt or equity financing, our business, operating results and financial condition could be materially harmed.

Since we launched our business, we have raised substantial financing to support the growth of our business. We may require additional capital to pursue our business objectives and respond to business opportunities, challenges or unforeseen circumstances, including to improve our brand awareness, build and maintain our offline network, develop new products or services or further improve existing products and services, and acquire complementary businesses and technologies. In addition, we issued convertible notes in the total principal amount of US$280 million in 2019, of which US$45.1 million in principal amount will become due and payable in the second half of 2020, and we may require additional capital to repay these debt obligations. However, additional funds may not be available when we need them on reasonable terms, or at all.

If we raise additional funds through further issuances of equity or convertible debt securities, our existing stockholders could suffer significant dilution, and any new equity securities we issue could have rights, preferences and privileges superior to those of holders of our common stock. Our ability to retain our existing financial resources and obtain additional financing on acceptable terms is subject to a variety of uncertainties, including but not limited to:

- economic, political and other conditions in China;
- PRC governmental policies relating to bank loans and other credit facilities;
- PRC governmental regulations of foreign investment and the automobile industry in China;
- conditions of capital markets in which we may seek to raise funds; and
- our future results of operations, financial condition and cash flows.

If we are unable to obtain adequate financing or financing on satisfactory terms, our ability to continue to pursue our business objectives and to respond to business opportunities, challenges or unforeseen circumstances could be significantly limited, and our business, results of operations, financial condition and prospects could be adversely affected.

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 our initial public offering in June 2018, we were a private company with limited accounting personnel and other resources with which to 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, 2017, 2018 and 2019, we and our independent registered public accounting firm identified two material weaknesses 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 weaknesses identified related to (i) our lack of adequate number of accounting staff and management resources with appropriate knowledge of U.S. GAAP and SEC reporting and compliance requirements and (ii) insufficient documented financial closing policies and procedures, specifically those related to period end expenses cut-off and accruals. We are in the process of implementing a number of measures to remedy these control deficiencies. See “Item 15. Controls and Procedures—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.

Since our initial public offering, we have become subject to the Sarbanes-Oxley Act of 2002. Section 404 of the Sarbanes-Oxley Act, or Section 404, requires that we include a report from management on the effectiveness of our internal control over financial reporting in our annual report on Form 20-F beginning with our annual report for the fiscal year ending December 31, 2019. In addition, once we cease to be an "emerging growth company" as such term is defined in the JOBS Act, our independent registered public accounting firm must attest to and report on the effectiveness of our internal control over financial reporting. Our management has concluded that our internal control over financial reporting was not effective for the year ended December 31, 2019. Moreover, even if our management concludes that our internal control over financial reporting is effective in the future, our independent registered public accounting firm, after conducting its own independent testing, may issue a report that is qualified if it is not satisfied with our internal controls or the level at which our controls are documented, designed, operated or reviewed, or if it interprets the relevant requirements differently from us. In addition, after we become a public company, our reporting obligations may place a significant strain on our management, operational and financial resources and systems for the foreseeable future. We may be unable to timely complete our evaluation testing and any required remediation.

During the course of documenting and testing our internal control procedures, in order to satisfy the requirements of Section 404, we may identify other weaknesses and deficiencies in our internal control over financial reporting. In addition, if we fail to maintain the adequacy of our internal control over financial reporting, as these standards are modified, supplemented or amended from time to time, we may not be able to conclude on an ongoing basis that we have effective internal control over financial reporting in accordance with Section 404. If we fail to achieve and maintain an effective internal control environment, we could suffer material misstatements in our financial statements and fail to meet our reporting obligations, which would likely cause investors to lose confidence in our reported financial information. This could in turn limit our access to capital markets, harm our results of operations, and lead to a decline in the trading price of the ADSs. Additionally, ineffective internal control over financial reporting could expose us to increased risk of fraud or misuse of corporate assets and subject us to potential delisting from the stock exchange on which we list, regulatory investigations and civil or criminal sanctions. We may also be required to restate our financial statements for prior periods.

A severe or prolonged downturn in the Chinese or global economy could materially and adversely affect our business and financial condition.

COVID-19 had a severe and negative impact on the Chinese and the global economy in the first quarter of 2020. Whether this will lead to a prolonged downturn in the economy is still unknown. Even before the COVID-19 pandemic, the global macroeconomic environment was facing numerous challenges. The growth rate of the Chinese economy had already been slowing since 2010. There is considerable uncertainty over the long-term effects of the expansionary monetary and fiscal policies which had been adopted by the central banks and financial authorities of some of the world's leading economies, including the United States and China, even before 2020. Unrest, terrorist threats and the potential for war in the Middle East and elsewhere may increase market volatility across the globe. There have also been concerns about the relationship between China and other countries, including the surrounding Asian countries, which may potentially have economic effects. In particular, there is significant uncertainty about the future relationship between the United States and China with respect to trade policies, treaties, government regulations and tariffs. Economic conditions in China are sensitive to global economic conditions, as well as changes in domestic economic and political policies and the expected or perceived overall economic growth rate in China. Any severe or prolonged slowdown in the global or Chinese economy may materially and adversely affect our business, results of operations and financial condition. See "—We may need additional capital to achieve our business targets and respond to market opportunities. If we could not obtain sufficient capital through either debt or equity, our business, operating results and financial condition could be materially harmed."

The trade war between the U.S. and China may dampen economic growth in China and adversely affect our business, financial condition and results of operations.

In 2018 and 2019, the U.S. government imposed additional tariffs on specified products imported from China. In response, China has also imposed additional tariffs on specified products imported from the U.S. The U.S. and the Chinese governments are continuing to conduct negotiations on trade matters. We cannot assure you that the negotiations will result in an agreement between the two countries, or that the proposed tariffs will not be imposed even if an agreement will be reached.

Although we are not currently subject to any of these tariff measures, the proposed tariffs may adversely affect the economic growth in China and the financial condition of our customers. With the potential decrease in the spending powers of our target customers, we cannot guarantee that there will be no negative impact on our operations. In addition, the current and future actions or escalations by either the U.S. or China that affect trade relations may result in global economic turmoil, which may adversely affect our business, financial condition and results of operations.

Allegations or lawsuits against us or our management and related negative publicity may harm our reputation and have a material and adverse impact on our business operations and the trading price of our ADSs.

We have been, and may become, subject to allegations or lawsuits brought by our competitors, customers, business partners, short sellers, investment research firms or other individuals or entities. For example, a report was published on April 16, 2019 making various allegations about us, and we responded publicly stating the allegations are unfounded. Any such allegation or lawsuit, with or without merit, or any perceived unfair, unethical, fraudulent or inappropriate business practice by us or perceived malfeasance by our management, or failure or perceived failure to comply with legal and regulatory requirements, alleged accounting or financial reporting irregularities, could harm our reputation and distract our management from our daily operations. Allegations or lawsuits against us or our management may also generate negative publicity that significantly harms our reputation, which may materially and adversely affect our ability to attract customers, third-party service providers and business partners and hence our business operations, and cause the trading price of our ADSs to decline and fluctuate significantly.

We may continue to be the target of adverse publicity and detrimental conduct against us, including complaints, anonymous or otherwise, to regulatory agencies regarding our operations, accounting, and regulatory compliance. We may be subject to government or regulatory investigation or inquiries, or shareholder lawsuits, as a result of such third-party conduct and may be required to incur significant time and substantial costs to defend ourselves, and there is no assurance that we will be able to conclusively refute each of the allegations within a reasonable period of time or at all. Our reputation may also be negatively affected as a result of the public dissemination of allegations or malicious statements about us, which in turn may materially and adversely affect the trading price of our ADSs.

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

Our financing partners 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, or PBOC. If any of our third-party service provides 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 that arises from any failure of other loan facilitation services providers, consumer finance marketplaces or online transaction platforms to detect or prevent money laundering activities, even if factually incorrect or based on isolated incidents, could compromise our image or undermine the trust and credibility we have established.

We are subject to changing law and regulations regarding regulatory matters, corporate governance and public disclosure that have increased both our costs and the risk of non-compliance.

We are subject to rules and regulations by various governing bodies, including, for example, the Securities and Exchange Commission, which is charged with the protection of investors and the oversight of companies whose securities are publicly traded, and the various regulatory authorities in China and the Cayman Islands, and to new and evolving regulatory measures under applicable law. Our efforts to comply with new and changing laws and regulations have resulted in and are likely to continue to result in, increased general and administrative expenses and a diversion of management time and attention from revenue-generating activities to compliance activities.

Moreover, because these laws, regulations and standards are subject to varying interpretations, their application in practice may evolve over time as new guidance becomes available. This evolution may result in continuing uncertainty regarding compliance matters and additional costs necessitated by ongoing revisions to our disclosure and governance practices. If we fail to address and comply with these regulations and any subsequent changes, we may be subject to penalty and our business may be harmed.

We have limited business, disruption or litigation insurance coverage.

The insurance industry in China is still at an early stage of development. Insurance companies in China offer limited business insurance products and are, to our knowledge, not well-developed in the field of business liability insurance. While business disruption insurance is available to a limited extent in China, we have determined that the risks of disruption, cost of such insurance and the difficulties associated with acquiring such insurance on commercially reasonable terms make it impractical for us to have such insurance. As a result, except for limited property insurance coverage, we do not maintain general business liability, disruption or litigation insurance coverage for our operations in China. We consider our insurance coverage to be reasonable in light of the nature of our business, but we cannot assure you that our insurance coverage is sufficient to prevent us from any loss or that we will be able to successfully claim our losses under our current insurance policies on a timely basis, or at all.

We have granted, and may continue to grant, options and other types of awards under our share incentive plan, which may result in increased share-based compensation expenses.

We adopted an amended and restated share incentive plan in February 2018, which was further amended in August 2018 and November 2018 and which we refer to as the 2018 Second Amended and Restated Share Incentive Plan, or the Amended and Restated Plan, in this annual report, for the purpose of granting share-based compensation awards to employees, directors and consultants to incentivize their performance and align their interests with ours. We recognize expenses in our consolidated statement of comprehensive loss in accordance with U.S. GAAP. The maximum aggregate number of ordinary shares which may be issued pursuant to all awards under the Amended and Restated Plan is 102,040,053 ordinary shares. For example, in May 2018, we granted 17,742,890 restricted shares to Mr. Kun Dai, which became vested immediately upon completion of our initial public offering in June 2018, and we recorded share-based compensation expense of US$93.8 million (equivalent to RMB653.0 million) in general and administrative expenses.

On September 22, 2019, our board of directors approved a reduction in the exercise price for outstanding options previously granted by our company with an exercise price higher than $1.03 per ordinary share to $1.03 per share, provided that any participating option holder agrees to amendment in the number of shares subject to his or her option as determined by the plan administrator. We accounted for this reduction as a share option modification which required the remeasurement of these share options at the time of the modification. The total incremental cost as a result of the modification was US$4.1 million. The incremental cost related to vested options amounted to US$2.1 million and was recorded in the consolidated statements of comprehensive loss during the year ended December 31, 2019. The incremental cost related to unvested options amounted to US$2.0 million and will be recorded over the remaining service period.

For the years ended December 31, 2017, 2018 and 2019, we recorded an aggregate of RMB165.9 million, RMB1,052.0 million and RMB100.3 million (US$14.4 million), respectively, in share-based compensation expenses. As of December 31, 2019, the fair value of vested and nonvested options granted to employees and management amounted to RMB104.0 million (US$14.9 million) and RMB34.2 million (US$4.9 million), respectively. We believe the granting of share-based compensation is of significant importance to our ability to attract and retain key personnel and 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. In addition, the issuance of additional equity upon the exercise of options or other types of awards would result in further dilution to our shareholders.

Our business is dependent on the performance of the internet and mobile internet infrastructure and telecommunications networks in China, which may not be able to support the demands associated with our growth.

Our internet businesses are heavily dependent on the performance and reliability of China's internet infrastructure, the continual accessibility of bandwidth and servers to our service providers' networks, and the continuing performance, reliability and availability of our technology platform. We use the internet to deliver services to our customers, who access our websites and mobile apps on the internet.

We rely on major Chinese telecommunication companies to provide us with bandwidth for our services, and we may not have any access to comparable alternative networks or services in the event of disruptions, failures or other problems. Internet access may not be available in certain areas due to national disasters, such as earthquakes, or local government decisions. Surges in internet traffic on our platform, regardless of the cause, may seriously disrupt services we provide through our platform and in-store or cause our technology systems and our platform to shut down. If we experience technical problems in delivering our services over the internet either at national or regional level or system shut downs, we could experience reduced demand for our services, lower revenues and increased costs. Consequently, our business, results of operations and financial condition would be adversely affected.

We face risks related to natural disasters, health epidemics and other outbreaks, which could significantly disrupt our operations and adversely affect our business, financial condition or results of operation.

In addition to the impact of COVID-19, our business could be adversely affected by the effects of Ebola 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, H1N1 flu, H7N9 flu, avian flu, SARS, or other epidemics, 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 and global economy in general.

We are also 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 affect our ability to provide products and services on our platform.

In addition, our results of operations could be adversely affected to the extent that any health epidemic, natural disaster or other calamities harms the Chinese and global economies in general. Our headquarters are located in Beijing, where most of our management and employees currently reside. Most of our system hardware and back-up systems are hosted in facilities located in Beijing. Consequently, if any natural disasters, health epidemics or other public safety concerns were to affect Beijing, our operation may experience material disruptions, which may materially and adversely affect our business, financial condition and results of operations.

Our business is subject to quarterly fluctuations and unexpected interruptions.

We have experienced, and expect to continue to experience, quarterly fluctuations in our revenues and results of operations. Our revenue trends are a reflection of consumers' car purchase patterns. The holiday period following the Chinese New Year is usually in the first quarter, which may contribute to lower activity levels in that quarter of each year. As a result, our revenues may vary from quarter to quarter and our quarterly results may not be comparable to the corresponding periods of prior years. Our actual results may differ significantly from our targets or estimated quarterly results. The quarterly fluctuations in our revenues and results of operations could result in volatility and cause the price of our shares to fall. As our revenues grow, these quarterly fluctuations may become more pronounced.

Risks Related to Our Corporate Structure

If the PRC government finds that the agreements that establish the structure for operating some of our operations in China do not comply with PRC regulations relating to the relevant industries, or if these regulations or the interpretation of existing regulations change in the future, we could be subject to penalties or be forced to relinquish our interests in those operations.

We are a Cayman Islands exempted company and our PRC subsidiaries are currently considered foreign-invested enterprises. Currently, our main websites are operated and our main business are run by our wholly-foreign-owned enterprises, or WFOEs, while our VIEs hold the title of a number of intellectual properties, operate certain of our websites and conduct certain of our business. Our WFOEs have entered into a series of contractual arrangements with our VIEs and their respective shareholders, respectively, which enable us to (i) exercise effective control over our VIEs, (ii) receive substantially all of the economic benefits of our VIEs, and (iii) have an exclusive option to purchase all or part of the equity interests and assets in our VIEs when and to the extent permitted by PRC law. As a result of these contractual arrangements, we have control over and are the primary beneficiary of our VIEs and hence consolidate their financial results under U.S. GAAP. See "Item 4. Information on the Company—C. Organizational Structure" for further details.

In the opinion of JunHe LLP, our PRC legal counsel, (i) the ownership structures of our VIEs in China and our WFOEs that have entered into contractual arrangements with the VIEs, comply with all existing PRC laws and regulations; and (ii) the contractual arrangements between our WFOEs, the VIEs and their respective shareholders governed by PRC law are valid, binding and enforceable, and will not result in any violation of PRC laws or regulations currently in effect. However, our PRC legal counsel has also advised us that there is substantial uncertainty regarding the interpretation and application of current and future PRC laws, regulations and rules; accordingly, the PRC regulatory authorities may take a view that is contrary to the opinion of our PRC legal counsel. It is uncertain whether any new PRC laws or regulations relating to variable interest entity structures will be adopted or if adopted, what they would provide. If we or any of our VIEs are found to be in violation of any existing or future PRC laws or regulations, or fail to obtain or maintain any of the required permits or approvals, the relevant PRC regulatory authorities would have broad discretion to take action in dealing with such violations or failures, including:

- revoking the business licenses and other licenses and permits of our VIEs;
- discontinuing or placing restrictions or onerous conditions on our operation through any transactions between our WFOEs and our VIEs;
- imposing fines, confiscating the income from our WFOEs or our VIEs, or imposing other requirements with which we or our VIEs may not be able to comply;
- requiring us to restructure our ownership structure or operations, including terminating the contractual arrangements with our VIEs and deregistering the equity pledges of our VIEs, which in turn would affect our ability to consolidate, derive economic interests from, or exert effective control over our VIEs;
- restricting or prohibiting our use of the proceeds of our initial public offering and the concurrent private placement of convertible notes to finance our business and operations in China; or
- taking other regulatory or enforcement actions that could be harmful to our business.

The imposition of any of these penalties would result in adverse effect on our ability to conduct certain part of our business. In addition, it is unclear what impact the PRC government actions would have on us and on our ability to consolidate the financial results of our VIEs in our consolidated financial statements, if the PRC government authorities were to find our legal structure and contractual arrangements to be in violation of PRC laws and regulations. If the imposition of any of these government actions causes us to lose our right to direct the activities of our VIEs or our right to receive substantially all the economic benefits and residual returns from our VIEs and we are not able to restructure our ownership structure and operations in a satisfactory manner, we would no longer be able to consolidate the financial results of our VIEs in our consolidated financial statements. Either of these results, or any other significant penalties that might be imposed on us in this event, would have an adverse effect on our financial condition and results of operations.

We have entered into contractual arrangements with our VIEs and their shareholders for a portion of our business operations, which may not be as effective as direct ownership in providing operational control.

We have entered into contractual arrangements with our VIEs and their shareholders to conduct certain aspects of our businesses. These contractual arrangements may not be as effective as direct ownership in providing us with control over our VIEs. For example, our VIEs and their shareholders could breach their contractual arrangements with us by, among other things, failing to conduct its operations in an acceptable manner or taking other actions that are detrimental to our interests.

If we had direct ownership of our VIEs, we would be able to exercise our rights as a shareholder to effect changes in the board of directors of our VIEs, 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 VIEs and their respective shareholders of their obligations under the contracts to exercise control over our VIEs. However, the shareholders of our consolidated VIEs 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 portions of our business through the contractual arrangements with our VIEs. If any disputes relating to these contracts remain unresolved, we will have to enforce our rights under these contracts through the operations of PRC law and arbitration, litigation and other legal proceedings and therefore will be subject to uncertainties in the PRC legal system. See "—Any failure by our VIEs or their shareholders to perform their obligations under our contractual arrangements with them would have a material and adverse effect on our business." Therefore, our contractual arrangements with our VIEs may not be as effective in ensuring our control over the relevant portion of our business operations as direct ownership would be.

Our business may be significantly affected by the draft Foreign Investment Law and the newly adopted Foreign Investment Law.

In January 2015, MOFCOM published a draft Foreign Investment Law, the 2015 Draft FIL, for soliciting public comments. At the same time, MOFCOM published an accompanying explanatory note of the 2015 Draft FIL, illustrating legislative philosophy and principles of the 2015 Draft FIL. One of the core concepts of the 2015 Draft FIL is "de facto control," which emphasizes substance over form in determining whether an entity is "Chinese" or foreign controlled. This determination requires consideration of the nature of the investors that exercise control over the entity. "Chinese investors" are individuals who are PRC nationals, PRC government agencies and any domestic enterprise controlled by PRC nationals or government agencies. "Foreign investors" are foreign citizens, foreign governments, international organizations and entities controlled by foreign citizens and entities. Under the 2015 Draft FIL, variable interest entities that are controlled via contractual arrangement would also be deemed as foreign-invested enterprises if they are ultimately "controlled" by foreign investors. The 2015 Draft FIL proposes significant changes to the PRC foreign investment legal regime and, when implemented, may have a significant impact on businesses in China controlled by foreign invested enterprises primarily through contractual arrangements, such as our business.

MOFCOM solicited comments on the 2015 Draft FIL, but no new draft has been published since then. There is substantial uncertainty with respect to the final content, interpretation, adoption timeline and effective date of the 2015 Draft FIL. The draft Foreign Investment Law, if enacted as proposed, may materially impact the viability of our current corporate structure, corporate governance and business operations in many aspects.

Subsequently, in December 2018, the Standing Committee of the National People's Congress published a draft Foreign Investment Law and the National People's Congress adopted the Foreign Investment Law, or the 2018 FIL on March 15, 2019. The 2018 FIL came into effect on January 1, 2020. The 2018 FIL does not comment on contractual arrangement with variable interest entity, however, it has a catch-all provision under definition of "foreign investment" to include investments made by foreign investors in China through means stipulated by laws or administrative regulations or other methods prescribed by the State Council. In addition, the concept of "de facto control" and related provisions as proposed in the 2015 Draft FIL are not included in the 2018 FIL. However, it is not explicit whether the 2018 FIL supersedes the 2015 Draft FIL in its entirety. On December 26, 2019, the Supreme People's Court published the Interpretation of the Supreme People's Court on Several Issues concerning the Application of the Foreign Investment Law of the People's Republic of China, which became effective on January, 1, 2020, pursuant to which the court shall rule in favor of the party claiming the invalidity of the investment agreement with respect to foreign investment in the "restricted" industry under the "negative list" or foreign investment in the "restricted" industry under the "negative list" that fails to comply with the requirements unless necessary mitigating measures are taken before the ruling.

Both the 2015 Draft FIL and the 2018 FIL grant national treatment to foreign invested entities, except for those foreign invested entities that operate in industries deemed to be either "restricted" or "prohibited" in the "negative list." Both the 2015 Draft FIL and the 2018 FIL provide that only foreign invested entities operating in foreign restricted or prohibited industries will require entry clearance and other approvals that are not required by PRC domestic entities or foreign invested entities operating in other industries.

Since the 2018 FIL is relatively new, uncertainties exist in relation to its implementation and interpretation and there can be no assurance that variable interest entities controlled via contractual arrangements would not be interpreted as foreign investment activities in future practice or legislation. There can be no assurance as to when and whether the 2015 Draft FIL will be officially promulgated, or assurance as to whether our current corporate structure will be considered "Chinese-controlled" under the scheme of the 2015 Draft FIL. In the event that our variable interest entity contractual arrangements under which we operate our business are treated as foreign investment in the "restricted" or "prohibited" industry in the "negative list", such variable interest entity contractual arrangements may be deemed as invalid and illegal, and we may be required to unwind the variable interest entity contractual arrangements and/or dispose of such business.

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

We refer to the shareholders of each of our VIEs as its nominee shareholders because although they remain the holders of equity interests on record in each of our VIEs, pursuant to the terms of the relevant power of attorney, each such shareholder has irrevocably authorized our WFOEs to exercise his, her or its rights as a shareholder of the relevant VIE.

If our VIEs or their shareholders fail to perform their respective obligations under the contractual arrangements, we may have to incur additional costs and expend additional resources to enforce such arrangements. We may also have to rely on legal remedies under PRC law, including seeking specific performance or injunctive relief, and claiming damages, which we cannot assure will be effective under PRC law. For example, if the shareholders of our VIEs refuse to transfer their equity interest in our VIEs to us or our designee if we exercise the purchase option pursuant to these contractual arrangements, or if they otherwise act in bad faith toward us, then we may have to take legal actions to compel them to perform their contractual obligations.

All of these contractual arrangements are governed by and interpreted in accordance with PRC law, and disputes arising from these contractual arrangements between us and our variable interest entity will be resolved through arbitration in China. These disputes do not include claims arising under the United States federal securities law and thus the arbitration provisions do not prevent our shareholders from pursuing claims under the United Sates federal securities law. 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. See "—Risks Related to Doing Business in China—Uncertainties in the interpretation and enforcement of Chinese laws and regulations could limit the legal protections available to us." Meanwhile, there are very few precedents and little formal guidance as to how contractual arrangements in the context of a VIE should be interpreted or enforced under PRC law. There remain significant uncertainties regarding the ultimate outcome of such arbitration should legal action become necessary. In addition, under PRC law, rulings by arbitrators are final, parties cannot appeal the arbitration results in courts, and 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 we are unable to enforce these contractual arrangements, or if we suffer significant delays or other obstacles in the process of enforcing these contractual arrangements, we may not be able to exert effective control over our VIEs, and our ability to conduct our business may be negatively affected.

Contractual arrangements in relation to our VIEs may be subject to scrutiny by the PRC tax authorities and they may determine that we or our PRC VIEs 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. We could face adverse tax consequences if the PRC tax authorities determine that the VIE contractual arrangements 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, rules and regulations, and adjust the income of our VIEs 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 VIEs for PRC tax purposes, which could in turn (i) increase its tax liabilities without reducing our WFOEs' tax expenses and (ii) limit the ability of our PRC companies to continue to enjoy preferential tax treatment and other financial incentives. In addition, the PRC tax authorities may impose late payment fees and other penalties on our VIEs for the adjusted but unpaid taxes according to the applicable regulations. Although our VIEs generate only a limited portion of our total income and incur limited costs and expenses among our PRC companies, our financial position could be adversely affected if our VIEs' tax liabilities increase or if it is required to pay late payment fees and other penalties.

In addition, if for any reason we need to cause the transfer of any of the nominee shareholders' equity interest in any of our VIEs, we might be required to withhold and pay individual income tax on behalf of the transferring shareholder who is an individual, on any capital gain deemed to have been realized by such shareholder on such transfer.

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

Conflicts of interest may arise out of the dual roles of the individual who is an officer of our company and a shareholder and director of our VIEs, as well as the entity who is both an affiliate of a shareholder of our company and shareholder of our VIEs. These shareholders may breach, or cause our VIEs to breach, or refuse to renew, the existing contractual arrangements we have with them and our VIEs, which would have a material and adverse effect on our ability to effectively control our VIEs and receive economic benefits from them. For example, the shareholders may be able to cause our agreements with our VIEs 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. 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 disruption of our business and subject us to substantial uncertainty as to the outcome of any such legal proceedings.

We may lose the ability to use and enjoy assets held by our VIEs that are material to the operation of certain portion of our business if the entity goes bankrupt or becomes subject to a dissolution or liquidation proceeding.

As part of our contractual arrangements with our VIEs, our VIEs and their subsidiaries hold certain assets including intellectual property, license, permits and premise. If our VIEs go bankrupt and all or part of its assets become subject to liens or rights of third-party creditors, we may be unable to continue some or all of our business activities, which could materially and adversely affect our business, financial condition and results of operations. Under the contractual arrangements, our VIEs may not, in any manner, sell, transfer, mortgage or dispose of their assets or legal or beneficial interests in the business without our prior consent. If our VIEs 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 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. The growth rate of the Chinese economy has gradually slowed since 2010, and the impact of COVID-19 on the Chinese economy in 2020 is likely to be severe. 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.

Uncertainties in the interpretation and enforcement of Chinese 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 consistent and enforcement of these laws, regulations and rules involves uncertainties.

In particular, PRC laws and regulations concerning the used car e-commerce industry are developing and evolving. Although we have taken measures to comply with the laws and regulations that are applicable to our business operations and avoid conducting any activities that may be deemed as illegal under the current applicable laws and regulations, the PRC government authority may promulgate new laws and regulations regulating our industry and amend the existing laws and regulations in the future. See "—Risks Related to Our Business and Industry—Failure to obtain certain filings, approvals, licenses, permits and certificates for our business operations may materially and adversely affect our business, financial condition and results of operations." We cannot assure you that our practices would not be deemed to violate any PRC laws or regulations. Moreover, developments in the used car service industry and online used car transaction 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 used car transaction platforms like us, which could materially and adversely affect our business and results of operations.

In addition, our PRC subsidiaries are subject to laws and regulations applicable to foreign investment in China. Any changes in PRC laws and regulations related to foreign investment in China could affect the business environment and our ability to operate our business in China. For example, MOFCOM published a discussion draft of the proposed Foreign Investment Law on January 19, 2015, aiming to, upon its enactment, replace the trio of existing laws regulating foreign investment in China, together with their implementation rules and ancillary regulations. 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. "Control" is broadly defined in the draft Foreign Investment Law to cover the following summarized categories: (i) holding directly or indirectly 50% or more of the equity interest, assets, voting rights, or similar equity interest of the subject entity; (ii) holding directly or indirectly less than 50% of the equity interest, assets, voting rights or similar equity interest of the subject entity, but having the power to secure at least 50% of the seats on the board of directors or other equivalent decision-making bodies, or having the voting power to exert material influence over the board of directors, at the shareholders' meeting or over 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, staffing and technology matters, or other key aspects of business operations. The draft Foreign Investment Law specifically provides that entities established in China, but ultimately "controlled" by foreign investors, will be treated as foreign-invested enterprises. If a foreign-invested enterprise proposes to conduct business in an industry subject to foreign investment restrictions, the foreign-invested enterprise must go through market entry clearance by MOFCOM before being established. According to the draft Foreign Investment Law, variable interest entities would also be deemed as foreign-invested enterprises if they are ultimately "controlled" by foreign investors, and accordingly would be subject to restrictions on foreign investments. However, the draft Foreign Investment Law does not address what actions will be taken with respect to the existing companies with a VIE structure. The draft Foreign Investment Law embodies an expected PRC regulatory trend to rationalize its foreign investment regulatory regime in line with prevailing international practice and the legislative efforts to unify the corporate legal requirements for both foreign and domestic investments. Substantial uncertainty exists with respect to its enactment timetable, interpretation and implementation. The draft Foreign Investment Law, if enacted as proposed, may materially impact the viability of our current corporate structure, corporate governance and business operations in many aspects.

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.

Our business is susceptible to changes in government policies, including policies on automobile purchases, ownership, taxation, vehicle title transfers, and used car transactions across regions and provinces. Failure to adequately respond to such changes could adversely affect our business.

Government policies on automobile purchases and ownership may have a material impact on our business due to their influence on consumer behaviors. Since 2009, the PRC government has changed the vehicle purchase tax on automobiles with 1.6 liter or smaller engines several times. In addition, in August 2014, several PRC governmental authorities jointly announced that from September 2014 to December 2017, purchases of new energy automobiles designated on certain catalogs will be exempted from vehicle purchase taxes. In April 2015, several PRC governmental authorities also jointly announced that from 2016 to 2020, purchasers of new energy automobiles designated on certain catalogs will enjoy subsidies. In December 2016, relevant PRC governmental authorities further adjusted the subsidy policy for new energy automobiles. We cannot predict whether government subsidies will remain in the future or whether similar incentives will be introduced, and if they are, their impact on automobile retail transactions in China. It is possible that automobile retail transactions may decline significantly upon expiration of the existing government subsidies if consumers have become used to such incentives and postpone purchase decisions in the absence of new incentives. If automobile retail transactions indeed decline, our revenues and results of operations may be materially and adversely affected.

Some local governmental authorities issued regulations and implementation rules in order to control urban traffic and the number of automobiles within particular urban areas. For example, Beijing municipal authorities adopted regulations and implementing rules in December 2010 to limit the total number of license plates issued to new automobile purchases in Beijing each year. Guangzhou municipal authorities also announced similar regulations, which came into effect in July 2013. There are similar policies that restrict the issuance of new automobile license plates in Shanghai, Tianjin, Hangzhou, Guiyang and Shenzhen. In September 2013, the State Council released a plan for the prevention and remediation of air pollution, which requires large cities, such as Beijing, Shanghai and Guangzhou, to further restrict the number of motor vehicles. In October 2013, the Beijing government issued an additional regulation to limit the total number of vehicles in Beijing to no more than six million by the end of 2017. In addition to the quantity control of automobiles, some local governmental authorities have also adopted environmental protection policies and regulations in recent years, pursuant to which an automobile, failing to meet certain environmental protection requirements or standards, will not be able to obtain the license plate issued by relevant local governmental authorities.

As some used cars cannot meet the environmental protection standards required in some regions, the above policies and regulations may restrict or adversely impact the transactions of such used cars. Such regulatory developments, as well as other uncertainties, may adversely affect the growth prospects of China's automobile industry, which in turn may have a material adverse impact on our business.

You may experience difficulties in effecting service of legal process, enforcing foreign judgments or bringing actions in China against us or our management named in the annual report based on foreign laws.

We are an exempted company 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, all our senior executive officers reside within China for a significant portion of the time and most are PRC residents. As a result, it may be difficult for you to effect service of process upon us or those persons inside mainland China. It may also be difficult for you to enforce in U.S. courts judgments obtained in U.S. courts based on the civil liability provisions of the U.S. federal securities laws against us and our officers and directors, none of whom currently reside in the United States and whose assets are located outside the United States. In addition, there is uncertainty as to whether the courts of the Cayman Islands or the PRC would recognize or enforce judgments of U.S. courts against us or such persons predicated upon the civil liability provisions of the securities laws of the United States or any state.

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 forms of reciprocity with the United States that provide for the reciprocal recognition and enforcement of foreign judgments. In addition, according to the PRC Civil Procedures Law, the PRC courts 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 laws 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.

Shareholder claims that are common in the United States, including securities law class actions and fraud claims, generally are difficult to pursue as a matter of law or practicality in China. For example, in China, there are significant legal and other obstacles to providing information needed for shareholder investigations or litigation initiated outside China. Although the authorities in China may establish a regulatory cooperation mechanism with the securities regulatory authorities of another country or region to implement cross-border supervision and administration, such cooperation with the securities regulatory authorities in the Unities States may not be efficient in the absence of mutual and practical cooperation mechanism. According to Article 177 of the PRC Securities Law which became effective in March 2020, no overseas securities regulator is allowed to directly conduct investigation or evidence collection activities within the territory of the PRC and no entities or individuals may provide documents or materials in connection with its securities activities to the overseas without proper authorization. While detailed interpretation of or implementation rules under Article 177 of the PRC Securities Law have yet to be available, the inability for an overseas securities regulator to directly conduct investigation or evidence collection activities within China may further increase difficulties faced by investors in protecting your interests. See also "—Risks Relating to the ADSs and this Offering—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" for risks associated with investing in us as a Cayman Islands company.

Regulation and censorship of information disseminated over the internet in China may adversely affect our business, and we may be liable for information displayed on, retrieved from or linked to our websites and mobile apps.

China has enacted laws and regulations governing internet access and the distribution of information through the internet. The PRC government prohibits information that, among other things, violates PRC laws and regulations, impairs the national dignity of China or the public interest, contains terrorism or extremism content, or is reactionary, obscene, superstitious, fraudulent or defamatory, from being distributed through the internet. PRC laws also prohibit the use of the internet in ways which, among other things, result in a leakage of state secrets or the distribution of socially destabilizing content. Failure to comply with these laws and regulations may result in sanctions or penalties such as revocation of licenses to provide internet content and other licenses, the shut-down of the concerned websites or mobile apps, and reputational harm. A website or mobile apps operator may also be held liable for censored information displayed on or linked to its website or mobile apps. We may be subject to potential liability for certain unlawful actions of users of our platform or for content we distribute that is deemed inappropriate. We may be required to delete content that violates PRC laws and report content that we suspect may violate PRC laws, which may reduce our consumer base. It may be difficult to determine the type of content that may result in liability for us, and if we are found to be liable, we may be prevented from operating our business or offering other services in China.

PRC regulations relating to offshore investment activities by PRC residents and enterprises may increase our administrative burden and restrict our overseas and cross-border investment activities. If our PRC resident and enterprise shareholders fail to make any applications and filings required under these regulations, we may be unable to distribute profits to such shareholders and may become subject to liability under PRC law.

In July 2014, SAFE promulgated the Circular on Relevant Issues Concerning Foreign Exchange Control on Domestic Residents' Offshore Investment and Financing and Roundtrip Investment Through Special Purpose Vehicles, or SAFE Circular 37, to replace the previous SAFE Circular 75, which ceased to be effective upon the promulgation of SAFE Circular 37. SAFE Circular 37 requires PRC residents (including PRC individuals and PRC corporate entities) to register with SAFE or its local branches in connection with their direct or indirect offshore investment activities. SAFE Circular 37 is applicable to our shareholders who are PRC residents and may be applicable to any offshore acquisitions that we may make in the future.

Under SAFE Circular 37, PRC residents who make, or have prior to the implementation of SAFE Circular 37 made, direct or indirect investments in offshore special purpose vehicles, or SPVs, are required to register such investments with SAFE or its local branches. In addition, any PRC resident who is a direct or indirect shareholder of an SPV, is required to update its registration with the local branch of SAFE with respect to that SPV, to reflect any material change. Moreover, any subsidiary of such SPV in China is required to urge the PRC resident shareholders to update their registration with the local branch of SAFE to reflect any material change. If any PRC resident shareholder of such SPV fails to make the required registration or update the registration, the subsidiary of such SPV in China may be prohibited from distributing its profits or the proceeds from any capital reduction, share transfer or liquidation to the SPV, and the SPV may also be prohibited from making additional capital contributions into its subsidiaries in China. In February 2015, SAFE promulgated a Notice on Further Simplifying and Improving Foreign Exchange Administration Policy on Direct Investment, or SAFE Notice 13. Under SAFE Notice 13, applications for foreign exchange registration of inbound foreign direct investments and outbound direct investments, including those required under SAFE Circular 37, must be filed with qualified banks instead of SAFE. Qualified banks should examine the applications and accept registrations under the supervision of SAFE.

In August 2014, MOFCOM promulgated the Measures for the Administration of Overseas Investment, and the National Development Reform Committee, or the NDRC, promulgated the Administrative Measures for the Approval and Filing of Overseas Investment Projects. In December 2017, the NDRC further promulgated the Administrative Measures of Overseas Investment of Enterprises, which became effective in March 2018. Pursuant to these regulations, any outbound investment of PRC enterprises in the area and industry that is not sensitive is required to be filed with MOFCOM and the NDRC or their local branch.

Mr. Kun Dai, who indirectly holds our shares through SPVs and who is known to us as a PRC resident, has completed the applicable foreign exchange registrations to the extent acceptable by SAFE in accordance with SAFE Circular 75 and SAFE Circular 37. We cannot assure you, however, that Mr. Kun Dai will continue to make required filings or updates in a timely manner, or at all. Moreover, we can provide no assurance that we are or will in the future continue to be informed of the identities of all PRC residents and PRC enterprises holding direct or indirect interest in our company, and even if we are aware of such shareholders or beneficial owners who are PRC residents or PRC enterprises, we may not be able to compel them to comply with SAFE Circular 37 and outbound investment related regulations, and we may not even have any means to know whether they comply with these requirements. Any failure or inability by such individuals or enterprises to comply with SAFE and outbound investment related regulations may subject such individuals or the responsible officers of such enterprises to fines or legal sanctions, and may result in adverse impact on us, such as restrictions on our ability to distribute or pay dividends.

Furthermore, as these foreign exchange and outbound investment related regulations are relatively new and their interpretation and implementation have been constantly evolving, it is uncertain how these regulations, and any future regulations concerning offshore or cross-border investments and transactions, will be interpreted, amended and implemented by the relevant government authorities. For example, we may be subject to a more stringent review and approval process with respect to our foreign exchange activities, such as remittance of dividends and foreign-currency-denominated borrowings, which may adversely affect our financial condition and results of operations. Due to the complexity and constantly changing nature of the foreign exchange and outbound investment related regulations as well as the uncertainties involved, we cannot assure you that we have complied or will be able to comply with all applicable foreign exchange and outbound investment related regulations. In addition, if we decide to acquire a PRC domestic company, we cannot assure you that we or the owners of such company, as the case may be, will be able to obtain the necessary approvals or complete the necessary filings and registrations required by the foreign exchange regulations. This may restrict our ability to implement our acquisition strategy and could adversely affect our business and prospects.

Governmental control of currency conversion may affect the value of your investment.

The PRC government imposes controls on the convertibility of the Renminbi into foreign currencies and, in certain cases, the remittance of currency out of China. We receive substantially all of our revenues in Renminbi. Under our current corporate structure, our Cayman Islands holding company primarily 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, including profit distributions, interest payments and trade and service-related foreign exchange transactions, can be made in foreign currencies without prior approval of SAFE by complying with certain procedural requirements. Specifically, under the existing exchange restrictions, without prior approval of SAFE, cash generated from the operations of our PRC subsidiaries in China may be used to pay dividends to our company. However, approval from or registration with appropriate government authorities is required where Renminbi 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. As a result, we need to obtain SAFE approval to use cash generated from the operations of our PRC subsidiaries and VIEs to pay off their respective debt in a currency other than Renminbi owed to entities outside China, or to make other capital expenditure payments outside China in a currency other than Renminbi. The PRC government may at its discretion restrict access to foreign currencies for current account transactions in the future. 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.

Fluctuations in exchange rates of the Renminbi could materially affect our reported results of operations.

The conversion of Renminbi into foreign currencies, including U.S. dollars, is based on rates set by the People's Bank of China. The Renminbi has fluctuated against the U.S. dollar, at times significantly and unpredictably. The value of Renminbi against the U.S. dollar and other currencies is affected by changes in China's political and economic conditions and by China's foreign exchange policies, among other things. We cannot assure you that 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 Renminbi and the U.S. dollar in the future.

Any significant appreciation or depreciation of Renminbi may materially and adversely affect our revenues, earnings and financial position, and the value of, and any dividends payable on, our ADSs in U.S. dollars. To the extent that we need to convert U.S. dollars into Renminbi for our operations, appreciation of the Renminbi against the U.S. dollar would have an adverse effect on 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 have a negative effect on the U.S. dollar amount available to us.

Very limited hedging options are available in China to reduce our exposure to exchange rate fluctuations. As of the date of this annual report, 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 adequately hedge our exposure 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 or to convert foreign currency into Renminbi.

PRC rules on mergers and acquisitions may make it more difficult for us to pursue growth through acquisitions.

The Anti-Monopoly Law, or the AML, promulgated by the Standing Committee of the National People's Congress, which became effective in 2008, requires that when a concentration of undertakings occurs and reaches statutory thresholds, the undertakings concerned shall file a prior notification with MOFCOM. Without the clearance from MOFCOM, no concentration of undertakings shall be implemented and effected. Mergers, acquisitions or contractual arrangements that allow one market player to take control of or to exert decisive impact on another market player must also be notified in advance to MOFCOM when the threshold under the Provisions on Thresholds for Prior Notification of Concentrations of Undertakings, revised in 2008, is triggered. If such prior notification is not obtained, MOFCOM may order the concentration to cease its operations, dispose of shares or assets, transfer the business of the concentration within a time limit, take any other necessary measures to restore the situation as it was before the concentration, and may impose administrative fines.

Also, the Regulations on Mergers and Acquisitions of Domestic Enterprises by Foreign Investors, or the M&A Rules, adopted by six PRC regulatory agencies in 2006 and amended in 2009, established additional procedures and requirements that could make merger and acquisition activities by foreign investors more time-consuming and complex. Such regulation requires, among other things, that MOFCOM be notified in advance of any change-of-control transaction in which a foreign investor acquires control of a PRC domestic enterprise, if (i) it is concerned with certain industries, (ii) such transaction involves factors that have an impact on the national economic security, or (iii) such transaction may lead to a change in control of a domestic enterprise that holds a famous trademark or PRC time-honored brand. The approval from MOFCOM shall be obtained in circumstances where overseas companies established or controlled by PRC enterprises or residents acquire affiliated domestic companies.

In addition, PRC national security review rules, i.e. Provisions of Ministry of Commerce on Implementation of Security Review System for Mergers and Acquisitions of Domestic Enterprises by Foreign Investors, which became effective in September 2011 and Notice of the General Office of State Council on Establishment of Security Review System Pertaining to Mergers and Acquisitions of Domestic Enterprises by Foreign Investors, which became effective in March 2011, require acquisitions by foreign investors of PRC companies engaged in military related or certain other industries that are crucial to national security be subject to security review before consummation of any such acquisition. We believe that our business is not in an industry related to national security. However, we cannot preclude the possibility that MOFCOM or other government agencies may publish interpretations contrary to our understanding or broaden the scope of the security review in the future.

Moreover, the Administrative Measures for Enterprises' Overseas Investment, or the Overseas Investment Rules, adopted by the NDRC on December 26, 2017 and will become effective on March 1, 2018, stipulates that for local enterprises (enterprises that are not managed by the state government), if the amount of investment made by the Chinese investors is less than US$300 million and the target project is non-sensitive, then the overseas investment project will require filing, instead of approval, with the local branch of the CSRC where the enterprise itself is registered. Although the NDRC has deregulated on overseas investment to certain extent, we are still subject to the procedures required by the NDRC before any of our PRC subsidiaries can conduct any overseas investment activities. See "Item 4. Information on the Company—B. Business Overview—Regulation—M&A Rules and Overseas Listings."

PRC regulations on loans and direct investments by offshore holding companies to PRC entities may delay or prevent us from making loans or additional capital contributions to our PRC entities.

As an offshore holding company of our PRC subsidiaries, we may make loans to our PRC subsidiaries and our VIEs, or we may make additional capital contributions to our PRC subsidiaries. Such loans to our PRC subsidiaries or our VIEs in China and capital contributions are subject to PRC regulations and approvals or filing. For example, loans by us to our PRC subsidiaries cannot exceed statutory limits and must be registered with SAFE or its local branch. Besides SAFE registration, loans to our VIEs may also need to be filed with the NDRC or its local branches. Information about capital contributions to our PRC subsidiaries must be filed with the PRC Ministry of Commerce or its local counterpart. In addition, the PRC government also restricts the convertibility of foreign currencies into Renminbi and use of the proceeds. On March 30, 2015, SAFE promulgated Circular 19, which took effect and replaced certain previous SAFE regulations from June 1, 2015. SAFE further promulgated Circular 16, effective on June 9, 2016, which, among other things, amend certain provisions of Circular 19. According to SAFE Circular 19 and SAFE Circular 16, the flow and use of the Renminbi capital converted from foreign currency denominated registered capital of a foreign-invested company is regulated such that Renminbi capital may not be used for business beyond its business scope or to provide loans to persons other than affiliates unless otherwise permitted under its business scope. On October 23, 2019, SAFE promulgated Circular 28, which stipulates that non-investment foreign-funded enterprises are allowed to make domestic equity investment with their capital funds on the premise that the Negative List is not violated and the projects invested thereby in China are true and compliant. Violations of the applicable circulars and rules may result in severe penalties, including substantial fines as set forth in the Foreign Exchange Administration Regulations. If our variable interest entity requires financial support from us or our wholly owned subsidiaries in the future and we find it necessary to use foreign currency-denominated capital to provide such financial support, our ability to fund our variable interest entity's operations will be subject to statutory limits and restrictions, including those described above.

The applicable foreign exchange circulars and rules may significantly limit our ability to convert, transfer and use the net proceeds from our initial public offering and the concurrent private placement of convertible notes or any offering of additional equity securities in China, which may adversely affect our business, financial condition and results of operations. As the foreign exchange related regulatory regime and practice are complex and still evolving and involve many uncertainties, we cannot assure you that we have complied or will be able to comply with all applicable foreign exchange circulars and rules, or that we will be able to complete the necessary government registrations or filings on a timely basis, if at all, with respect to future loans by us to our PRC subsidiaries or with respect to future capital contributions by us to our PRC subsidiaries. If we fail to complete such registrations or filings, our ability to contribute additional capital to fund our PRC operations may be negatively affected, which could adversely and materially affect our liquidity and our ability to fund and expand our business.

Increases in labor costs and enforcement of stricter labor laws and regulations in the PRC may adversely affect our business and our profitability.

China's overall economy and the average wage in China have increased in recent years and are expected to continue to grow. The average wage level for our employees has also increased in recent years. We expect that our labor costs, including wages and employee benefits, will continue to increase. Unless we are able to pass on these increased labor costs to those who pay for our services, our profitability and results of operations may be materially and adversely affected.

In addition, we have been subject to stricter regulatory requirements in terms of entering into labor contracts with our employees and paying various statutory employee benefits, including pensions, housing fund, medical insurance, work-related injury insurance, unemployment insurance and maternity insurance to designated government agencies for the benefit of our employees. Pursuant to the PRC Labor Contract Law and its implementation rules, employers are subject to stricter requirements in terms of signing labor contracts, minimum wages, paying remuneration, determining the term of employees' probation and unilaterally terminating labor contracts. In the event that we decide to terminate some of our employees or otherwise change our employment or labor practices, the PRC Labor Contract Law and its implementation rules may limit our ability to effect those changes in a desirable or cost-effective manner, which could adversely affect our business and results of operations.

In October 2010, the Standing Committee of the National People's Congress promulgated the PRC Social Insurance Law, effective on July 1, 2011 and amended on December 29, 2018. On April 3, 1999, the State Council promulgated the Regulations on the Administration of Housing Funds, which was amended on March 24, 2019. Companies registered and operating in China are required under the Social Insurance Law and the Regulations on the Administration of Housing Funds to, apply for social insurance registration and housing fund deposit registration within 30 days of their establishment and, to pay for their employees different social insurance including pension insurance, medical insurance, work-related injury insurance, unemployment insurance and maternity insurance to the extent required by law. However, certain of our PRC subsidiaries and VIEs that do not hire any employees and are not a party to any employment agreement, have not applied for and obtained such registration, and instead of paying the social insurance payment on their own for their employees, certain of our PRC subsidiaries and VIEs use third-party agencies to pay in the name of such agency. We could be subject to orders by the competent labor authorities for rectification and failure to comply with the orders may further subject us to administrative fines.

As the interpretation and implementation of labor-related laws and regulations are still evolving, we cannot assure you that our employment practices do not and will not violate labor-related laws and regulations in China, which may subject us to labor disputes or government investigations. We cannot assure you that we have complied or will be able to comply with all labor-related law and regulations regarding including those relating to obligations to make social insurance payments and contribute to the housing provident funds. If we are deemed to have violated relevant labor laws and regulations, we could be required to provide additional compensation to our employees and our business, financial condition and results of operations will be adversely affected.

Failure to comply with PRC regulations regarding the registration requirements for employee share ownership plans or share option plans may subject the PRC plan participants or us to fines and other legal or administrative sanctions.

In February 2012, SAFE promulgated the Notices on Issues Concerning the Foreign Exchange Administration for Domestic Individuals Participating in Stock Incentive Plan of Overseas Publicly-Listed Company, replacing earlier rules promulgated in 2007. Pursuant to these rules, PRC citizens and non-PRC citizens who reside in China for a continuous period of not 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 qualified PRC agent, which could be the PRC subsidiaries of such overseas-listed company, and complete certain other procedures. The PRC agent shall amend the SAFE registration within three months in the event that there is any material changes to the stock incentive plan, the PRC agent or the overseas entrusted institution or other material changes.

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 executive officers and other employees who are PRC citizens or who reside in the PRC for a continuous period of not less than one year and who have been granted options are subject to these regulations. However, we cannot assure you that the SAFE registrations for the grantees of our stock options could be completed and updated in a timely manner. Failure to complete SAFE registrations or to amend such registrations in time may subject us to fines of up to RMB300,000 (US$43,092) for entities and up to RMB50,000 (US$7,182) for individuals, 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 "Item 4. Information on the Company—B. Business Overview—Regulation—Regulations on Stock Incentive Plans."

Dividends we receive from our subsidiaries located in the PRC may be subject to PRC withholding tax, which could materially and adversely affect the amount of dividends, if any, we may pay our shareholders.

The PRC Enterprise Income Tax Law, or the EIT Law, classifies enterprises as resident enterprises and non-resident enterprises. The EIT Law provides that an income tax rate of 20% may be applicable to dividends payable to non-resident investors, which (i) do not have an establishment or place of business in the PRC or (ii) have an establishment or place of business in the PRC but the relevant income is not effectively connected with the establishment or place of business, to the extent such dividends are derived from sources within the PRC. The State Council of the PRC reduced such rate to 10% through the implementation regulations of the EIT Law. Further, pursuant to the Double Tax Avoidance Arrangement between Hong Kong and Mainland China and the Notice on Certain Issues with Respect to the Enforcement of Dividend Provisions in Tax Treaties issued in February 2009 by the State Administration of Taxation ("SAT"), if a Hong Kong resident enterprise owns more than 25% of the equity interest in a company in China at all times during the 12-month period immediately prior to obtaining a dividend from such company, the 10% withholding tax on dividends is reduced to 5% provided certain other conditions and requirements under the Double Tax Avoidance Arrangement between Hong Kong and Mainland China and other applicable PRC laws are satisfied at the discretion of relevant PRC tax authority.

We are a Cayman Islands holding company and we have 3 Cayman Islands subsidiaries, 3 British Virgin Islands subsidiaries, and 6 Hong Kong subsidiaries which in turn hold controlling equity interest of 34 PRC subsidiaries. If we and our Cayman Islands and Hong Kong subsidiaries are considered as non-resident enterprises and each of our Hong Kong subsidiaries is considered as a Hong Kong resident enterprise under the Double Tax Avoidance Arrangement and is determined by the competent PRC tax authority to have satisfied relevant conditions and requirements, then the dividends paid to our Hong Kong subsidiaries by its PRC subsidiaries may be subject to the reduced income tax rate of 5% under the Double Tax Avoidance Arrangement. However, based on the Notice on Certain Issues with Respect to the Enforcement of Dividend Provisions in Tax Treaties, if the relevant PRC tax authorities determine, in their discretion, that a company benefits from such reduced income tax rate due to a structure or arrangement that is primarily tax-driven, such PRC tax authorities may adjust the preferential tax treatment; and based on the Notice on the Comprehension and Recognition of Beneficial Owner in Tax Treaties issued in October 2009 by the SAT, conduit companies, which are established for the purpose of evading or reducing tax, transferring or accumulating profits, shall not be recognized as beneficial owner and thus are not entitled to the abovementioned reduced income tax rate of 5% under the Double Tax Avoidance Arrangement. If we are required under the EIT Law to pay income tax for any dividends we receive from our subsidiaries in China, or if any of our Hong Kong subsidiaries is determined by PRC government authority as receiving benefits from reduced income tax rate due to a structure or arrangement that is primarily tax-driven, it would materially and adversely affect the amount of dividends, if any, we may pay to our shareholders.

Under the EIT Law, we may be classified as a "resident enterprise" of China; such classification could result in unfavorable tax consequences to us and our non-PRC shareholders and materially and adversely affect our results of operations and financial condition.

Under the PRC Enterprise Income Tax Law and its implementation rules, an enterprise established outside of the PRC with "de facto management body" within the PRC is considered a "resident enterprise" and will be subject to the enterprise income tax on its global income at the rate of 25%. The implementation rules define the term "de facto management body" as the body that exercises full and substantial control and overall management over the business, productions, personnel, accounts and properties of an enterprise. In 2009, the State Administration of Taxation, or SAT, issued a circular, known as SAT 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 SAT's general position on how the "de facto management body" text should be applied in determining the tax resident status of all offshore enterprises. According to SAT 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 and will be subject to PRC enterprise income tax on its global income 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 believe that Uxin Limited is not a PRC resident enterprise for PRC tax purposes. See "Item 4. Information on the Company—B. Business Overview—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." If the PRC tax authorities determine that Uxin Limited is a PRC resident enterprise for enterprise income tax purposes, we may be required to withhold a 10% tax from dividends we pay to our shareholders that are non-resident enterprises, including the holders of the ADSs. In addition, non-resident enterprise shareholders (including our ADS holders) may be subject to PRC tax at a rate of 10% 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. Furthermore, if we are deemed a PRC resident enterprise, dividends paid to our non-PRC individual shareholders (including our ADS holders) and any gain realized on the transfer of ADSs or ordinary shares by such shareholders may be subject to PRC tax at a rate of 20% which in the case of dividends may be withheld at source. Any PRC tax liability may be reduced by an applicable tax treaty. However, 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.

In addition to the uncertainty as to the application of the "resident enterprise" classification, we cannot assure you that the PRC Government will not amend or revise the taxation laws, rules, and regulations to impose stricter tax requirements, higher tax rates, or retroactively apply the EIT Law. If such changes occur or if such changes are applied retroactively, such changes could materially and adversely affect our results of operations and financial conditions.

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

In February 2015, the SAT issued a Public Notice Regarding Certain Corporate Income Tax Matters on Indirect Transfer of Properties by Non-Tax Resident Enterprises, or SAT Public Notice 7. SAT Public Notice 7 extends its tax jurisdiction to transactions involving transfer of other taxable assets through offshore transfer of a foreign intermediate holding company. In addition, SAT Public Notice 7 provides clear criteria for assessment of reasonable commercial purposes and has introduced safe harbors for internal group restructurings and the purchase and sale of equity through a public securities market. SAT Public Notice 7 also brings challenges to both foreign transferor and transferee (or other person who is obligated to pay for the transfer) of taxable assets. In October 2017, the SAT issued the Announcement of the State Administration of Taxation on Issues Concerning the Withholding of Non-resident Enterprise Income Tax at Source, or SAT Bulletin 37, which came into effect on December 1, 2017 and was amended on June 15, 2018. The Bulletin 37 further clarifies the practice and procedure of the withholding of nonresident enterprise income tax. Where a non-resident enterprise transfers taxable assets indirectly by disposing of the equity interests of an overseas holding company, which is an indirect transfer, the non-resident enterprise as either transferor or transferee, or the PRC entity that directly owns the taxable assets, may report such Indirect Transfer to the relevant tax authority. 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 other than transfer of Shares of ADSs acquired and sold on public markets may be subject to PRC enterprise income tax, and the transferee or other person who is obligated to pay for the transfer is obligated to withhold the applicable taxes, currently at a rate of 10% for the transfer of equity interests in a PRC resident enterprise. Both the transferor and the transferee may be subject to penalties under PRC tax laws if the transferee fails to withhold the taxes and the transferor fails to pay the taxes.

We face uncertainties as to the reporting and other implications of certain past and future transactions that involve PRC taxable assets, such as offshore restructuring, sale of the shares in our offshore subsidiaries and investments. Our company may be subject to filing obligations or taxed if our company is transferor in such transactions, and may be subject to withholding obligations if our company is transferee in such transactions, under SAT Public Notice 7 or Bulletin 37, or both. We have not filed certain filings under SAT Notice 7 filings for some of our historical share transfers and restructurings. For transfer of shares in our company by investors who are non-PRC resident enterprises, our PRC subsidiaries may be requested to assist in the filing under SAT Public Notice 7 and Bulletin 37. As a result, we may be required to expend valuable resources to comply with SAT Public Notice 7 and Bulletin 37, 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 annual report is prepared by an auditor who is not inspected by the Public Company Accounting Oversight Board and, as such, you are deprived of the benefits of such inspection.

Our independent registered public accounting firm that issues the audit reports included in our annual report filed with the SEC as auditors of companies that are traded publicly in the United States and a firm registered with 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 Peoples' Republic of China, 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. On December 7, 2018, the SEC and the PCAOB issued a joint statement highlighting continued challenges faced by the U.S. regulators in their oversight of financial statement audits of U.S.-listed companies with significant operations in China. On April 21, 2020, the SEC and the PCAOB issued another joint statement reiterating the greater risk that disclosures will be insufficient in many emerging markets, including China, compared to those made by U.S. domestic companies. In discussing the specific issues related to the greater risk, the statement again highlights the PCAOB's inability to inspect audit work paper and practices of accounting firms in China, with respect to their audit work of U.S. reporting companies. These statements reflect a heightened interest in an issue that has vexed U.S. regulators in recent years. However, it remains unclear what further actions the SEC and PCAOB will take to address the problem.

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.

As part of a continued regulatory focus in the United States on access to audit and other information currently protected by national law, in particular China's, in June 2019, a bipartisan group of lawmakers introduced bills in both houses of the U.S. Congress, which if passed, would require the SEC to maintain a list of issuers for which PCAOB is not able to inspect or investigate an auditor report issued by a foreign public accounting firm. The proposed Ensuring Quality Information and Transparency for Abroad-Based Listings on our Exchanges (EQUITABLE) Act prescribes increased disclosure requirements for these issuers and, beginning in 2025, the delisting from U.S. national securities exchanges such as the Nasdaq of issuers included on the SEC's list for three consecutive years. Enactment of this legislation or other efforts to increase U.S. regulatory access to audit information could cause investor uncertainty for affected issuers, including us, and the market price of the ADSs could be adversely affected. It is unclear if this proposed legislation would be enacted. Furthermore, there has been recent media reports on deliberations within the U.S. government regarding potentially limiting or restricting China-based companies from accessing U.S. capital markets. If any such deliberations were to materialize, the resulting legislation may have material and adverse impact on the stock performance of China-based issuers listed in the United States.

Proceedings instituted by the SEC against Chinese affiliates of the "big four" 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.

Starting in 2011 the Chinese affiliates of the "big four" accounting firms, including our independent registered public accounting firm, were affected by a conflict between U.S. and Chinese law. Specifically, for certain U.S.-listed companies operating and audited in mainland China, the SEC and the PCAOB sought to obtain from the Chinese firms access to their audit work papers and related documents. The firms were, however, advised and directed that under Chinese law, they could not respond directly to the U.S. regulators on those requests, and that requests by foreign regulators for access to such papers in China had to be channeled through the CSRC.

In late 2012, this impasse led the SEC to commence administrative proceedings under Rule 102(e) of its Rules of Practice and also under the Sarbanes-Oxley Act of 2002 against the PRC accounting firms, including our independent registered public accounting firm. A first instance trial of the proceedings in July 2013 in the SEC's internal administrative court resulted in an adverse judgment against the firms. The administrative law judge proposed penalties on the firms including a temporary suspension of their right to practice before the SEC, although that proposed penalty did not take effect pending review by the Commissioners of the SEC. On February 6, 2015, before a review by the Commissioner had taken place, the firms reached a settlement with the SEC. Under the settlement, the SEC accepted that future requests by the SEC for the production of documents will normally be made to the CSRC. The firms were to receive matching Section 106 requests, and are required to abide by a detailed set of procedures with respect to such requests, which in substance require them to facilitate production via the CSRC. If they failed to meet specified criteria, during a period of four years starting from the settlement date, the SEC retained authority to impose a variety of additional remedial measures on the firms depending on the nature of the failure. Under the terms of the settlement, the underlying proceeding against the four China-based accounting firms was deemed dismissed with prejudice four years after entry of the settlement. The four-year mark occurred on February 6, 2019. While we cannot predict if the SEC will further challenge the four China-based accounting firms' compliance with U.S. law in connection with U.S. regulatory requests for audit work papers or if the results of such a challenge would result in the SEC imposing penalties such as suspensions. If additional remedial measures are imposed on the Chinese affiliates of the "big four" accounting firms, including our independent registered public accounting firm, we could be unable to timely file future financial statements in compliance with the requirements of the Exchange Act.

In the event the Chinese affiliates of the "big four" become subject to additional legal challenges by the SEC or PCAOB, 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, including possible delisting. Moreover, any negative news about any such future proceedings against these audit firms may cause investor uncertainty regarding China-based, U.S.-listed companies and the market price of our common stock may be adversely affected.

If our independent registered public accounting firm was denied, even 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 not to be in compliance with the requirements of the Exchange Act. Such a determination could ultimately lead to the delisting of the ADSs from Nasdaq Global Select Market or deregistration from the SEC, or both, which would substantially reduce or effectively terminate the trading of the ADSs in the United States.

The enforcement of stricter advertisement laws and regulations in the PRC may adversely affect our business and our profitability.

In April 2015, the Standing Committee of the National People's Congress promulgated the PRC Advertising Law, effective on September 1, 2015 and amended on October 26, 2018. According to the Advertising Law, advertisements shall not have any false or misleading content, or defraud or mislead consumers. Furthermore, an advertisement will be deemed as a "false advertisement" if any of the following situations exist: (i) the advertised product or service does not exist; (ii) there is any inconsistency that has a material impact on the decision to purchase in what is included in the advertisement with the actual circumstances with respect to the product's performance, functions, place of production, uses, quality, specification, ingredient, price, producer, term of validity, sales condition, and honors received, among others, or the service's contents, provider, form, quality, price, sales condition, and honors received, among others, or any commitments, among others, made on the product or service; (iii) fabricated, forged or unverifiable scientific research results, statistical data, investigation results, excerpts, quotations, or other information have been used as supporting material; (iv) effect or results of using the good or receiving the service are fabricated; or (v) other circumstances where consumers are defrauded or misled by any false or misleading content. See "Item 4. Information on the Company—B. Business Overview—Regulation—Regulations On Advertisement" for further details.

Our current marketing relies on advertising, via both online and offline channels. The laws and regulations of advertising are relatively new and evolving and there is substantial uncertainty as to the interpretation of "false advertisement" by the SAMR. If any of the advertisements that we publish is deemed to be a "false advertisement" by the SAMR or its local branch, we could be subject to various penalties, such as discontinuation of publishing the target advertisement, imposition of fines and obligations to eliminate any adverse effects incurred by such false advertisement. Some of our outdoor advertisements has historically been deemed as giving misstatement, resulting in fines by the local SAMR. The amount of the fine was not significant. We cannot assure you that the advertisement we publish in the future will not be subject to further penalties. And any such penalties may disrupt our business and our competition with competitors, which could affect our results of operations and financial conditions.

Certain of our leased property interests may be defective and we may be forced to relocate operations affected by such defects, which could cause a significant disruption to our business.

As to most of our leased properties, we are not provided with sufficient property title certificates or other supporting documents to prove the legitimate possession of the leased properties by the lessors. Our lease agreements therefore may not be enforceable, our rights as the lessee could be challenged by third parties and we may be forced to relocate if the lessors do not have legitimate rights upon the properties. We cannot assure you that such defects could be cured in time, or at all, and our business may be significantly disrupted with additional costs and expenses if we have to relocate.

Some of our leases have expired or will expire soon. We may not be able to successfully extend or renew such leases upon expiration of the current term on commercially reasonable terms or at all, and may therefore be forced to relocate our affected operations. This could disrupt our operations and result in significant relocation expenses, which could adversely affect our business, financial condition and results of operations. Moreover, we compete with other businesses for premises at certain locations or of desirable sizes. As a result, even though we could extend or renew our leases, rental payments may significantly increase as a result of the high demand for the leased properties. In addition, we may not be able to locate desirable alternative sites for our facilities as our business continues to grow and failure in relocating our affected operations could adversely affect our business and operations.

Most of our lease agreements have not been registered with relevant governmental authorities. Failure to register the lease agreement will not affect its effectiveness between the lessor and the lessee, but such defectiveness may subject us to administrative fines, which will have a negative impact upon our financial results.

Although the planned purpose of certain of our leased properties is for residence only, we lease from our lessors for purpose of business. Pursuant to relevant laws and regulations, if our lessors have not obtained the consent of the owners of other properties in the same building in advance, the other owners may request our lessors to remove the impairment and compensate for their damages. Under such circumstances, our lessors may force us to relocate and our business will be interrupted.

We have been and may in the future be involved in legal and administration proceedings initiated by government authorities, property owners or any other third parties regarding our leasehold interests in or use of such properties. We cannot assure you that we can successfully defend ourselves against those claims or that our use of such leased properties will not be challenged in the future. In the event that our use of properties is successfully challenged, we may be subject to fines and forced to relocate the affected operations. In addition, we may become involved in disputes with the property owners or third parties who otherwise have rights to or interests in our leased properties. We can provide no assurance that we will be able to find suitable replacement sites on terms acceptable to us on a timely basis, or at all, or that we will not be subject to material liability resulting from third parties' challenges on our use of such properties. As a result, our business, financial condition and results of operations may be materially and adversely affected.

We may be required to register our business premises outside of our registered residence addresses as branch offices under PRC law.

Under PRC law, a company doing business at a fixed venue outside its registered residence address is required to register with the local branch of the SAMR where the business premise is located to set it up as branch office and obtain business license. We have not been able to complete the registration or establish branch offices for each of business premise operated by ourselves, and some of our service centers have been fined for such violation by the governmental authority as a result. The amounts of the fines were not significant. We have been making continual efforts to register and set up branch offices nationwide for our newly opened business premise and we cannot assure you that all required registration can be completed in a timely manner, due to the rapid growth of our business across the country and complex procedural requirements of governmental authority. If the PRC regulatory authorities determine that we are in violation of the relevant laws and regulations, we may be subject to penalties, including fines, confiscation of income and suspension of operation and our business, results of operations and financial condition could thus be adversely affected.

Risks Related to Our ADSs

The trading price of the ADSs is likely to be volatile, which could result in substantial losses to investors.

Since our ADSs became listed on Nasdaq on June 27, 2018, the trading price of our ADSs has ranged from US$1.41 to US$5.86 per ADS in 2019. The trading price of the ADSs is likely to be volatile and could fluctuate widely due to factors beyond our control. This may happen because of broad market and industry factors, including the performance and fluctuation of the market prices of other companies with business operations located mainly in China that have listed their securities in the United States. In addition to market and industry factors, the price and trading volume for the ADSs may be highly volatile for factors specific to our own operations, including the following:

- variations in our revenues, earnings and cash flow;
- actual or anticipated fluctuations in our quarterly results of operations;
- announcements of new investments, acquisitions, strategic partnerships or joint ventures by us or our competitors;

- announcements of new service offerings, solutions and expansions by us or our competitors;
- changes in financial estimates by securities analysts;
- conditions in China's used car market and used car consumer financing market;
- changes in the operating performance or market evaluations of other online used car transaction platforms;
- detrimental adverse publicity about us, our services or our industry;
- additions or departures of key personnel;
- release of lock-up or other transfer restrictions on our outstanding equity securities or sales of additional equity securities;
- short seller reports that make allegations against us or our affiliates, even if unfounded;
- potential litigation or regulatory investigations; and
- general economic or political conditions in China or elsewhere in the world.

Any of these factors may result in large and sudden changes in the volume and price at which the ADSs will trade.

We have been named as a defendant in two class action lawsuits, which could divert a significant amount of our management's attention and other resources from our business and operations and require us to incur significant expenses to defend the suit, which could harm our results of operations. 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. See "—Risks Related to Our Business and Industry—We have been named as a defendant in six putative shareholder class action lawsuits that could have a material adverse impact on our business, financial condition, results of operation, cash flows and reputation." and "Item 8, Financial Information—A. Consolidated Statements and Other Financial Information—Legal Proceedings."

In addition, the stock market in general, and the market prices for internet-related companies and companies with operations in China in particular, have experienced volatility that often has been unrelated to the operating performance of such companies. The securities of some China-based companies that have listed their securities in the United States have experienced significant volatility since their initial public offerings in recent years, including, in some cases, substantial declines in the trading prices of their securities. The trading performances of these companies' securities after their offerings may affect the attitudes of investors towards Chinese companies listed in the United States in general, 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 engaged in any inappropriate activities. In particular, the global financial crisis, the ensuing economic recessions and deterioration in the credit market in many countries have contributed and may continue to contribute to extreme volatility in the global stock markets. These broad market and industry fluctuations may adversely affect the market price of our ADSs. Volatility or a lack of positive performance in our ADS price may also adversely affect our ability to retain key employees, most of whom have been granted options or other equity incentives.

Our dual-class share structure with different voting rights 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 a dual-class share structure such that our ordinary shares consists of Class A ordinary shares and Class B ordinary shares with disparate voting powers. In respect of matters requiring the votes of shareholders, holders of Class A ordinary shares will be entitled to one vote per share, while holders of Class B ordinary shares will be entitled to ten votes per share based on our dual-class share structure. 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. Upon (i) any direct or indirect sale, transfer, assignment or disposition of Class B ordinary shares by a holder thereof or direct or indirect transfer or assignment of the voting power attached to such number of Class B ordinary shares through voting proxy or otherwise to any person or any entity which is not an affiliate of such holder, or (ii) the direct or indirect sale, transfer, assignment or disposition of a majority of the issued and outstanding voting securities of, or the direct or indirect transfer or assignment of the voting power attached to such voting securities through voting proxy or otherwise, or the direct or indirect sale, transfer, assignment or disposition of all or substantially all of the assets of, a holder of Class B ordinary shares to any person that is not an affiliate of such holder, such Class B ordinary shares shall be automatically and immediately converted into the same number of Class A ordinary shares, or (iii) of Mr. Kun Dai ceases to be the ultimate beneficial owner of any outstanding Class B ordinary shares.

As of February 29, 2020, Mr. Kun Dai, the beneficially owner of all our issued Class B ordinary shares, beneficially owned 39.9% of the aggregate voting power of our company. As a result of the dual-class share structure and the concentration of ownership, holders of Class B ordinary shares will have considerable influence over matters such as decisions regarding mergers and consolidations, election of directors and other significant corporate actions. Such holders 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 have the effect of depriving our other shareholders of the opportunity to receive a premium for their shares as part of a sale of our company and may reduce the price of our ADSs. This concentrated control will limit your ability to influence corporate matters and could discourage others from pursuing any potential merger, takeover or other change of control transactions that holders of Class A ordinary shares and ADSs may view as beneficial.

The dual-class structure of our ordinary shares may adversely affect the trading market for our ADSs.

S&P Dow Jones and FTSE Russell have recently announced changes to their eligibility criteria for inclusion of shares of public companies on certain indices, including the S&P 500, to exclude companies with multiple classes of shares and companies whose public shareholders hold no more than 5% of total voting power from being added to such indices. In addition, several shareholder advisory firms have announced their opposition to the use of multiple class structures. As a result, the dual class structure of our ordinary shares may prevent the inclusion of our ADSs representing Class A ordinary shares in such indices and may cause shareholder advisory firms to publish negative commentary about our corporate governance practices or otherwise seek to cause us to change our capital structure. Any such exclusion from indices could result in a less active trading market for our ADSs. Any actions or publications by shareholder advisory firms critical of our corporate governance practices or capital structure could also adversely affect the value of our ADSs.

If securities or industry analysts do not publish research or reports about our business, or if they adversely change their recommendations regarding the ADSs, the market price for the ADSs and trading volume could decline.

The trading market for the ADSs will be influenced by research or reports that industry or securities analysts publish about our business. If one or more analysts who cover us downgrade our ADSs, the market price for the ADSs would likely decline. If one or more of these analysts cease to cover us or fail to regularly publish reports on us, we could lose visibility in the financial markets, which in turn could cause the market price or trading volume for the ADSs to decline.

The sale or availability for sale of substantial amounts of the ADSs could adversely affect their market price.

Sales of substantial amounts of the ADSs in the public market, or the perception that these sales could occur, could adversely affect the market price of the ADSs and materially impair our ability to raise capital through offerings of equity or equity linked securities in the future. As of February 29, 2020, we had 887,617,391 ordinary shares outstanding, comprising of (i) 846,807,530 Class A ordinary shares (excluding the 16,562,988 Class A ordinary shares issued to our depositary bank for bulk issuance of ADSs reserved for future issuances upon the exercise or vesting of awards granted under our Share Incentive Plan), and (ii) 40,809,861 Class B ordinary shares. Among these shares, 435,420,642 Class A ordinary shares are in the form of ADSs, which are freely transferable without restriction or additional registration under the Securities Act. The remaining Class A ordinary shares outstanding and the Class B ordinary shares will be available for sale, subject to volume and other restrictions as applicable under Rules 144 and 701 under the Securities Act. To our knowledge, certain of our shareholders, including those affiliated with Mr. Kun Dai, our chairman and chief executive officer, had pledged a total of 93,170,300 Class A ordinary shares that represent approximately 10.5% of our share capital as of February 29, 2020 in favor of third-party lenders in connection with certain loans in an aggregate principal amount of approximately US$163.1 million, most proceeds of which were used to fund the purchase of shares in our company in the latest rounds of pre-IPO equity financings. The loans became due in June, November and December 2019, respectively, and the borrowers are currently in discussion with the lenders to seek extensions of the loans. See “Item 6. Directors, Senior Management and Employees—E. Share Ownership footnote (1).” Subsequent to our initial public filing, the loan agreements with the third-party lenders were amended to add margin call provisions and top-up requirements regarding our shares. If any lender enforces its security interests in such pledged shares upon an event of default, triggering of the margin call and top-up requirements or other circumstances, or any borrower needs to use the pledged shares to repay the loan, the pledged shares may be sold on the public market. For example, in connection with a loan in the principal amount of US$100.0 million under a facility agreement entered into between Kingkey New Era Auto Industry Limited as borrower and Cathay Rong IV Limited as lender, Cathay Rong IV Limited enforced its security interests in shares pledged by Kingkey New Era Auto Industry Limited and as a result, 57,045,450 Class A ordinary shares were transferred to Cathay Rong IV Limited. Cathay Rong IV Limited may hold or dispose of these securities at its discretion, including on the public market, as repayment of the outstanding loan and satisfaction of other obligations under the facility agreement. See “Item 6. Directors, Senior Management and Employees—E. Share Ownership footnotes (8) and (10).” We cannot predict what effect, if any, market sales of securities held by our significant shareholders or any other shareholder or the availability of these securities for future sale will have on the market price of the ADSs.

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

We currently intend to retain most, if not all, of our available funds and any future earnings 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 the ADSs as a source for any future dividend income.

Our board of directors has complete discretion as to whether to distribute dividends, subject to certain requirements of Cayman Islands law. In addition, our shareholders may by ordinary resolution declare a dividend, but no dividend may exceed the amount recommended by our directors. Under Cayman Islands law, a Cayman Islands company may pay a dividend out of either profit or share premium account, provided 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. 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 our future results of operations and cash flow, our capital requirements and surplus, the amount of distributions, if any, received by us from our subsidiaries, our financial condition, contractual restrictions and other factors deemed relevant by our board of directors. Accordingly, the return on your investment in the ADSs will likely depend entirely upon any future price appreciation of the ADSs. There is no guarantee that the ADSs will appreciate in value or even maintain the price at which you purchased the ADSs. You may not realize a return on your investment in the ADSs and you may even lose your entire investment in the ADSs.

Our memorandum and articles of association contain anti-takeover provisions that could have a material adverse effect on the rights of holders of our Class A ordinary shares and the ADSs.

Our memorandum and articles of association contain provisions to limit the ability of others to acquire control of our company or cause us to engage in change-of-control transactions, including a dual-class voting structure that gives disproportionate voting power to the Class B ordinary shares held by Xin Gao Group Limited, of which our founder, chairman and chief executive officer, Mr. Kun Dai, is the sole shareholder and sole director. Through Xin Gao Group Limited, and other entities affiliated with Mr. Dai which hold Class A ordinary shares, Mr. Dai beneficially owned an aggregate of 39.9% of the total voting power of our company as of February 29, 2020. These provisions could have the effect of depriving our shareholders of an opportunity to sell their shares at a premium over prevailing market prices by discouraging third parties from seeking to obtain control of our company in a tender offer or similar transaction. Our board of directors has the authority, without further action by our shareholders, to issue preferred shares in one or more series and to fix their designations, powers, preferences, privileges, and relative participating, optional or special rights and the qualifications, limitations or restrictions, including dividend rights, conversion rights, voting rights, terms of redemption and liquidation preferences, any or all of which may be greater than the rights associated with our Class A ordinary shares, in the form of the ADS or otherwise. Preferred shares could be issued quickly with terms calculated to delay or prevent a change in control of our company or make removal of management more difficult. If our board of directors decides to issue preferred shares, the price of the ADSs may fall and the voting and other rights of the holders of our Class A ordinary shares and the ADSs may be materially and adversely affected.

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 incorporated under the laws of the Cayman Islands. Our corporate affairs are governed by our memorandum and articles of association, the Companies Law (2020 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 have discretion under our articles of association 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 motion 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 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 of the Cayman Islands and the laws applicable to companies incorporated in the United States and their shareholders.

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

We are a Cayman Islands exempted company and substantially all of our assets are located outside of the United States. Substantially all of our current operations are conducted in China. In addition, most of our current directors and officers are nationals and residents of countries other than the United States. Substantially all of the assets of these persons are located outside the United States. As a result, it may be difficult or impossible for you 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 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 China may render you unable to enforce a judgment against our assets or the assets of our directors and officers.

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 Class A ordinary shares represented by your ADS.

Holders of ADSs do not have the same rights as our registered shareholders. As a holder of the 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 are attached to the underlying Class A ordinary shares 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 represented by your ADSs. Upon receipt of your voting instructions, the depositary will try, as far as is practicable, to vote the underlying Class A ordinary shares represented by your ADSs in accordance with your instructions. Where any matter is to be put to a vote at a general meeting, then upon receipt of your voting instructions, the depositary will try to vote the underlying Class A ordinary shares in accordance with these instructions. You will not be able to directly exercise your 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. When a general meeting is convened, you may not receive sufficient advance notice of the meeting to withdraw the underlying shares represented by your ADSs and become the registered holder of such shares to allow you to attend the general meeting and to vote directly with respect to any specific matter or resolution to be considered and voted upon at the general meeting. In addition, under our memorandum and articles of association, 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 Class A ordinary shares 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 notify you of the upcoming vote and will arrange to deliver our voting materials to you. Under our memorandum and articles of association, the minimum notice period required to be given by our company to our registered shareholders for convening a general meeting is seven days. Nevertheless, 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 Class A ordinary shares 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 how the underlying shares represented by your ADSs are voted and you may have no legal remedy if the underlying shares represented by your ADSs are not voted as you requested.

You may experience dilution of your holdings due to the inability to participate in rights offerings.

We may, from time to time, distribute rights to our shareholders, including rights to acquire securities. Under the deposit agreement, the depositary will not distribute rights to holders of ADSs unless the distribution and sale of rights and the securities to which these rights relate are either exempt from registration under the Securities Act with respect to all holders of ADSs, or are registered under the provisions of the Securities Act. The depositary may, but is not required to, attempt to sell these undistributed rights to third parties, and may allow the rights to lapse. We may be unable to establish an exemption from registration under the Securities Act, and we are under no obligation to file a registration statement with respect to these rights or underlying securities or to endeavor to have a registration statement declared effective. Accordingly, holders of ADSs may be unable to participate in our rights offerings and may experience dilution of their holdings as a result.

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

Your ADSs are transferable on the books of the depositary. However, the depositary may close its books at any time or from time to time when it deems it expedient in connection with the performance of its duties. The depositary may close its books from time to time for a number of reasons, including in connection with corporate events such as a rights offering, during which time the depositary needs to maintain an exact number of ADS holders on its books for a specified period. The depositary may also close its books in emergencies, and on weekends and public holidays. The depositary may refuse to deliver, transfer or register transfers of the ADSs generally when our share register or the books of the depositary are closed, or at any time if we or the depositary thinks it is 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.

We are an emerging growth company within the meaning of the 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 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 the Sarbanes-Oxley Act of 2002 for so long as we remain an emerging growth company. In addition, the JOBS Act 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 and revised accounting standards. Although we have adopted all the new accounting standards that have become effective so far, we intend to take advantage of the extended transition period for complying with new or revised accounting standards in the future. If we elect not to comply with such auditor attestation requirements or take advantage of other exemptions permitted under the JOBS Act, our investors may not have access to certain information they may deem important and our financial statements may not be comparable to companies that comply with public company effective dates for new and revised accounting standards.

We will incur increased costs as a result of being a public company, particularly after we cease to qualify as an “emerging growth company.”

As a public company, we 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 Select Market, impose various requirements on the corporate governance practices of public companies. As a company with less than US$1.07 billion in 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, or Section 404, in the assessment of the emerging growth company’s internal control over financial reporting. The JOBS Act also permits an emerging growth company to delay adopting new or revised accounting standards until such time as those standards apply to private companies. However, we do not plan to “opt out” of such exemptions afforded to an emerging growth company.

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. Operating as a public company also makes 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 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 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 are 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 Nasdaq. 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 listing standards; these practices may afford less protection to shareholders than they would enjoy if we complied fully with the Nasdaq corporate governance listing standards.

As a Cayman Islands exempted company listed on the Nasdaq, we are subject to the Nasdaq corporate governance listing standards. However, Nasdaq rules permit a foreign private issuer like us to follow the corporate governance practices of its home country. Certain corporate governance practices in the Cayman Islands, which is our home country, may differ significantly from the Nasdaq corporate governance listing standards. Currently, we rely on home country exemption for the requirement under Nasdaq Rule 5605(b)(1) that majority of the board of directors must be comprised of independent directors as defined under Nasdaq Rule 5605(a)(2). We also relied on home country practice in adopting our 2018 Second Amended and Restated Share Incentive Plan in November 2018 without seeking shareholder approval and not holding an annual shareholders meeting for the fiscal year of 2019. If we continue to rely on these and other exemptions available to foreign private issuers in the future, our shareholders may be afforded less protection than they would otherwise enjoy under the Nasdaq governance listing standards applicable to U.S. domestic issuers.

We believe that we were a passive foreign investment company, or PFIC, for United States federal income tax purposes for the taxable year ended December 31, 2019 as a result of the volatility of the market price of our ADSs, which could subject United States holders of our ADSs or Class A ordinary shares to significant adverse United States income tax consequences.

A non-U.S. corporation, such as our company, will be classified as a passive foreign investment company (a "PFIC") for U.S. federal income tax purposes for any taxable year, if 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 value of its assets (generally based on an average of the quarterly values of the assets) during such year is attributable to assets that produce passive income or are held for the production of passive income (the "asset test"). A separate determination must be made after the close of each taxable year as to whether a non-U.S. corporation is a PFIC for that year. Passive income generally includes dividends, interest, royalties, rents, annuities, net gains from the sale or exchange of property producing such income and net foreign currency gains. For this purpose, cash and assets readily convertible into cash are categorized as passive assets and our goodwill associated with active business activity is taken into account as a non-passive asset.

In addition, a non-U.S. corporation 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, 25% or more (by value) of the stock. Although the law in this regard is unclear, we treat our VIEs as being beneficially owned by us for U.S. federal income tax purposes because we control their management decisions, we are entitled to substantially all of the economic benefits associated with these entities, and, as a result, we consolidate their results of operations in our U.S. GAAP financial statements.

Based on the market price of our ADSs and the composition of our assets (in particular the substantial amount of cash and other cash-like assets), we believe that we were a PFIC for United States federal income tax purposes for the taxable year ended December 31, 2019 because the volatility of the market price of our ADSs caused us to narrowly exceed the asset test percentage threshold. Further, we believe that we will likely be classified as a PFIC for our current taxable year ending December 31, 2020 unless the market price of our ADSs increases and/or we invest a substantial amount of the cash and other passive assets we hold in assets that produce or are held for the production of non-passive income.

If we are classified as a PFIC for any taxable year during which a U.S. Holder (defined below) held an ADS or an ordinary share, certain adverse U.S. federal income tax consequences could apply to the U.S. Holder. See "Item 10. Additional Information—E. Taxation—United States Federal Income Taxation—Passive Foreign Investment Company Rules."

Item 4. Information on the Company

A. History and Development of the Company

We commenced operations in August 2011 through Youxin Internet (Beijing) Information Technology Co., Ltd., or Youxin Hulian, to conduct used car auctions and other transaction related services.

In December 2011, we incorporated Uxin Limited in the Cayman Islands as our offshore holding company to facilitate financing and offshore listing. Shortly following its incorporation, Uxin Limited established a wholly-owned subsidiary in Hong Kong, Uxin Hong Kong Limited. In June 2012, in connection with our Series A financing, Uxin Hong Kong Limited established a wholly-owned subsidiary in China, Youxinpai (Beijing) Information Technology Co., Ltd., referred to as Youxinpai or one of our WFOEs. Since its incorporation, Youxinpai has established and acquired several wholly-owned subsidiaries, among which are Youhan (Shanghai) Information Technology Co., Ltd., or Youhan, and Baogu Automobile Technology Services (Beijing) Co., Ltd.

In November 2014, we established UcarShow Holding Limited, a wholly-owned subsidiary of Uxin Limited. UcarShow Holding Limited established UcarShow HK Limited in Hong Kong. In January 2015, we established Uxin Used Car Limited, and in February 2015, UcarShow Holding Limited transferred all the interests it held in UcarShow HK Limited to Uxin Used Car Limited. In March 2015, UcarShow HK Limited established a wholly-owned subsidiary, Yougu (Shanghai) Information Technology Co., Ltd, or Yougu. Yougu acquired Youzhen (Beijing) Business Consulting Co., Ltd. from Youxinpai in September 2016.

In November 2014, we established UcarEase Holding Limited, a wholly-owned subsidiary of Uxin Limited. UcarEase Holding Limited acquired GloryFin International Group Holding Company Limited, or GloryFin, which was incorporated in Hong Kong, and its three wholly-owned subsidiaries, Kai Feng Finance Lease (Hangzhou) Co., Ltd., or Kaifeng, Youqin (Shanxi) Finance Lease Co., Ltd., and Boyu Finance Lease (Tianjin) Co., Ltd.

In November 2014, we established UcarBuy Holding Limited, a wholly-owned subsidiary of Uxin Limited. UcarBuy Holding Limited established UcarBuy HK Limited, which established a wholly-owned subsidiary, Youxin (Shanghai) Used Car Business Co., Ltd., which we refer to as Youxin Shanghai. In July 2019, Youxin Shanghai became a wholly-owned subsidiary of GloryFin.

Youxinpai and Yougu entered into a series of contractual arrangements with Youxin Hulian and Youxin Yishouche (Beijing) Information Technology Co., Ltd., or Yishouche, respectively, and their respective shareholders. Youxin Hulian and Yishouche are collectively referred to as our VIEs.

We have been conducting our 2C business through Yougu and Yishouche. Yougu operates the website www.xin.com and mobile apps for our 2C business and has obtained approval from Shanghai Communications Administration to conduct value-added telecommunications services in the scope of online data processing and transaction processing (operating e-commerce).

On June 27, 2018, our ADSs commenced trading on Nasdaq under the symbol “UXIN.” We raised from our initial public offering US$204.8 million in net proceeds after deducting underwriting commissions and the offering expenses payable by us.

On April 26, 2020, our board of directors approved the change in our fiscal year end from December 31 to March 31. We will file a transition report on Form 20-F to cover the transition period from January 1, 2020 to March 31, 2020.

Divestitures of Our Loan Facilitation, Salvage Car and 2B Businesses

Since early 2018, when we began to fulfill online used car transactions for consumers, we have gradually shifted our strategic focus to our 2C online transaction business, which was previously referred to as “2C cross-regional business.” Through our 2C online transaction business, we help consumers buy the car of their choice online by providing them with a nationwide selection of used cars, a wide range of car-related value-added products and services as well as a full suite of supporting services to fulfill these online used car transactions. With our innovative online used car product and service offerings, we have created an innovative and unique used car buying experience for consumers centered around four key values — more selection, better prices, premium service and convenience. As a result, in order to better devote all our attention and resources towards developing and scaling up our 2C online transaction business, we have recently divested to our strategic partners our loan facilitation, salvage car and 2B related businesses, which are collectively referred to as the Divested Businesses.

Divestiture of loan facilitation business

In July 2019 and September 2019, we entered into a bind term sheet and definitive agreements respectively, with Golden Pacer to divest our loan facilitation related business, which we refer to as the Loan Facilitation Divestiture. In April 2020, we entered into supplemental agreements with Golden Pacer to modify and supplement certain terms and conditions in connection with the Loan Facilitation Divestiture, pursuant to which we divested our entire 2C intra-regional business and ceased to provide loan facilitation related guarantee services in connection with our 2C online transaction business. In addition, we have divested the assets and liabilities in relation to our historically-facilitated loans for XW Bank to Golden Pacer as one of the pre-conditions for the transaction. As a result, assets and liabilities related to the historically-facilitated loans for XW Bank were reclassified on a net basis as net assets transferred on our consolidated balance sheet as of December 31, 2019, and results of operations related to the divested business were reported as loss from discontinued operations in the consolidated statements of comprehensive loss. Prior to the Loan Facilitation Divestiture, we facilitated consumer auto loans for both new and used car transactions through our 2C business by entering into a series of arrangements with our customers and third-party financing partners who primarily funded the auto loans to our customers. After the Loan Facilitation Divestiture and through our business cooperation with Golden Pacer, Golden Pacer becomes our financing solution provider who directly works with third-party financing partners to facilitate auto loans, and we no longer provide loan facilitation related guarantee services in connection with our 2C online used car transactions. By referring the used car financing options provided by our financing solution providers to our customers, we continue to enable our consumers to conveniently access various auto financing products on our platform. The transaction closed upon the signing of the supplemental agreements in April 2020.

Divestiture of salvage car business

In January 2020, we divested our salvage car related business to Boche, which we refer to as the Boche Divestiture. Assets and liabilities associated with the Boche Divestiture were reclassified as assets and liabilities held for sale on our consolidated balance sheet as of December 31, 2019. The divested business was not presented as discontinued operations due to its insignificance to our overall business. The transaction closed in January 2020.

Divestiture of 2B business

In March 2020, we entered into definitive agreements to divest our 2B business to 58.com, which we refer to as the 2B Divestiture. Assets and liabilities associated with the 2B Divestiture were reclassified as assets and liabilities held for sale on our consolidated balance sheet as of December 31, 2019, and results of operations related to the 2B Divestiture were reported as loss from discontinued operations in the consolidated statements of comprehensive loss. The transaction closed in April 2020. As part of the transaction, we also entered into a business cooperation agreement with 58.com, pursuant to which we will provide 58.com with information related to used cars for sale by individuals.

B. Business Overview

We are a leading national online used car dealer in China. As the online destination in China for consumers to buy used cars, we make it possible for consumers to choose from our nationwide selection of used cars and buy the car directly online from our platform through our 2C business. Prior to Mach 2020, we also operated 2B business where we primarily facilitated used car transactions between business customers via online auction. We have divested our 2B business pursuant to definitive agreements we entered into in March 2020. See “Item 4. Information on the Company—A. History and Development of the Company— Divestitures of Our Loan Facilitation, Salvage Car and 2B Businesses.”

Our mission is to enable people to buy the car of their choice. Consumers in China have been facing significant challenges when buying used cars via traditional supply chains, such as limited access to a wide selection of used cars, inconvenience in buying used cars from other cities and regions, lack of transparent and reliable information about car condition and complex transaction processes. Operated under the brand Uxin Used Car (优信二手车), our platform addresses these issues by providing consumers with a reliable and one-stop online car buying experience and enabling consumers to select from our nationwide selection of Uxin Certified used cars and access various car-related value-added products and services online throughout China.

We have transformed the used car buying experience in China through our innovative integrated online platform and offline service and fulfilment networks, which takes care of each step of the transaction process and covers the entire value chain. Our online platform ensures that consumers have access not only to an extensive nationwide selection of used cars, but also to a wide range of value-added products and services. Our offline infrastructure and networks allow us to effectively serve consumers and fulfill the transactions made online, such as car inspection, in-person car-buying consulting, car delivery, title transfers and other after-sales services. In particular, our inspection capabilities allow us to collect proprietary data, images and videos of used cars and generate accurate car condition reports, which allows for convenient car comparison and is crucial to consumers’ decision-making process of buying used cars online. With a significant amount of data aggregated on our platform, we are able to continue to innovate and improve our products and services to meet consumers’ varied needs. Together, our products and services provide consumers with the superior experience and peace of mind that our brand embodies. In fact, our name, Uxin (优信), translates to quality and trust in Chinese.

Our comprehensive products and services are supported by a number of critical foundations, including proprietary technology and data analytics capabilities, an extensive service network and unique online used car transaction fulfillment capabilities.

- *Data and Technology*: Our patented and industry-leading car inspection system, Check Auto (查客), provides a comprehensive overview of a used car's condition. Our AI- and big data-driven Manhattan pricing engine provides consumers and dealers with pricing insights based on each used car's condition, as well as serving as an algorithmic foundation for determining the ranking of used cars listed on our platform according to each car's price and performance data. In addition, based on a wealth of data we have on user behavior and used car inventory, our AI-enabled Lingxi (灵犀) intelligent recommendation system provides personalized car recommendations to consumers by analyzing their preferences, which makes it easier for them to find the car of their choice; and our AI-powered Edison intelligent user profiling system helps our customer service personnel and sales consultants better understand consumer profiles by analyzing their preferences in real time and predicting which used cars they are likely to buy, which enables us to create more effective sales strategies. Additionally, we provide 360-degree online car viewing functionality enabled by VR technology for some of the best-selling makes and models tagged as "super value cars" on our platform.

- *Service Network*: We leverage our service network to provide consumers with services and assistance at each step of the transaction process. We provide them with car-buying services through our sales and service network which covers more than 260 cities at prefecture level or above across China. To enhance customer experience, our sales consultants visit consumers at their convenience, such as coffee shop or their workplace, to provide professional car-buying consulting service and assist them in buying the car of their choice. In addition, we continue to upgrade and transform the entire buying process and transition online each step in the sales process. We are now offering online sales consulting and assistance services without the need to assign our sales consultant offline to assist in a purchase once the consumer demonstrates intention to purchase on our platform. Starting from December 2018, we have worked with third-party agents to enlarge our sales force in the effort to effectively expand our service outreach across China. Our agents provide in-person car-buying services primarily in local service centers. In addition, we have our customer service team process consumers' pre-sales inquiries and after-sales matters through online chat and hotlines.

- *Online Transaction Fulfillment Capabilities*: Our unique transaction fulfillment capabilities are empowered by our nationwide logistics and delivery network, nationwide title transfer and vehicle registration service and industry-leading warranty programs. Our nationwide logistics and delivery network ensure timely delivery of used cars to consumers. Our title transfer and vehicle registration service efficiently handles a potentially time-consuming and complex process for consumers. Our warranty programs provide consumers with comprehensive post-sale protection.

We also collaborate with various third-party partners to provide a wide range of value-added products and services on our platform, such as auto financing options and insurance products, as well as after-sales services. For example, Golden Pacer, as our financing solution provider, assesses car buyers' credit and connects those who apply for used car loans with financial institutions who subsequently fund the loans, which streamlines the car-buying process on our platform.

In May 2019, we entered into a strategic partnership with 58.com, China's largest online market place for classifieds. Under the partnership, we are collaborating with 58.com to optimize and strengthen traffic and inventory acquisition, used car inspection, big data analytics and SaaS development. We further deepened our strategic partnership with 58.com through the divestiture of our 2B business to 58.com and the entry into a business cooperation agreement pursuant to which we will provide 58.com with information related to used cars for sale by individuals. See "Item 4. Information on the Company—A. History and Development of the Company— Divestitures of Our Loan Facilitation, Salvage Car and 2B Businesses."

Since we launched our online used-car-buying product and service offerings in early 2018, we have been shifting our strategic focus to 2C online used car transactions. Our established relationships with approximately 25,000 dealers have enabled us to provide a nationwide selection of used cars on our platform, which attracts an increasing number of consumers to select and buy used cars from us. The growing recognition from consumers in turn attracts more dealers to join our network. Our dealer partners are typically small- or medium-sized retail dealers. This network effect will help us form a vibrant ecosystem among ourselves, our customers and our deal partners. Since we started to provide 2C online used car transaction services in 2018, we have witnessed significant growth in our business. The total number of online used cars transactions completed through our 2C platform has increased from 38,264 in 2018 to 97,100 in 2019, representing a 153.8% increase. The total 2C GMV of online used car transactions has grown from RMB4.4 billion in 2018 to RMB11.3 billion (US$1.6 billion) in 2019, representing a 155.3% increase.

Our Platform and Services

As a leading national online used car dealer in China, we enable consumers to buy used cars online through an innovative integrated online platform and offline service and fulfilment networks through our 2C business. We mainly generate revenues from the fees we charge for fulfilling 2C online used car transactions and providing relevant value-added services. Before the divestiture of our 2B business, we also generated revenue from the fee we charge for facilitating 2B used car transactions on our 2B auction platform.

Our 2C business

Uxin Used Car (优信二手车), our 2C business, caters to consumers and primarily provides them with a nationwide selection of used cars, various car-related value-added products and services, and a full suite of supporting services to fulfill these online used car transactions. We historically provided services to consumers attracted to our platform by accompanying them to visit offline dealerships in local used car markets and assisting them in buying used cars from the dealers, which services we previously referred to as our "2C intra-regional business." Starting in early 2018, we shifted our focus to enabling consumers to purchase used cars entirely online from our platform without the need to visit offline dealerships or see the actual car when making the purchase, which services we previously referred to as our "2C cross-regional business." In July 2019, September 2019 and April 2020, we entered into a binding term sheet, definitive agreements and supplemental agreements, respectively, with Golden Pacer to divest our loan facilitation related business (the "Loan Facilitation Divestiture"), pursuant to which we divested our entire 2C intra-regional business to Golden Pacer. Before the Loan Facilitation Divestiture, our 2C business generated revenues from the fees we charged for transaction facilitation and loan facilitation services. We no longer provide any loan facilitation services since November 2019 as a result of the Loan Facilitation Divestiture, and our 2C business currently generates revenues from commission and value-added service fees. Our commission rate, as defined by the used car commission revenue divided by the GMV of our 2C business, increased from 4.6% in 2018 to 6.3% in 2019. Our value-added service take rate, as measured by the used car value-added service revenue divided by the GMV of our 2C business, increased from 3.8% in 2018 to 5.6% in 2019.

Since the launch of our online used car transaction services in early 2018, Uxin Used Car has achieved significant scale and growth. We had a real-time listing of over 110,000 used cars in the fourth quarter of 2019. In 2018 and 2019, our 2C business facilitated 38,264 and 97,100 online used car transactions, respectively, resulting in GMV of approximately RMB4.4 billion and RMB11.3 billion (US$1.6 billion), respectively.

User journey in our 2C business

For a typical Uxin Used Car consumer, the consumer's buying journey is as follows:

- *Online search*: We provide an intuitive user interface to help the consumer navigate through a vast selection of used cars. The consumer can search by brand, price and other features. Built upon our technology capabilities in user categorizing and deep learning, our platform also personalizes and prioritizes the display of high-quality listings according to the consumer's specific needs and requirements, which can make the decision-making process much more efficient.

- *Evaluation of car condition*: To improve transparency of the transaction process and strengthen consumer trust, each car listing on our platform includes an in-depth car condition report generated by our Check Auto system, including photos and videos of the interior and exterior of the car, records of prior accidents, repair and maintenance history, among others. Moreover, our Manhattan pricing engine also makes assessments on the fair value of listed cars by analyzing the car's selling price and its condition as well as comparing it with the price estimate output from our Manhattan pricing engine. Our system marks the used cars of particularly good value as "super value cars." We also provide VR-enabled 360-degree online car viewing functionality for some of the best-selling makes and models tagged as "super value cars." Based on our comprehensive inventory database, our system also accommodates easy comparison of different cars across a multitude of features, including price, car condition and residual value. All this enables the consumer to make an informed buying decision.

- *Products and services*: When searching for used cars, the consumer can also view and choose from various value-added products and services, such as used car financing options and auto insurance products, offered by third-party providers on our platform. Once the consumer buys a car, we provide a full suite of supporting services to fulfill the online car purchase, such as nationwide logistics and delivery service, nationwide title transfer service, and assistance with vehicle registration for license plate. All of these products and services significantly lower the barrier to buy used cars online from our platform.

- *Customer support*: At any step of the transaction process, the consumer can contact our pre-sales and after-sales customer service personnel through online chat or hotlines. Our online customer service center primarily handles pre-sales car-buying enquiries, such as preliminary questions on car price, car condition and used car financing options. Our sales consultants visit the consumer in person and provide professional car-buying consulting and assistance services. For example, our sales consultant assists the consumer in person in reading through the car condition report generated by Check Auto, recommends customized used car financing options and answers any car-buying-related questions. In addition, we continue to upgrade and transform the entire buying process and transition online each step in the sales process. We are now offering online sales consulting and assistance services without the need to assign our sales consultant offline to assist in a purchase once the consumer demonstrates intention to purchase on our platform. Our AI-enabled sales consultant assistance system, which integrates Lingxi intelligent recommendation system, Edison intelligent user profiling system and communication records generated from our online customer service center, empowers our sales consultants to provide more personalized and professional services by enabling them to understand the consumer's specific needs and requirements in greater detail and automatically generating car comparison and recommendations accordingly. Our fulfillment management center primarily handles after-sales enquiries, such as questions on auto loan repayment, insurance claim and car repair covered by our warranty programs, as well as resolves customer complaints.

- *Signing and delivery*: Once the consumer decides to buy the car, our service personnel will have him sign a purchase agreement after the consumer makes an earnest payment if the purchase is made with cash or down payment if the consumer chooses a financing option. Our nationwide logistics and delivery service ensures the car to be shipped in a timely manner to our fulfillment center, where our fulfillment service consultant will carry out a pre-fulfillment check on the car's condition when the car arrives. Once confirmed the car is in good condition, we will register the car at local vehicle bureau and complete title transfers on behalf of our customer. We will invite the consumer to our fulfillment center to pick up the car when all procedures are completed. The consumer will make the rest of the payment at the fulfillment center if the consumer buys the car with cash in the first place.

- *Post-transaction warranty*: We provided two categories of certification, "Gold" and "Silver", under our Uxin Certified (优信认证) program in 2019. Every Uxin Certified used car carries a 30-day return policy covering certain major damages caused by severe accidents provided that such damages exist as of the date of sale. In addition, we also provide a 3-day no-questions-asked return policy for some of the super value cars. The total return rate for 2019 was approximately 3%. For the used cars certified as "Gold", we provide a one-year or 20,000-kilometer warranty covering repair of 15 major structural components; for those certified as "Silver", we provide a half-year or 10,000-kilometer warranty covering repair of 5 major structural components. To further strengthen consumer trust in our platform, we have recently further upgraded and integrated our certification program. Every certified used car currently carries a one-year return policy covering certain major damages caused by severe accidents that occurred prior to the sale but were not originally identified through Uxin's certificate program, as well as a one-year or 20,000-kilometer warranty covering repair of 15 major structural components. We provide these warranty programs to the consumer for no extra charge over our commission fee.

For a typical Uxin Used Car dealer, the dealer's journey is as follows:

- *Inventory sorting*: Our offline employees who act as our "inventory shoppers" visit local used car markets on a daily basis and sort out the dealer's used car inventory by employing a systematic approach which includes using scanning technology and image recognition software to ensure that the car is authentic and its condition is accurately reflected before it is listed, as well as to make sure that all the listings are up-to-date. Once the dealer has a new inventory, our inventory shopper will pre-negotiate the car price with him. If the dealer's asking price is excessively high compared to the fair value estimate output from our Manhattan pricing engine, we will notify the dealer and propose a price adjustment before the car is inspected and listed on our platform to make sure our listing price is competitive.

- *Inspection*: We assign our inspection professionals to a standard and comprehensive inspection by using our Check Auto inspection system if the dealer's asking price is within reasonable range.

- *Listing*: Once inspected and qualified, the car will be listed on our platform for sale. Each car listing is accompanied by a Check Auto car condition report in the form of both picture and video. Additionally, our daily inventory sorting tour in local used car markets ensures any cars already sold are removed from our platform in a timely fashion. If the car has been listed on our platform for a certain period of time without being sold, we will contact the dealer and propose downward price adjustment to reflect the car's latest fair value or make the price more competitive.

- *Signing and delivery*: Once the car is sold on our platform, we will arrange for a pre-shipment check on the car's condition before it is shipped to make sure the car is authentic and its condition is consistent with what our car inspection report describes. At the same time, our local inventory shopper verifies the car's documentation. We will have the dealer sign a sales agreement if the car's condition and documentations are both valid. Our inventory shopper also assists the dealer with logistics arrangement. When the car is shipped via our logistics and delivery network and arrives at our fulfillment center, we will contact the consumer for the rest of the fulfillment procedures.

We are dedicated to optimizing the selection of used cars listed on our platform. In addition to taking a more systematic approach to select and manage our online virtual inventory, we have established our dealer management system to ensure competitive inventory quality and prices as well as strengthen our relationships with the dealers.

Our 2B business

Launched in 2011, our 2B business, Uxin Auction (优信拍) catered to business buyers and sellers with a comprehensive suite of transaction solutions through our auction service, connecting businesses with one another across China, helping them source used cars and optimize their turnover as well as facilitating transactions among our business customers of different sizes across China. Business sellers included used car dealers, 4S dealerships which are authorized to sell the products of a single brand of automobiles and provide key automobile-related services, car rental companies, auto manufacturers and large corporations that may need to dispose of large fleets of used cars. Used cars were sold on Uxin Auction through online auction. In 2019, approximately 370,000 used cars were listed on our platform for auction. In 2017, 2018 and 2019, our 2B business achieved GMV of RMB17.4 billion, RMB15.3 billion and RMB6.8 billion (US$976.8 million), respectively. Our 2B business mainly generated revenues from the fee we charge for transaction facilitation services in 2019.

In March 2020, we entered into definitive agreements with 58.com to divest the entire 2B business. See "Item 4. Information on the Company—A. History and Development of the Company— Divestitures of Our Loan Facilitation, Salvage Car and 2B Businesses."

Others

In 2019, we also generated revenues from other businesses including salvage car business and dealer inventory financing business.

Salvage car business

Prior to the divestiture of our salvage car related business to Boche in January 2020, we facilitated salvage car transactions through our historical subsidiaries, Fairlubo Auction Company Limited and Zhejiang Dongwang. The sellers were primarily insurance companies and the buyers were primarily business buyers of salvage cars, such as car repair shops and used car dealers. See "Item 4. Information on the Company—A. History and Development of the Company— Divestitures of Our Loan Facilitation, Salvage Car and 2B Businesses."

Dealer inventory financing (Easy Loan program)

We provide short-term inventory financing to retail dealers for up to two months through our Easy Loan program. We collect information from the dealer to assess the dealer's credit profile and make credit decisions. If the dealer's application is approved, we will work with third-party financing partners to provide funding to the dealer.

Our Service and Transaction Fulfillment Capabilities

Our nationwide service and transaction fulfillment capabilities comprise the follow components that provide crucial support to our online used car transaction business:

- *Nationwide sales and service network*. We provide consumers with car-buying services through our sales and service network which covers more than 250 cities at prefecture level or above across China. To enhance customer experience, our sales consultants visit consumers at their convenience, such as coffee shop or their workplace, to provide professional car-buying consulting service and assist them in buying the car of their choice. For example, our sales consultant may recommend a personalized used car or financing option according to the consumer's specific needs and requirements, help him learn about the car's condition by interpreting Check Auto video inspection report for him, and arrange for signing and delivery once he buys the car. As of December 31, 2019, we had a total of approximately 1,400 sales consultants across the country. We are currently upgrading and transforming the entire buying process and transitioning online each step in the sales process. We are now offering online sales consulting and assistance services without the need to assign our sales consultant offline to assist in a purchase once the consumer demonstrates intention to purchase on our platform. Starting from December 2018, we have also worked with third-party agents to enlarge our sales force in the effort to effectively expand our service network across China. Our agents provide in-person car-buying services primarily in local service centers. We follow a disciplined and systematic expansion process with respect to new service center openings. Once our agents select potential locations for the service centers, we will help them assess the feasibility based on various factors, including existing market competition, the size of potential customer base, population, car PARC, foot and vehicle traffic, local regulations on title transfers and license plate registration, and economic condition. As of December 31, 2019, we had over 1,100 service centers operated by third-party agents across China.

- *Warranty and repair services*. We provided two categories of certification, "Gold" and "Silver", under our Uxin Certified (优信认证) program in 2019. Every Uxin Certified used car carries a 30-day return policy covering certain major damages caused by severe accidents provided that such damages exist as of the date of sale. In addition, we also provide a 3-day no-questions-asked return policy for some of the super value cars. To further strengthen consumer trust in our platform, we have recently further upgraded and integrated our certification program. Every certified used car currently carries a one-year return policy covering certain major damages caused by severe accidents that existed prior to the sale, as well as a one-year or 20,000-kilometer warranty covering repair of 15 major structural components. We provide these warranty programs to the consumer for no extra charge over our commission fee.

- *Value-added products and services*. In addition to providing a nationwide selection of used cars for consumers to choose from, we also have a wide range of car-related value-added products and services available on our platform to make consumers' car buying process a one-stop experience. We cooperate with used car financing solution providers and recommend personalized used car financing options to our customers according to their needs and profiles. We also cooperate with insurance solution providers to meet consumers' need for auto insurance products. As of December 31, 2019, we partnered with 6 insurance companies and referred their auto insurance solutions to our customers through our platform.

- *Customer service*. Our customer service team processes consumers' pre-sales inquiries and after-sales matters through online chat and hotlines. Our online customer service center is primarily responsible for pre-sales car-buying enquiries, such as preliminary questions on car price, car condition and used car financing options. Our fulfillment management center mainly handles after-sales enquiries, such as questions on auto loan repayment, insurance claim and car repair covered by our warranty programs, as well as resolves customer complaints.

- *Nationwide logistics and delivery network*. We believe we are the first company in China which has built a nationwide logistics and delivery network for used cars. We currently collaborate with approximately 100 third-party logistics providers to ship used cars to our customers across China. All the logistics planning and delivery solutions are automated and output from our integrated intelligent logistics and routing system, which ensures a timely delivery and standard delivery fee. Through our order management system (OMS), transportation management system (TMS) and warehouse management system (WMS), we operate and manage our logistics and delivery network in a centralized and transparent fashion, which allows us to take a systematic approach to assigning shipment orders to logistics providers, coordinating the loading and unloading of used cars at each warehouse as well as monitoring and managing delivery progress. In addition, our fast-growing transaction volume brings better economy of scale to our platform, which in turn enables us to increase overall resource utilization and delivery efficiency by optimizing route planning and coordinating used car shipments among warehouses. As a result of the above, we have significantly improved our capabilities in operating used car logistics and delivery across China. For the purpose of monitoring each shipment, we temporarily install GPS device to track the car's location in real time. A used car sold through our platform can be delivered to our customers typically within three to four business days via our logistics and delivery network. In 2019, our average delivery distance reached approximately 1,000 kilometers.

- *Nationwide title transfers and vehicle registration*. Title transfers for used cars in China typically involve de-registering a car with one owner and registering the car with another owner. As of December 31, 2019, we partnered with over 200 title transfer service providers to handle the entire title transfer process for our customers, which significantly simplifies their car buying process on our platform. In addition, we also provide flexible vehicle registration solutions to assist our customers in applying for license plates.

Technology

We leverage sophisticated technology to provide a differentiated user experience and improve our operations.

Check Auto inspection system

Our proprietary Check Auto system is an integrated, interactive vehicle inspection system that enables our inspection professionals to conduct a comprehensive examination of used cars listed on our platform. A significant portion of the inspection process is automated by our proprietary, state-of-the-art technology, including wearable digital glasses to record the inspection process, automatic diagnostics of car condition from video footage and image recognition technology that can automatically identify certain car condition. As a result, Check Auto improves both inspection accuracy and efficiency.

A mobile device serves as the hardware management and data collection terminal during each car inspection. Equipped with touch screen and voice command features, the mobile device is a highly interactive platform powered by our Check Auto inspection software. The mobile device is also connected to multiple inspection hardware devices, including wearable digital glasses, the vehicle on-board diagnostics system and a coating thickness gauge. Our inspection professionals follow the instructions prompted by the mobile device and interact with the software system through the touch screen and voice commands during the inspection process.

An inspection by Check Auto involves a standard procedure that covers more than 300 documented check points. The inspection process may be adjusted depending on different makes and models.

After each inspection, our system automatically generates a comprehensive, standardized Check Auto report. Each condition report includes extensive information on the exterior and interior of the car, structure and engine condition, among many other characteristics. Key inspection points are indexed and marked in the comprehensive inspection video, and consumers can easily navigate through the video by selecting the inspection points that they are most interested in.

In addition to data collected through our systems, we cooperate with a number of third-party data providers for supplemental data included in our Check Auto condition report, such as details on each car's accident and repair history, insurance claims and ownership records.

As of December 31, 2019, we had obtained 16 patents in relation to vehicle inspection. Check Auto is also recognized and trusted by both consumers and businesses. For example, we have licensed the system to several top car manufacturers for their own car inspection needs.

Manhattan pricing engine

Our AI- and data-driven Manhattan pricing engine provides significant pricing insights based on specific car condition. We leverage our Manhattan pricing engine to evaluate the residual values of used cars, which lays a solid foundation for many of our core services. In addition, we also continue to optimize the accuracy of residual value estimates based on the latest used car transaction data gathered on our platform as well as external data, such as the latest selling price of related new cars. In our 2C business, we also rely on the output from the Manhattan pricing engine to help consumers assess whether the listing price is in line with its fair market value, in order to enable consumers to make informed buying decisions.

Our platform has aggregated a wealth of data on user behavior, car condition and information as well as related transactions, which empowers and continually improves the Manhattan pricing engine. In addition, our Manhattan pricing engine maintains high accuracy by updating its algorithms on a real-time basis with the transaction data collected in the latest week. Since 2018, our platform has completed over 135,000 online used cars transactions through our 2C business, which has contributed valuable transaction-related data to our database. We have also cumulatively listed and collected proprietary data on over 4 million used cars for sale on our 2C platform.

Lingxi intelligent recommendation system

Based on a plethora of data we have on user behavior and used car inventory, our AI-enabled *Lingxi* (灵犀) intelligent recommendation system makes personalized car recommendations to consumers on our platform by analyzing their preferences, making it easier for them to find the car of their choice. Lingxi can also adjust its recommendations in real time according to the change of user preferences as it receives user behavior data on a real-time basis. In addition, Lingxi is also embedded with the module of user categorization which reveals user preference on every feature for a car and allows Lingxi to predict user preference for certain features. Our Lingxi intelligent recommendation system serves as a significant foundation for our business operations.

Edison intelligent user profiling system

Our AI-powered *Edison* intelligent system helps our sales consultants and customer service personnel to better understand potential buyers and provide effective services to them. Edison effectively studies and predicts user preferences for specific car features, such as certain make and model, car color, engine and gearbox, and constantly adjusts its prediction by monitoring user behavior data on a real-time basis. In addition, Edison can provide our sales consultants with insights on which used car the consumer is likely to buy through a process of matching car features with the consumer's profile.

Virtual reality-enabled car viewing system

To further enhance user experience, we introduced a virtual reality-enabled car view system in the second half of 2018, which comprises of VR filming studio, automatic shooting system and back-end system. The VR viewing system enables us to capture consistent and high-resolution panorama car images and display these images on our mobile app and website. Our virtual reality-enabled car viewing system enables consumers to inspect every detail of the car, such as small scratches and wheel parts, in high-resolution images and enables a smooth viewing experience.

Marketing and Brand Promotion

We focused our marketing efforts mainly on user acquisition in 2019. We have promoted our Uxin Used Car mobile app in various mobile application stores, such as Apple App Store and Xiaomi App Store. Our mobile apps are constantly ranked among the top in mobile app stores in online used car transaction category. We have also partnered with major search engines, auto vertical websites and apps as well as news feed apps to attract traffic to our platform. For example, we have entered into a strategic partnership with 58.com in May 2019, under which we have agreed to collaborate in the areas of traffic and inventory acquisition, used car inspection, big data analysis and SaaS development. As an established used car brand in China, Uxin has enjoyed high brand awareness among Chinese consumers. In May 2019, we were named as the only used car e-commerce brand in BrandZ's 2019 Top 100 Most Valuable Chinese Brands and the 71st most valuable Chinese brand on the list. As we continue to optimize our traffic acquisition channels, starting from 2020, we have also been working on enhancing NPS (Net Promoter Score) among our customers by continuously improving our service quality and customer satisfaction to further increase our brand awareness as well as the likelihood of existing customers to recommend or refer our products and services to other potential customers.

Competition

We operate in a highly competitive online used car market in every aspect of our business. We face intense competition from other used car transaction platforms and may also face competition from online used car listing services. Competition with other used car transaction platforms is primarily centered on the quality of service and customer acquisition. We may also face competition in attracting used car inventory.

Seasonality and Cyclicality

Seasonal fluctuations and industry cyclicality have affected, and are likely to continue to affect, our business. We generally generate less revenue during Lunar New Year holidays in the first quarter of each year. The market for used cars is also affected by the release of new cars. In addition, spending on automobiles in China has historically been cyclical, reflecting overall economic conditions as well as the budgeting and buying patterns of our consumers and businesses. Our rapid growth has lessened the impact of the seasonal fluctuations and cyclicality. However, we expect that the seasonal fluctuations and cyclicality will cause our quarterly and annual operating results to fluctuate.

Facilities

Our corporate headquarters are located in Beijing with office space of approximately 8,000 square meters as of December 31, 2019. We also have an office space of approximately 5,000 square meters in Xi'an mainly for our online customer service personnel and some of our product and technology personnel. We also have a total space of approximately 7,500 square meters in 32 cities for VR filming. In addition, we have local offices with an aggregate gross area of over 17,000 square meters for our 2C business in 102 cities. In 2019, we also had 7 regional transaction centers with an aggregate gross area of approximately 350,000 square meters for our 2B business across China. We lease all the facilities to conduct our business.

Intellectual Properties

Our intellectual property contributes to our competitive advantages among online used car transaction platforms in China. To protect our brand and other intellectual property, we rely on a combination of patent, trademark, trade secret and copyright laws in China as well as imposing procedural and contractual confidentiality and invention assignment obligations on our employees, contractors and others. As of December 31, 2019, we had obtained 84 patents (of which 16 patents have been transferred and 16 patents have been non-exclusively licensed to an affiliate of 58.com in 2020 as part of the 2B Divestiture), and two patents have been exclusively licensed in 2020 as part of the Loan Facilitation Divestiture), 940 trademarks (of which 11 trademarks have been transferred, 10 trademarks have been non-exclusively licensed and 79 trademarks have been exclusively licensed to an affiliate of 58.com in 2020 as part of the 2B Divestiture), 232 software copyrights (of which 25 software copyrights have been transferred and 16 software copyrights have been non-exclusively licensed to an affiliate of 58.com in 2020 as part of the 2B Divestiture, and 4 have been exclusively licensed in 2020 as part of the Loan Facilitation Divestiture), and 14 works copyrights (of which one works copyright has been transferred in whole, one has been transferred in part, and one has been non-exclusively licensed to an affiliate of 58.com in 2020 as part of the 2B Divestiture), 168 domain names (of which www.youxinpai.com has been transferred and www.chake.net has been non-exclusively licensed to an affiliate of 58.com in 2020 as part of the 2B Divestiture) and have entered into confidentiality and proprietary rights agreement with employees, consultants, contractors, and other business partners.

Regulation

This section sets forth a summary of the most significant rules and regulations that affect our business activities in China.

Regulations on Company Establishment and Foreign Investment

The establishment, operation and management of companies in China is governed by the PRC Company Law, as amended in 2005, 2013 and 2018. According to the PRC Company Law, companies established in the PRC are either limited liability companies or joint stock limited liability companies. The PRC Company Law applies to both PRC domestic companies and foreign-invested companies, unless otherwise provided in the relevant foreign investment laws and regulations. Additionally, the registration for a PRC Company's establishment, modification, and termination shall comply with the provision of Regulation of the People's Republic of China on the Administration of Company Registration which was amended by the State Council on February 6, 2016, and information about investment activities of foreign investors shall be filed in accordance with the Measures of Information Reporting of Foreign Investment promulgated by the MOFCOM and the SAMR on December 30, 2019 and went into effect on January 1, 2020.

Foreign Investment Law

On March 15, 2019, the National People's Congress approved the Foreign Investment Law and on December 26, 2019, the State Council published the Implementation Rules of the Foreign Investment Law, both of which went into effect on January 1, 2020 and replaced three existing laws on foreign investments in China, namely, the PRC Equity Joint Venture Law, the PRC Cooperative Joint Venture Law and the Wholly Foreign-owned Enterprise Law, together with their implementation rules and ancillary regulations. The Foreign Investment Law embodies an expected PRC regulatory trend to rationalize its foreign investment regulatory regime in line with prevailing international practice and the legislative efforts to unify the corporate legal requirements for both foreign and domestic invested enterprises in China. The Foreign Investment Law establishes the basic framework for the access to, and the promotion, protection and administration of foreign investments in view of investment protection and fair competition.

According to the Foreign Investment Law, "foreign investment" refers to investment activities directly or indirectly conducted by one or more natural persons, business entities, or otherwise organizations of a foreign country (collectively referred to as "foreign investor") within China, and the "investment activities" include the following situations: (i) a foreign investor, individually or collectively with other investors, establishes a foreign-invested enterprise within China; (ii) a foreign investor acquires stock shares, equity shares, shares in assets, or other like rights and interests of an enterprise within China; (iii) a foreign investor, individually or collectively with other investors, invests in a new project within China; and (iv) investments in other means as provided by laws, administrative regulations, or the State Council.

According to the Foreign Investment Law, the State Council shall publish or approve to publish a negative list stipulating the special management measures for the access of foreign investment in certain industries, or the "negative list." The Foreign Investment Law grants national treatment to foreign-invested entities, except for those foreign-invested entities that operate in industries deemed to be either "restricted" or "prohibited" in the "negative list." The Foreign Investment Law provides that foreign investors shall not invest in the "prohibited" industries, and shall meet certain conditions stipulated under the "negative list" for making investment in "restricted" industries. The currently effective "negative list" is the Special Management Measures (Negative List) for the Access of Foreign Investment (2019 version), or the 2019 Negative List, jointly published by NDRC and the Ministry of Commerce on June 20, 2019 and went into effect on July 30, 2019. On December 26, 2019, the Supreme People's Court published the Interpretation of the Supreme People's Court on Several Issues concerning the Application of the Foreign Investment Law of the People's Republic of China, which went into effect on January, 1, 2020, pursuant to which the court shall rule in favor of the party claim the invalidity of the investment agreement with respect to foreign investment in the "restricted" industry under the "negative list" or foreign investment in the "restricted" industry under the "negative list" that fails to comply with the requirements unless necessary mitigating measures are taken before the ruling.

Furthermore, the Foreign Investment Law provides that foreign-invested enterprises established according to the Sino-Foreign Equity Joint Venture Enterprise Law of the PRC, the Wholly Foreign-Owned Enterprise Law of the PRC or the Sino-Foreign Cooperative Joint Venture Enterprise Law of the PRC may maintain their current structure and corporate governance within five years after the implementing of the Foreign Investment Law.

In addition, the Foreign Investment Law also provides several protective rules and principles for foreign investors and their investments in the PRC, including, among others, that local governments shall abide by their commitments to the foreign investors; foreign-invested enterprises are allowed to issue stocks and corporate bonds; except for special circumstances, in which case statutory procedures shall be followed and fair and reasonable compensation shall be made in a timely manner, expropriation or requisition of the investment of foreign investors is prohibited; mandatory technology transfer is prohibited; and the capital contributions, profits, capital gains, proceeds out of asset disposal, licensing fees of intellectual property rights, indemnity or compensation legally obtained, or proceeds received upon settlement by foreign investors within China, may be freely remitted inward and outward in RMB or a foreign currency. Also, foreign investors or the foreign investment enterprise should be imposed legal liabilities for failing to report investment information in accordance with the requirements.

Regulations on Value-Added Telecommunications Services

China's telecommunication related businesses (including internet business) are still at an early stage of development, the laws and regulations of which still remain subject to many uncertainties. On September 25, 2000, the Telecommunications Regulations of the People's Republic of China, or the Telecom Regulation, was issued by the PRC State Council, which was amended and became effective on February 6, 2016, as the primary governing law on telecommunication services by PRC companies. The Telecom Regulation draws a distinction between "basic telecommunication services" and "value-added telecommunication services." The Catalog of Telecommunications Business, or the Telecommunication Catalog, was issued as an appendix to the Telecom Regulations to categorize telecommunications services as basic or value-added, and information services via public communication networks such as fixed networks, mobile networks and Internet are classified as value-added telecommunications services. According to the Telecommunication Catalog, value-added telecommunication services include online data processing and transaction processing business (operating e-commerce business), internet information services business and other value-added telecommunication services.

On March 5, 2009, the Ministry of Industry and Information Technology, or the MIIT, issued the Administrative Measures for Telecommunications Business Operating Permit, or the Telecom Permit Measures, which took effect on April 10, 2009. The Telecom Permit Measures were later amended on July 3, 2017 and the amendment took effect on September 1, 2017. The Telecom Permit Measures confirm that there are two types of telecom operating licenses for operators in China, namely, licenses for basic telecommunications services and licenses for value-added telecommunications services, or the VATS License. The license granted will set out the operation scope of the enterprise which details the permitted activities of such enterprise. An approved telecommunication services operator shall conduct its business in accordance with the specifications listed in its VATS License. In addition, a VATS License holder is required to obtain approval from the original permit-issuing authority in respect of any change to its shareholders.

Regulation Relating to Internet Information Services

On September 25, 2000, the State Council promulgated the Administrative Measures on Internet Information Services, or the Internet Measures, which were later amended in January 8, 2011. Under the Internet Measures, a VATS License shall be obtained before conducting profitable internet information services in the PRC, and a filing requirement shall be satisfied before conducting non-profitable internet information service. The provision of information services through mobile apps is subject to the PRC laws and regulations governing Internet information services.

In addition, on June 28, 2016, the State Internet Information Office promulgated the Administrative Provisions on Mobile Internet Application Information Services, or the Mobile Application Administrative Provisions, to strengthen the regulation of the mobile apps information services. Pursuant to the Mobile Application Administrative Provisions, an internet application program provider must verify each user's mobile phone number and other identity information under the principle of mandatory real name registration at the back-office end and voluntary real name display at the front-office end. An internet application program provider must not enable functions that can collect a user's geographical location information, access user's contact list, activate the camera or recorder of the user's mobile smart device or other functions irrelevant to its services, nor is it allowed to conduct bundle installations of irrelevant application programs, unless it has clearly indicated to the user and obtained the user's consent on such functions and application programs. Furthermore, in December 16, 2016, the MIIT promulgated the Interim Measures on the Administration of Pre-Installation and Distribution of Applications for Mobile Smart Terminals, or the Mobile Application Interim Measures, which took effect on July 1, 2017. The Mobile Application Interim Measures require, among others, that internet information service providers must ensure that a mobile apps, as well as its ancillary resource files, configuration files and user data can be uninstalled by a user easily, unless it is a basic function software, which refers to a software that supports the normal functioning of hardware and operating system of a mobile smart device.

The content of the internet information is highly regulated in China and pursuant to the Internet Measures, the PRC government may shut down the websites of internet information providers and revoke their VATS Licenses (for profitable Internet information services) if they produce, reproduce, disseminate or broadcast internet content that contains content that is prohibited by law or administrative regulations. Internet information services operators are also required to monitor their websites. They may not post or disseminate any content that falls within the prohibited categories, and must remove any such content from their websites, save the relevant records and make a report to the relevant governmental authorities. Additionally, as the internet information service providers, under the PRC Tort Liability Law, which became effective in July 2010, they shall bear tortious liabilities in the event they infringe upon other person's rights and interests due to providing wrong or inaccurate content through the internet. Where an internet service provider conducts tortious acts through internet services, the infringed person has the right to request the internet service provider take necessary actions such as deleting contents, screening and de-linking. Failing to take necessary actions after being informed, the internet service provider will be subject to its liabilities with regard to the additional damages incurred. Where an internet service provider knows that an internet user is infringing upon other persons' rights and interests through its internet service but fails to take necessary actions, it is jointly and severally liable with the internet user.

Regulation Relating to E-Commerce

Online data processing and transaction processing business (operating e-commerce business) is a value-added telecommunication service, and e-commerce operation shall be required to obtain VATS License.

On January 26, 2014, the SAMR, promulgated the Administrative Measures for Online Trading, which strengthen the protection of consumers and impose stringent requirements and obligations on online business operators and third-party online marketplace operators. Online business operators and third-party online marketplace operators are prohibited from collecting any information on consumers and business operators, or disclosing, selling or providing any such information to any third party, or sending commercial electronic messages to consumers without their consent. Fictitious transactions, deletion of adverse comments and technical attacks on competitors' websites are prohibited as well. In addition, third-party online marketplace operators are required to examine and verify the identifications of the online business operators and set up and retain relevant records for at least two years. Moreover, any third-party online marketplace operator that simultaneously engages in online trading for products and services should clearly distinguish itself from other online business operators on its marketplace platform.

On August 31, 2018, the Standing Committee of the National People's Congress promulgated the PRC E-Commerce Law, or the E-Commerce Law, which became effective on January 1, 2019. The E-Commerce Law establishes the regulatory framework for the e-commerce sector in the PRC for the first time by laying out certain requirements on e-commerce operators, including e-commerce platform operators like us. Pursuant to the E-Commerce Law, e-commerce platform operators are required to (i) take necessary actions or report to relevant competent government authorities when such operators notice any illegal production or services provided by merchants on the e-commerce platforms; (ii) verify the identity of the business operators on the platforms;(iii) provide identity and tax related information of merchants to local branches of State Administration for Market Regulation and relevant tax authorities; or (iv) record and preserve goods and service information and transaction information on the e-commerce platform. The E-Commerce Law also specifically stipulates that e-commerce platform operators shall not impose unreasonable restrictions or conditions on the transactions of their business operators on the platforms. According to the E-Commerce Law, failures to comply with these requirements may subject the e-commerce platform operators to administrative penalties, fines and/or suspension of business. In addition, for goods and services provided via e-commerce platforms and pertinent to the life and health of consumers, e-commerce platform operators shall bear relevant responsibilities, which may give rise to civil or criminal liabilities if the consumers suffered damages due to the e-commerce platform operators' failure to duly verify the qualifications or the licenses of the business operators on the platforms or to duly perform their safety protection obligations as required by the E-Commerce Law.

Regulation Relating to Foreign Investment Restriction on Value-Added Telecommunications Services

Pursuant to the Provisions on Administration of Foreign Invested Telecommunications Enterprises, or the FITE Regulation, promulgated by the State Council on December 11, 2001 and amended on September 10, 2008 and February 6, 2016, except as otherwise provided by MIIT, the ultimate foreign equity ownership in a value-added telecommunications services provider shall not exceed 50%. Pursuant to the Circular of Ministry of Industry and Information Technology concerning Lifting Restrictions on the Proportion of Foreign Equity in Online Data Processing and Transaction Processing Business (Operating E-commerce Business) promulgated by the MIIT on June 19, 2015, the online data processing and transaction processing businesses (operating e-commerce business) could be 100% owned by foreign investors. Moreover, for a foreign investor to acquire any equity interest in a value-added telecommunications business in China, it must satisfy a number of stringent performance and operational experience requirements, including demonstrating good track records and experience in operating value-added telecommunications business overseas. Foreign investors that meet these requirements must obtain approvals from the MIIT and MOFCOM or their authorized local counterparts, which retain considerable discretion in granting approvals. Pursuant to publicly available information, the PRC government has issued telecommunications business operating licenses to Sino-foreign joint ventures in very limited circumstances.

The 2019 Negative List also imposes the 50% restrictions on foreign ownership in value-added telecommunications business except for operating e-commerce, domestic multi-party communications services, store and forward services, and call center services business. In addition, the services for releasing information by the public through internet are listed as businesses that are prohibited for foreign investors under 2019 Negative List.

On July 13, 2006, the MIIT issued the Circular on Strengthening the Administration of Foreign Investment in and Operation of Value-added Telecommunications Business, or the MIIT Circular, which requires foreign investors to set up a value-added telecommunications business foreign-invested enterprise and obtain a VATS License to conduct relevant value-added telecommunications business in China. Under the MIIT Circular, a domestic company that holds a VATS License is prohibited from leasing, transferring or selling the license to foreign investors in any form, and from providing any assistance, including providing resources, sites or facilities, to foreign investors that conduct value-added telecommunications business illegally in China. Furthermore, the relevant trademarks and domain names that are used in the value-added telecommunications business must be owned by the local VATS License holder or its shareholder. The MIIT Circular further requires each VATS License holder to have the necessary facilities for its approved business operations and to maintain such facilities in the regions covered by its license and all value-added telecommunications services providers shall improve network and information security, enact relevant information safety administration regulations and set up emergency plans to ensure network and information safety.

Regulations on Information Security and Privacy Protection

Internet content in China is regulated and restricted from a state security standpoint. On December 28, 2000, the Standing Committee of the PRC National People's Congress enacted the Decisions on Maintaining Internet Security, later amended on August 27, 2009, which subject violators to criminal punishment in China for any effort to: (i) use the internet to market fake and substandard products or carry out false publicity for any commodity or service; (ii) use the internet for the purpose of damaging the commercial goodwill and product reputation of any other person; (iii) use the internet for the purpose of infringing on the intellectual property of any person; (iv) use the internet for the purpose of fabricating and spreading false information that affects the trading of securities and futures or otherwise jeopardizes the financial order; or (v) create any pornographic website or webpage on the internet, provide links to pornographic websites, or disseminate pornographic books and magazines, movies, audiovisual products, or images. The Ministry of Public Security has promulgated measures that prohibit use of the Internet in ways which, among other things, would result in a leakage of state secrets or a spread of socially destabilizing content, and require internet service providers to take proper measures including anti-virus, data back-up and other related measures, to keep records of certain information about its users (including user registration information, log-in and log-out time, IP address, content and time of posts by users) for at least 60 days, and to detect illegal information, stop transmission of such information, and keep relevant records. If an internet information service provider violates these measures, the Ministry of Public Security and the local security bureaus may revoke its operating license and shut down its websites.

PRC governmental authorities have enacted laws and regulations on internet use to protect personal information from any unauthorized disclosure. In December 28, 2012, the Standing Committee of the PRC National People's Congress promulgated the Decision on Strengthening Network Information Protection to enhance the legal protection of information security and privacy on the internet. In July 2013, the MIIT promulgated the Provisions on Protection of Personal Information of Telecommunication and Internet Users to regulate the collection and use of users' personal information in the provision of telecommunication services and internet information services in China. Telecommunication business operators and internet service providers are required to establish its own rules for collecting and use of users' information and cannot collect or use users' information without users' consent. Telecommunication business operators and internet service providers are prohibited from disclosing, tampering with, damaging, selling or illegally providing others with, collected personal information.

On November 7, 2016, Standing Committee of the PRC National People's Congress published the Cyber Security Law of the PRC, which took effect on June 1, 2017 and requires network operators to perform certain functions related to cyber security protection and the strengthening of network information management. For instance, under the Cyber Security Law, network operators of key information infrastructure shall store within the territory of the PRC all the personal information and important data collected and produced within the territory of PRC and their purchase of network products and services that may affect national securities shall be subject to national cybersecurity review. On May 2, 2017, the Cyberspace Administration of China issued a trial version of the Measures for the Security Review of Network Products and Services (Trial), which took effect on June 1, 2017, to provide for more detailed rules regarding cybersecurity review requirements.

Regulations on Auction Business

On April 24, 2015, Auction Law of the People's Republic of China was promulgated by the Standing Committee of the National People's Congress for the purpose of regulating and administrating the business operation of auction. Pursuant to the Auction Law, "auction" refers to a way of selling particular goods or property rights to the bidder who offers the highest price in the form of public bidding. According to the Measures for the Administration of the Circulation of Used Cars promulgated by the Ministry of Commerce and three other ministries on August 29, 2005 and amended on September 14, 2017, "used car auction" refers to the business activities whereby a used car auction enterprise transfers a used car to a bidder that offers the highest price through public bidding. According to The Specifications for Used Cars Transaction promulgated by the Ministry of Commerce on March 24, 2006, where an auction is conducted through the internet, the color photo of the car and information of auctioned car shall be published on internet. The publication period shall not be less than seven days. An enterprise engaging in activities of auction should undergo the review and approval procedure with relevant government authority and obtain the license for auction business. Any entity engaging in the auction business without the license may be subject to enforcement action, including orders issued by the relevant regulatory authorities to cease the auction business, confiscation of any illegal gains, or imposition of fines.

Regulations on the Circulation of Used Cars

On August 29, 2005, the Measures for the Administration of the Circulation of Used Cars, or the Used Cars Measures, were promulgated by the Ministry of Commerce, or the MOFCOM, the Ministry of Public Security, the SAMR, and the State Administration of Tax, or the SAT, for the purpose of intensifying the administration of the circulation of used cars, regulating the business operations of used cars, guaranteeing the legitimate interests and rights of both parties to transactions of used cars and promoting the sound development of the circulation of used cars. The Used Cars Measures stipulate that an archival filing system for the operators of used car markets and operators of used cars shall be established. The operators of used car markets and operators of used cars that have handled the registration in the administrative department of industry and commerce according to law and obtained the business license shall go to the administrative department of commerce at the provincial level for archival filing within 2 months as of obtaining their business license. The administrative department of commerce at the provincial level shall report the information on the archival filing of the operators of used car markets as well as operational subjects of used cars to the administrative department of commerce of the State Council on a periodic base. The Used Cars Measures further stipulate that (i) a business operator of a used car market, a retail enterprise and brokerage entity of used cars shall possess the qualification of an enterprise legal-person and shall complete the registration procedures with the administrative department of industry and commerce, and (ii) the establishment of an auction enterprise of used cars (including a foreign-funded auction enterprise of used cars) shall comply with the relevant provisions of the Auction Law of the People's Republic of China and the Measures for the Administration of Auction, and shall be handled according to the procedures as prescribed by the Measures for the Administration of Auction, which means that an auction enterprise of used cars shall obtain an Approval License for Operation of Auction before it engages in auction of used cars. On March 24, 2006, the MOFCOM promulgated the Specifications for Used Car Trade, or the Specifications, which set forth detailed criteria and requirements for the purchase, sale, dealing, auction, evaluation, trading and post-sale services in respect of used car.

Regulations on Financing Lease

In September 18, 2013, MOFCOM issued the Administration Measures of Supervision on Financing Lease Enterprises, or the Leasing Measures, to regulate and administer the business operations of financing lease enterprises. According to the Leasing Measures, financing lease enterprises are allowed to carry out financing lease business in such forms as direct lease, sublease, sale-and-lease-back, leveraged lease, entrusted lease and joint lease in accordance with the provisions of relevant laws, regulations and rules. However, the Leasing Measures prohibit financing lease enterprises from engaging in financial business such as accepting deposits, providing loans or entrusted loans. Without the approval from relevant authorities, financing lease enterprises shall not engage in inter-bank borrowing and other businesses. In addition, financing lease enterprises are prohibited from carrying out illegal fund-raising activities in the name of financing lease. The Leasing Measures require financing lease enterprises to establish and improve their financial and internal risk control systems, and a financing lease enterprise's risk assets shall not exceed ten times of its total net assets. Risk assets generally refer to the adjusted total assets of a financing lease enterprise excluding cash, bank deposits, sovereign bonds and entrusted leasing assets.

The main regulation governing foreign investment in the PRC financing lease industry included the Administrative Measures on Foreign-Invested Lease Industry, as amended on October 28, 2015. However, it has recently been repealed by MOFCOM on February 22, 2018. The above measures require that foreign investors investing directly in the PRC financing lease industry must have total assets of no less than US$5 million. MOFCOM is the competent administrative authority in charge of the foreign-invested lease industry and is also responsible for the examination and approval of such business. A foreign-invested financing lease enterprise may undertake the following business: (i) the financing lease business; (ii) the lease business; (iii) the purchase of leased properties from onshore and offshore; (iv) the disposal of scrap value of and maintenance of leased properties; (v) the consultancy and guaranty business relating to lease transactions; and (vi) other business approved by the examination and approval department. In addition, a foreign-invested financing lease enterprise shall meet the following requirements: (i) have corresponding professionals, with its senior management personnel having relevant professional qualifications and experience of at least three years, (ii) the operating period of a foreign-invested financing lease enterprise established in the form of limited liability company shall not exceed thirty years. The risk assets of a foreign-invested financing lease enterprise shall not exceed ten times of its total net assets.

Regulations on Financing Guarantee

On August 2, 2017, the State Council promulgated the Regulations on the Administration of Financing Guarantee Companies, or the Financing Guarantee Regulations, which became effective on October 1, 2017. Pursuant to the Financing Guarantee Regulations, "financing guarantee" refers to the activities in which guarantors provide guarantee to the guaranteed parties as to loans, bonds or other types of debt financing, and "financing guarantee companies" refer to companies legally established and operating financing guarantee business. According to the Financing Guarantee Regulations, the establishment of financing guarantee companies shall be subject to the approval by the competent government authority, and, among other things, shall meet the following requirements: (i) its shareholders shall have good credit standing and have no record of major illegal or improper act within the latest three years, (ii) the registered capital shall not be less than RMB20 million, and shall be the paid-in monetary capital. The competent government authorities of provinces, autonomous regions and municipalities directly under the Central Government may raise the required minimum registered capital. The Financing Guarantee Regulations further stipulated that balance amount of guarantee liability of a financing guarantee company shall not exceed 10 times of the amount of its net assets. The percentage of the balance amount of guarantee liability of a financing guarantee company for the same debtor to the net assets of the financing guarantee company shall not exceed 10%, and the balance amount of guarantee liability of a financing guarantee company for the same debtor and its related parties to the net assets of the financing guarantee company shall not exceed 15%. Moreover, a financing guarantee company shall not provide financing guarantee for its controlling shareholder and actual controlling party, and the conditions for provision of financing guarantee for related parties shall not be more favorable than that of the same type of guarantee for non-related parties.

On October 9, 2019, the China Banking and Insurance Regulatory Commission, or the CBIRC, together with several other governmental authorities, jointly issued the Circular on Issuing the Supplementary Provisions on the Supervision and Administration of Financing Guarantee Companies, or the Financing Guarantee Circular 37. According to the Financing Guarantee Circular 37, automobile dealers and automobile sales service providers shall be prohibited from operating the automobile consumer loan guarantee business unless approved by the relevant regulatory authorities and shall established financing guarantee company in accordance with the Financing Guarantee Regulations if such business is needed. All existing auto loan guarantee business shall be properly settled by the service provider or dealt with by the authorities. The authorities shall intensify the crackdowns on the financing guarantee companies with illegal operation or those who committed serious infringement of consumer's (and guaranteed person's) rights and shall timely report such cases to the banks so as to work together to protect the legitimate rights and interests of the consumers. The Financing Guarantee Circular 37 also stipulates that, without prior approval, any institution which provides customer promotion, credit evaluation and other services for any lending institution shall be prohibited from providing financing guarantee services or doing so in a disguised form. Any entity operating the financing guarantee business without a financing guarantee business license shall be banned by the regulatory authorities.

Regulations on Motor Vehicle Maintenance

On June 24, 2005, the MOT promulgated the Administration of Motor Vehicle Maintenance, which was amended on August 8, 2015, April 19, 2016 and June 21, 2019, pursuant to which, a motor vehicle maintenance operator shall file with the local road transport administration for record after completing registration with the local SAMR in accordance with the law and shall operate business in accordance with the registered business scope. "Motor vehicle maintenance" refers to business activities of maintenance, repair and maintenance aids as carried out with maintaining or recovering the technical state and normal functions of motor vehicles, and extending the serving term thereof as operational tasks. The operational business of automobile maintenance is classified into operational business of Grades I, II and III in light of their operational items and serving capabilities. A maintenance operator of automobiles of Grade I and Grade II may undertake entire automobile repair, assembly repair, entire automobile maintenance, minor repair, maintenance aids, specific repair and the examination work after the completion of maintenance of corresponding vehicle types. A maintenance operator of automobiles of Grade III may undertake general minor repair and special repair, such as repair and maintenance of engines, vehicle bodies and electric systems. Anyone failing to carry out the filing for motor vehicle maintenance in accordance with the Motor Vehicles Maintenance or unlawfully engaging in the motor vehicle maintenance business shall be ordered to make rectification, and, in case of refusing to rectify, be subject to a fine of RMB5,000 to RMB20,000.

Regulations on Advertisement

The PRC government regulates advertising principally through the SAMR. The PRC Advertising Law, or the Advertising Law, as amended in April 2015 and on October 26, 2018, outlines the regulatory framework for the advertising industry. The Advertising Law stipulates that advertisements shall not contain any false or misleading content or defraud or mislead consumers. Any advertisement that defrauds or misleads consumers with any false or misleading content is considered a false advertisement. An advertiser shall be responsible for the veracity of contents of advertisement. Violation of these regulations may result in penalties calculated on the basis of advertising expenses.

Regulations on Online Consumer Finance and Debt Collection

The regulation on online consumer finance industry in China is still under development. In December 2017, the Internet Financial Risks Rectification Office and the P2P Online Lending Risks Rectification Office jointly issued the Circular 141, outlining general requirements on the "cash loan" business conducted by network microcredit companies, banking financial institutions and online lending information intermediaries. The Circular 141 specifies the features of "cash loans" as not relying on consumption scenarios, with no specified use of loan proceeds, no qualification requirement on customers and unsecured etc. The Circular 141 further requires that financial institutions that participate in the "cash loan" business not to accept any credit enhancement services or other similar services from third parties without qualification to provide guarantee, and third party cash loan facilitators are prohibited from directly charging fees from borrowers. However, there is no clear definition of "cash loan" set forth in the Circular 141.

In addition, according to the Circular 141, institutions or the engaged third party institutions shall not collect loan debts by methods of violence, intimidation, insult, defamation, or harassment. In case of violation, the regulatory authorities may, depending on the seriousness of the case, urge such institution to rectify by taking measures such as suspending its business, ordering it to make correction, circulating a notice of criticism, rejecting its filing or revoking its business qualification. In case where malicious fraud or violent debt collection or other serious illegal conducts were suspected, such cases shall be promptly transferred to the Ministry of Public Security and may subject to criminal liability.

Regulations on Intellectual Property

Copyright and Software Products

The National People's Congress adopted the Copyright Law on September 7, 1990 and amended it on October 27, 2001 and February 26, 2010, respectively. The amended Copyright Law extends copyright protection to internet activities, products disseminated over the internet and software products. In addition, there is a voluntary registration system administered by the China Copyright Protection Center.

In order to further implement the Computer Software Protection Regulations promulgated by the State Council on December 20, 2001 and amended on January 30, 2013, the State Copyright Bureau issued the Computer Software Copyright Registration Procedures on February 20, 2002, which apply to software copyright registration, license contract registration and transfer contract registration.

According to the Copyright Law, an infringer will be subject to various civil liabilities, which include cessation of the infringement and apologizing to and compensating the actual loss suffered by the copyright owner. If the actual loss of the copyright owner is difficult to calculate, the income received by the infringer as a result of the infringement will be deemed as the actual loss or if such illegal income is also difficult to calculate, the court can decide the amount of the actual loss up to RMB500,000 (US$71,821).

Trademarks

Trademarks are protected by the PRC Trademark Law adopted in August 23, 1982 and subsequently amended in February 22, 1993, October 27, 2001, August 30, 2013 and November 1, 2019 as well as the Implementation Regulation of the PRC Trademark Law adopted by the State Council in August 3, 2002 and amended on April 29, 2014. The Trademark Office under the SAMR handles trademark registrations and grants a term of ten years to registered trademarks and another ten years if requested upon expiry of the first or any renewed ten-year term. Trademark license agreements must be filed with the Trademark Office for record. The PRC Trademark Law has adopted a "first-to-file" principle with respect to trademark registration. Where a trademark for which a registration has been made is identical or similar to another trademark which has already been registered or been subject to a preliminary examination and approval for use on the same kind of or similar commodities or services, the application for registration of such trademark may be rejected. Any person applying for the registration of a trademark may not prejudice the existing right first obtained by others, nor may any person register in advance a trademark that has already been used by another party and has already gained a "sufficient degree of reputation" through such party's use. After receiving an application, the PRC Trademark Office will make a public announcement if the relevant trademark passes the preliminary examination. During the three months after this public announcement, any person entitled to prior rights and any interested party may file an objection against the trademark. The PRC Trademark Office's decisions on rejection, objection or cancellation of an application may be appealed to the PRC Trademark Review and Adjudication Board, whose decision may be further appealed through judicial proceedings. If no objection is filed within three months after the public announcement or if the objection has been overruled, the PRC Trademark Office will approve the registration and issue a registration certificate, at which point the trademark is deemed to be registered and will be effective for a renewable ten-year period, unless otherwise revoked. Trademark license agreements should be filed with the Trademark Office or its regional offices.

Domain Names

Internet domain name registration and related matters are primarily regulated by the Measures on Administration of Domain Names for the Chinese Internet , issued by MIIT on November 5, 2004 and effective as of December 20, 2004 which was replaced by the Measures on Administration of Internet Domain Names issued by MIIT as of November 1, 2017, and the Implementing Rules on Registration of Domain Names issued by China Internet Network Information Center on May 28, 2012, which became effective on May 29, 2012. Domain name registrations are handled through domain name service agencies established under the relevant regulations, and the applicants become domain name holders upon successful registration.

Patent

On March 12, 1984, the Standing Committee of the National People's Congress promulgated the Patent Law, which was amended in September 4, 1992, August 25, 2000 and December 27, 2008. On June 15, 2001, the State Council promulgated the Implementation Regulation for the Patent Law, which was amended in January 9, 2010. According to these laws and regulations, the State Intellectual Property Office is responsible for administering patents in the PRC. The Chinese patent system adopts a "first to file" principle, which means that where more than one person files a patent application for the same invention, a patent will be granted to the person who filed the application first. To be patentable, invention or utility models must meet three conditions: novelty, inventiveness and practical applicability. A patent is valid for 20 years in the case of an invention and 10 years in the case of utility models and designs. A third-party user must obtain consent or a proper license from the patent owner to use the patent. Otherwise, third-party use constitutes an infringement of patent rights. As of December 31, 2019, we had been issued 84 patents in the PRC.

Regulations Relating to Foreign Exchange

Regulations on Foreign Currency Exchange

Pursuant to the Foreign Exchange Administration Regulations, as amended on August 5, 2008, Renminbi is freely convertible for current account items, including the distribution of dividends, interest payments, trade and service-related foreign exchange transactions, but not for capital account items, such as direct investments, loans, repatriation of investments and investments in securities outside of China, unless prior approval is obtained from State Administration of Foreign Exchange, or the SAFE, and prior registration with SAFE is made.

On March 30, 2015, SAFE promulgated the Notice of the State Administration of Foreign Exchange on Reforming the Administration of Foreign Exchange Settlement of Capital of Foreign invested Enterprises, or the SAFE Circular 19, in replacement of 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. SAFE further promulgated the Notice of the State Administration of Foreign Exchange on Reforming and Standardizing the Foreign Exchange Settlement Management Policy of Capital Account, or the SAFE Circular 16, effective on June 9, 2016, which, among other things, amend certain provisions of Circular 19. According to SAFE Circular 19 and SAFE Circular 16, the flow and use of the Renminbi capital converted from foreign currency denominated registered capital of a foreign-invested company is regulated such that Renminbi capital may not be used for purposes beyond its business scope or to provide loans to persons other than affiliates unless otherwise permitted under its business scope. Violations of SAFE Circular 19 or SAFE Circular 16 could result in administrative penalties.

From 2012, SAFE has promulgated several circulars to substantially amend and simplify the current foreign exchange procedure. Pursuant to these circulars, the opening of various special purpose foreign exchange accounts, the reinvestment of RMB 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. In addition, domestic companies are allowed to provide cross-border loans not only to their offshore subsidiaries, but also to their offshore parents and affiliates. SAFE also promulgated the Circular on Printing and Distributing the Provisions on Foreign Exchange Administration over Domestic Direct Investment by Foreign Investors and the Supporting Documents in May 2013, as amended on October 10, 2018 and December 30, 2019, 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 February 2015, SAFE promulgated the Notice on Further Simplifying and Improving the Foreign Exchange Management Policies for Direct Investment, or the SAFE Circular 13, which took effect on June 1, 2015 and amended on December 30, 2019. SAFE Circular 13 delegates the power to enforce the foreign exchange registration in connection with inbound and outbound direct investments under relevant SAFE rules from local branches of SAFE to banks, thereby further simplifying the foreign exchange registration procedures for inbound and outbound direct investments.

On January 26, 2017, SAFE issued the Notice on Improving the Check of Authenticity and Compliance to Further Promote Foreign Exchange Control, or the 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 the 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.

Regulations on Dividend Distribution

The principal regulations governing distribution of dividends of foreign-invested enterprises include the PRC Company Law and the Foreign Investment Law. Under these laws and regulations, wholly foreign-owned enterprises in China may pay dividends only out of their accumulated after-tax profits, if any, determined in accordance with China accounting standards and regulations. In addition, wholly foreign-owned enterprises in China are required to allocate at least 10% of their respective accumulated profits each year, if any, to fund certain reserve funds until these reserves have reached 50% of the registered capital of the enterprises. Wholly foreign-owned companies may, at their discretion, allocate a portion of their after-tax profits based on China accounting standards to staff welfare and bonus funds. These reserves are not distributable as cash dividends.

Regulations on Foreign Exchange Registration of Overseas Investment by PRC Residents

SAFE promulgated the Circular on Relevant Issues Relating to Domestic Resident's Investment and Financing and Roundtrip Investment through Special Purpose Vehicles, or the 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 citizens or residents, name and operation term), increases or decreases in investment amount, transfers or exchanges of shares, or mergers or divisions.

SAFE Circular 37 was issued to replace the Notice on Relevant Issues Concerning Foreign Exchange Administration for PRC Residents Engaging in Financing and Roundtrip Investments via Overseas Special Purpose Vehicles issued by SAFE in October 2005. SAFE further enacted SAFE Circular 13, which allows PRC residents or entities to register with qualified banks in connection with their establishment or control of an offshore entity established for the purpose of overseas investment or financing. However, remedial registration applications made by PRC residents that previously failed to comply with the SAFE Circular 37 continue to fall under the jurisdiction of the relevant local branch of SAFE. 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 distributing profits 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. Moreover, failure to comply with the various SAFE registration requirements described above could result in liability under PRC law for evasion of foreign exchange controls.

Regulations on Stock Incentive Plans

In February 2012, SAFE promulgated the Notice on Foreign Exchange Administration of PRC Residents Participating in Share Incentive Plans of Offshore Listed Companies, or the Stock Option Rules, replacing the previous rules issued by SAFE in March 2007. Under the Stock Option Rules and other relevant rules and regulations, domestic individuals, which means the PRC residents and non-PRC citizens residing in China for a continuous period of not less than one year, subject to a few exceptions, who participate in a stock incentive plan in an overseas publicly-listed company are required to register with SAFE or its local branches and complete certain other procedures. Participants of a stock incentive plan who are PRC residents must retain a qualified PRC agent, which could be a PRC subsidiary of the overseas publicly-listed company or another qualified institution selected by the PRC subsidiary, to conduct the SAFE registration and other procedures with respect to the stock incentive plan on behalf of its participants. The participants must also retain an overseas entrusted institution to handle matters in connection with their exercise of stock options, the purchase and sale of corresponding stocks or interests and fund transfers. In addition, the PRC agent is required to amend the SAFE registration with respect to the stock incentive plan if there is any material change to the stock incentive plan, the PRC agent or the overseas entrusted institution or other material changes. The PRC agents must, on behalf of the PRC residents who have the right to exercise the employee share options, apply to SAFE or its local branches for an annual quota for the payment of foreign currencies in connection with the PRC residents' exercise of the employee share options. The foreign exchange proceeds received by the PRC residents from the sale of shares under the stock incentive plans granted and dividends distributed by the overseas listed companies must be remitted into the bank accounts in the PRC opened by the PRC agents before distribution to such PRC residents. In addition, SAFE Circular 37 provides that PRC residents who participate in a share incentive plan of an overseas unlisted special purpose company may register with SAFE or its local branches before exercising rights.

Regulations Relating to Tax

Enterprise Income Tax

Under the Enterprise Income Tax Law of the PRC, or the EIT Law, which became effective on January 1, 2008 and was subsequently amended on February 24, 2017 and December 29, 2018, and its implementing rules, enterprises are classified as resident enterprises and non-resident enterprises. PRC resident enterprises typically pay an enterprise income tax at the rate of 25% while non-PRC resident enterprises without any branches in the PRC should pay an enterprise income tax in connection with their income from the PRC at the tax rate of 10%. An enterprise established outside of the PRC with its "de facto management bodies" located within the PRC is considered a "resident enterprise," meaning that it can be treated in a manner similar to a PRC domestic enterprise for enterprise income tax purposes. The implementing rules of the EIT Law define a de facto management body as a managing body that in practice exercises "substantial and overall management and control over the production and operations, personnel, accounting, and properties" of the enterprise. Enterprises qualified as "High and New Technology Enterprises" are entitled to a 15% enterprise income tax rate rather than the 25% uniform statutory tax rate. The preferential tax treatment continues as long as an enterprise can retain its "High and New Technology Enterprise" status.

The EIT Law and the implementation rules provide that an income tax rate of 10% should normally be applicable to dividends payable to investors that are "non-resident enterprises," and gains derived by such investors, which (a) do not have an establishment or place of business in the PRC or (b) have an establishment or place of business in the PRC, but the relevant income is not effectively connected with the establishment or place of business to the extent such dividends and gains are derived from sources within the PRC. Such income tax on the dividends may be reduced pursuant to a tax treaty between China and other jurisdictions. Pursuant to the Arrangement Between the Mainland of China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation on Income, or the Double Tax Avoidance Arrangement, and other applicable PRC laws, if a Hong Kong resident enterprise is determined by the competent PRC tax authority to have satisfied the relevant conditions and requirements under such Double Tax Avoidance Arrangement and other applicable laws, the 10% withholding tax on the dividends the Hong Kong resident enterprise receives from a PRC resident enterprise may be reduced to 5% upon receiving approval from in-charge tax authority. However, based on the Notice on Certain Issues with Respect to the Enforcement of Dividend Provisions in Tax Treaties issued on February 20, 2009 by the SAT, if the relevant PRC tax authorities determine, in their discretion, that a company benefits from such reduced income tax rate due to a structure or arrangement that is primarily tax-driven, such PRC tax authorities may adjust the preferential tax treatment; and based on the Announcement on Relevant Issues Concerning the "Beneficial Owners" in Tax Treaties issued on February 3, 2018 by the SAT and effective from April 1, 2018, which replaces the Notice on the Interpretation and Recognition of Beneficial Owners in Tax Treaties and the Announcement on the Recognition of Beneficial Owners in Tax Treaties by the SAT, comprehensive analysis based on the stipulated factor therein and actual circumstances shall be adopted when recognizing the "beneficial owner" and agents and designated wire beneficiaries are specifically excluded from being recognized as "beneficial owners."

Value-added Tax

Pursuant to applicable PRC regulations promulgated by the Ministry of Finance and the SAT, any entity or individual conducting business in the service industry is required to pay a valued-added tax, or VAT, with respect to revenues derived from the provision of services. A taxpayer is allowed to offset the qualified input VAT paid on taxable purchases against the output VAT chargeable on the revenue from services provided.

M&A Rules and Overseas Listings

On August 8, 2006, six PRC regulatory agencies, including the China Securities Regulatory Commission, or the CSRC, adopted the Regulations on Mergers of Domestic Enterprises by Foreign Investors, or the M&A Rules, which became effective on September 8, 2006 and was amended on June 22, 2009. Foreign investors shall comply with the M&A Rules when they purchase equity interests of a domestic company or subscribe the increased capital of a domestic company, and thus changing the nature of the domestic company into a foreign-invested enterprise; or when the foreign investors establish a foreign-invested enterprise in the PRC, purchase the assets of a domestic company and operate the assets; or when the foreign investors purchase the asset of a domestic company, establish a foreign-invested enterprise by injecting such assets and operate the assets. The M&A Rules purport, among other things, to 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.

On December 26, 2017, the NDRC adopted the Administrative Measures for Enterprises' Overseas Investment, or the Overseas Investment Rules, which will become effective on March 1, 2018. The New M&A Rules provides that, for local enterprises (enterprises that are not managed by the state government), if the amount of investment made by the Chinese investors is less than US$300 million, and the target project is non-sensitive, then the overseas investment project will require online filing with the local branch of the NDRC where the enterprise itself is registered. And "overseas investment" shall mean activities where an PRC enterprise, directly or through an overseas enterprise controlled by it, acquires overseas any ownership, right of control, right of business management, or other relevant rights and interests, by contributing assets or rights and interests, providing financing and/or guarantee, or any other means.

Employment Laws

Pursuant to the PRC Labor Law, the PRC Labor Contract Law and the Implementing Regulations of the Employment Contracts Law, labor relationships between employers and employees must be executed in written form. Wages may not be lower than the local minimum wage. Employers must establish a system for labor safety and sanitation, strictly abide by state standards and provide relevant education to its employees. Employees are also required to work in safe and sanitary conditions.

Under PRC laws, rules and regulations, including the Social Insurance Law, the Interim Regulations on the Collection and Payment of Social Security Funds and the Regulations on the Administration of Housing Accumulation Funds, employers are required to contribute, on behalf of their employees, to a number of social security funds, including funds for basic pension insurance, unemployment insurance, basic medical insurance, occupational injury insurance, maternity leave insurance and housing accumulation funds. These payments are made to local administrative authorities and any employer who fails to contribute may be fined and ordered to pay the deficit amount.

Regulations on Leasing

Pursuant to the Law on Administration of Urban Real Estate which took effect in January 1995 with the latest amendment in August 2019, lessors and lessees are required to enter into a written lease contract, containing such provisions as the term of the lease, the use of the premises, liability for rent and repair, and other rights and obligations of both parties. Both lessor and lessee are also required to register the lease with the real estate administration authorities. Pursuant to implementing rules stipulated by certain provinces or cities, such as Tianjin, if the lessor and lessee fail to go through the registration procedures, both lessor and lessee may be subject to fines.

According to the PRC Contract Law which took effect in October 1999, the lessee may sublease the leased premises to a third party, subject to the consent of the lessor. Where the lessee subleases the premises, the lease contract between the lessee and the lessor remains valid. The lessor is entitled to terminate the lease contract if the lessee subleases the premises without the consent of the lessor. In addition, if the lessor transfers the premises, the lease contract between the lessee and the lessor should still remain valid. Pursuant to the PRC Property Law which took effect in October 2007, if a mortgagor leases the mortgaged property before the mortgage contract is executed, the previously established leasehold interest should not be affected by the subsequent mortgage, but where a mortgagor leases the mortgaged property after the creation and registration of the mortgage interest, the leasehold interest should be subordinated to the registered mortgage.

In addition, the Supreme People's Court issued the Interpretation on Several Issues with respect to the Specific Application of Law in the Trial of Disputes over Partitioned Ownership of Buildings, pursuant to which, if the landlord uses his property, which is designated for residential use, for business purposes without prior consents of other owners whose interests are involved, the other owners may request for removing impairment, eliminating danger, reinstatement or compensation for losses.

Regulations on Unfair Competition

On April 23, 2019, the Standing Committee of the National People's Congress promulgated the amended Anti-Unfair Competition Law of the People's Republic of China, or the Anti-Unfair Competition Law, which became effective on April 23, 2019.

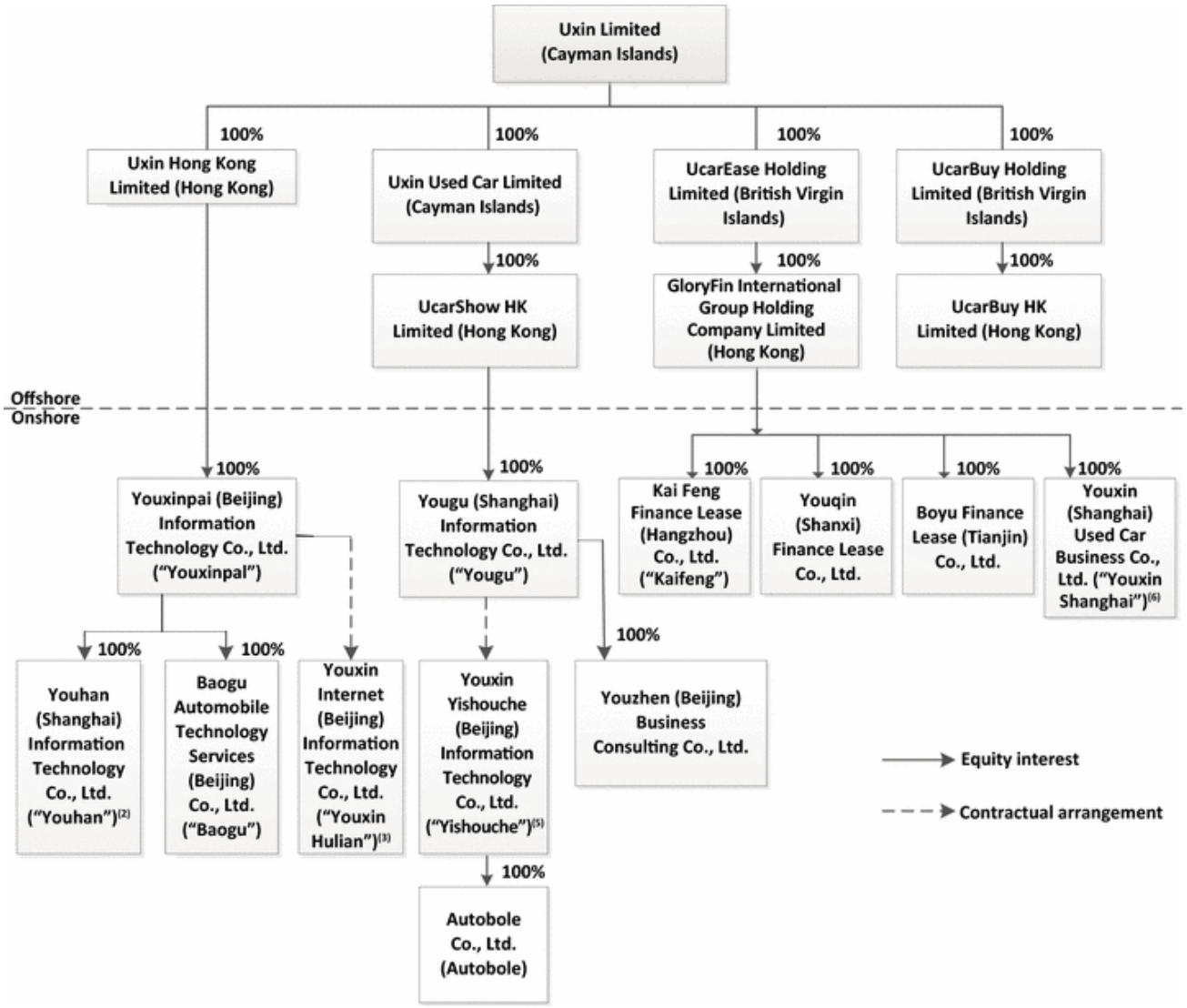
Pursuant to the Anti-Unfair Competition Law, a business operator shall not conduct any false or misleading commercial publicity in respect of the performance, functions, quality, sales, user reviews, and honors received of its commodities, in order to defraud or mislead consumers. A business operator publishing any false advertisements in violation of this provision shall be punished in accordance with the Advertising Law of the People's Republic of China.

The Anti-Unfair Competition Law also stipulated that a business operator engaging in production or distribution activities online shall abide by the provisions of the Anti-Unfair Competition Law. No business operator may, by technical means to affect users' options, among others, commit the acts of interfering with or sabotaging the normal operation of online products or services legally provided by another business operator.

In addition, according to the Anti-Unfair Competition Law, a business operator is prohibited from any of the following unfair activities: i) committing act of confusion to mislead a person into believing that a commodity is one of another person or has a particular connection with another person; ii) seeking transaction opportunities or competitive edges by bribing relevant entities or individuals with property or by any other means; iii) infringing trade secrets; iv) premium campaign violating the provision of the Anti-Unfair Competition Law; and v) fabricating or disseminating false or misleading information to damage the goodwill or product reputation of a competitor.

C. Organizational Structure

The following diagram illustrates our corporate structure, including our principal subsidiaries and consolidated variable interest entities as of the date of this annual report on Form 20-F:



(1) Youhan operated the website and mobile app for our 2B business prior to the divestiture of 2B business to 58.com and held various licenses for our subsidiaries.

(2) Shareholders of Youxin Hulian are Mr. Kun Dai, our CEO and Beijing Min Si Lian Hua Investment Management Co., Ltd., an affiliate of our shareholder, Redrock Holding Investments Limited. Mr. Kun Dai holds 99.9923% and Beijing Min Si Lian Hua Investment Management Co., Ltd. holds 0.0077% of the equity interest in Youxin Hulian.

(3) Shareholders of Yishouche are Mr. Kun Dai, our CEO and Beijing Min Si Lian Hua Investment Management Co., Ltd., an affiliate of our shareholder, Redrock Holding Investments Limited. Mr. Kun Dai holds 99.9999% and Beijing Min Si Lian Hua Investment Management Co., Ltd. holds 0.0001% of the equity interest in Yishouche. We have been conducting our 2C business through our VIE Yishouche and our WFOE Yougu.

Contractual Agreements with the VIEs and Their Respective Shareholders

In order to comply with PRC regulatory requirements restricting foreign ownership of internet information services, value-added telecommunications, and certain other businesses in China, in the past we primarily conducted our business through our VIE, Youxin Hulian. In January 2015, Ministry of Industry & Information Technology announced the Notice of the Ministry of Industry and Information Technology on Removing the Restrictions on Foreign-owned Shareholding Percentage in Online Data Processing and Transaction Processing (operating e-commerce) Business in China (Shanghai) Pilot Free Trade Zone, or SHFTZ Notice. Pursuant to SHFTZ Notice, there are no restrictions on foreign investors maximum shareholding percentage in an enterprise established in Shanghai Pilot Free Trade Zone that conducts value-added telecommunications services in the scope of online data processing and transaction processing (Operating E-commerce). Therefore, our eligible PRC subsidiaries Yougu and Youhan, have applied for and obtained approval from Shanghai Communications Administration to conduct e-commerce, and since then they have been operating our main online businesses instead of our VIEs, Youxin Hulian and Yishouche. Currently, Youxin Hulian and Yishouche hold valid ICP licenses.

We have entered into a series of contractual arrangements, including exclusive option agreements, equity pledge agreements and exclusive business cooperation agreements, with our VIEs and their respective shareholders.

These contractual arrangements allow our WFOEs to:

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

As a result of our direct ownership in our WFOEs and the contractual arrangements relating to our VIEs, we are regarded as the primary beneficiary of our VIEs, and we treat them and their subsidiaries as our consolidated affiliated entities under U.S. GAAP. We have consolidated the financial results of our VIEs and their respective subsidiaries in our consolidated financial statements in accordance with U.S. GAAP.

The following is a summary of the currently effective contractual arrangements (i) by and among Youxinpai (one of our WFOEs), Youxin Hulian (one of our VIEs) and Youxin Hulian's shareholders and (ii) by and among Yougu (one of our WFOEs), Yishouche (one of our VIEs) and Yishouche's shareholders.

Contractual Arrangements relating to Youxin Hulian

The following is a summary of the currently effective contractual arrangements by and among Youxinpai, Youxin Hulian and the shareholders of Youxin Hulian.

Agreements that Provide Us with Effective Control over Youxin Hulian

Equity Interest Pledge Agreements. Pursuant to the equity interest pledge agreements, each shareholder of Youxin Hulian has pledged all of his or her equity interests in Youxin Hulian to guarantee the shareholder's and Youxin Hulian's performance of their obligations under the amended and restated exclusive business cooperation agreement, loan agreement entered into between Mr. Kun Dai and Youxinpai, exclusive option agreement and power of attorney. If Youxin Hulian or its shareholders breach their contractual obligations under these agreements, Youxinpai, as pledgee, will be entitled to certain rights regarding the pledged equity interests, including receiving proceeds from the auction or sale of all or part of the pledged equity interests of Youxin Hulian in accordance with the law. Each shareholder of Youxin Hulian agrees that, during the term of the equity interest pledge agreements, he or she will not dispose of the pledged equity interests or create or allow any encumbrance on the pledged equity interests without the prior written consent of Youxinpai. The equity interest pledge agreements remain effective until Youxin Hulian and its shareholders discharge all their obligations under the contractual arrangements. We have registered the equity pledge with the local branches of the Administration for Industry and Commerce in accordance with the PRC Property Rights Law.

Powers of Attorney. Pursuant to the powers of attorney, each shareholder of Youxin Hulian has irrevocably appointed Youxinpai to act as such shareholder's exclusive attorney-in-fact to exercise all shareholder rights, including, but not limited to, voting on all matters of Youxin Hulian requiring shareholder approval, disposing of all or part of the shareholder's equity interests in Youxin Hulian, and appointing directors and executive officers. Youxinpai is entitled to designate any person to act as such shareholder's exclusive attorney-in-fact without notifying or the approval of such shareholder, and if required by PRC law, Youxinpai shall designate a PRC citizen to exercise such right. Each power of attorney will remain in force for so long as the shareholder remains a shareholder of Youxin Hulian. Each shareholder of Youxin Hulian, has waived all the rights which have been authorized to Youxinpai and will not exercise such rights.

Agreement that Allows us to Receive Economic Benefits from Youxin Hulian

Exclusive Business Cooperation Agreement. Under the amended and restated exclusive business cooperation agreement between Youxinpai and Youxin Hulian, Youxinpai has the exclusive right to provide Youxin Hulian with technical support, consulting services and other services. Without Youxinpai's prior written consent, Youxin Hulian agrees not to accept the same or any similar services provided by any third party. Youxinpai may designate other parties to provide services to Youxin Hulian. Youxin Hulian agrees to pay service fees on a quarterly basis and at an amount determined by Youxinpai after taking into account multiple factors, such as the complexity and difficulty of the services provided, the time consumed, the content and commercial value of services provided, the market price of comparable services and the operation conditions. Youxinpai owns the intellectual property rights arising out of the performance of this agreement. In addition, Youxin Hulian has granted Youxinpai an irrevocable and exclusive option to purchase any or all of the assets and businesses of Youxin Hulian at the lowest price permitted under PRC law. Unless otherwise agreed by the parties or terminated by Youxinpai unilaterally, this agreement will remain effective permanently.

Agreements that Provide Us with the Option to Purchase the Equity Interest in Youxin Hulian

Exclusive Option Agreement. Pursuant to the exclusive option agreements, each shareholder of Youxin Hulian has irrevocably granted Youxinpai an exclusive option to purchase, or have its designated person or persons to purchase, at its discretion, to the extent permitted under PRC law, all or part of the shareholder's equity interests in Youxin Hulian. The purchase price shall be RMB10 (US$1.4) or the minimum price required by PRC law. If Youxinpai exercises the option to purchase part of the equity interest held by a shareholder, the purchase price shall be calculated proportionally. Without Youxinpai's prior written consent, Youxin Hulian shall not amend its articles of association, increase or decrease the registered capital, sell or otherwise dispose of its assets or beneficial interest, create or allow any encumbrance on its assets or other beneficial interests, provide any loans to any third parties, enter into any material contract with a value of more than RMB500,000 (US$71,821) (except those contracts entered into in the ordinary course of business), merge with or acquire any other persons or make any investments, or distribute dividends to the shareholders. Each shareholder of Youxin Hulian has agreed that, without Youxinpai's prior written consent, he or she will not dispose of his or her equity interests in Youxin Hulian or create or allow any encumbrance on their equity interests. Moreover, without Youxinpai's prior written consent, no dividend will be distributed to Youxin Hulian's shareholders, and if any of the shareholders receives any profit, interest, dividend or proceeds of share transfer or liquidation, the shareholder must give such profit, interest, dividend and proceeds to Youxinpai or its designated person(s). These agreements will remain effective until all equity interests of Youxin Hulian held by its shareholder and all of the assets of Youxin Hulian have been transferred or assigned to Youxinpai or its designated person(s).

Loan Agreement. Pursuant to the loan agreement between Youxinpai and Mr. Kun Dai shareholder of Youxin Hulian, dated November 23, 2016, Youxinpai made loans in an aggregate amount of RMB96.0 million (US$13.8 million) to Mr. Kun Dai solely for the capitalization of Youxin Hulian. Pursuant to the loan agreement, Youxinpai may at its sole discretion request the borrower to repay the loan by the sale of all his equity interest in Youxin Hulian to Youxinpai or its designated person(s) pursuant to the exclusive option agreement. Mr. Kun Dai must pay all of the proceeds from sale of such equity interests to Youxinpai. In the event the borrower sells his equity interests to Youxinpai 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 Youxinpai as the loan interest. The loan must be repaid immediately under certain circumstances, including, among others, if a foreign investor is permitted to hold majority or 100% equity interest in Youxin Hulian and Youxinpai elects to exercise its exclusive equity purchase option. The term of the loans is ten years and can be extended upon mutual written consent of the parties.

Contractual Arrangements relating to Yishouche

The following is a summary of the currently effective contractual arrangements by and among Yougu, Yishouche and the shareholders of Yishouche.

Agreements that Provide Us with Effective Control over Yishouche

Equity Interest Pledge Agreements. Pursuant to the equity interest pledge agreements, each shareholder of Yishouche has pledged all of his or her equity interests in Yishouche to guarantee the shareholder's and Yishouche's performance of their obligations under the exclusive business cooperation agreement, exclusive option agreement and power of attorney. If Yishouche or any of its shareholders breaches their contractual obligations under these agreements, Yougu, as pledgee, will be entitled to certain rights regarding the pledged equity interests, including receiving proceeds from the auction or sale of all or part of the pledged equity interests of Yishouche in accordance with the law. Each of the shareholders of Yishouche agrees that, during the term of the equity interest pledge agreements, he or she will not dispose of the pledged equity interests or create or allow any encumbrance on the pledged equity interests without the prior written consent of Yougu. The equity interest pledge agreements remain effective until Yishouche and its shareholders discharge all their obligations under the contractual arrangements. We have registered the equity pledge with the local branches of the Administration for Industry and Commerce in accordance with the PRC Property Rights Law.

Powers of Attorney. Pursuant to the powers of attorney, each shareholder of Yishouche has irrevocably appointed Yougu to act as such shareholder's exclusive attorney-in-fact to exercise all shareholder rights, including, but not limited to, voting on all matters of Yishouche requiring shareholder approval, disposing of all or part of the shareholder's equity interests in Yishouche, and appointing directors and executive officers. Yougu is entitled to designate any person to act as such shareholder's exclusive attorney-in-fact without notifying or the approval of such shareholder, and if required by PRC law, Yougu shall designate a PRC citizen to exercise such right. Each power of attorney will remain in force for so long as the shareholder remains a shareholder of Yishouche. Each shareholder has waived all the rights which have been authorized to Yougu and will not exercise such rights.

Agreement that Allows us to Receive Economic Benefits from Yishouche

Exclusive Business Cooperation Agreement. Under the exclusive business cooperation agreement between Yougu and Yishouche, Yougu has the exclusive right to provide Yishouche with technical support, consulting services and other services. Without Yougu's prior written consent, Yishouche agrees not to accept the same or any similar services provided by any third party. Yougu may designate other parties to provide services to Yishouche. Yishouche agrees to pay service fees on a monthly basis and at an amount determined by Yougu and Yishouche after taking into account multiple factors, such as the complexity and difficulty of the services provided, the time consumed, the content and commercial value of services provided and the market price of comparable services and the operation conditions. Yougu owns the intellectual property rights arising out of the performance of this agreement. In addition, Yishouche has granted Yougu an irrevocable and exclusive option to purchase any or all of the assets and businesses of Yishouche at the lowest price permitted under PRC law. Unless otherwise agreed by the parties or terminated by Yougu unilaterally, this agreement will remain effective permanently.

Agreements that Provide Us with the Option to Purchase the Equity Interest in Yishouche

Exclusive Option Agreements. Pursuant to the exclusive option agreements, each shareholder of Yishouche has irrevocably granted Yougu an exclusive option to purchase, or have its designated person or persons to purchase, at its discretion, to the extent permitted under PRC law, all or part of the shareholder's equity interests in Yishouche. The purchase price shall be RMB10 (US$1.4) or the minimum price required by PRC law. Without Yougu's prior written consent, Yishouche shall not amend its articles of association, increase or decrease the registered capital, sell or otherwise dispose of, or create or allow any encumbrance on its assets or beneficial interest with a value of more than RMB500,000 (US$71,821), provide any loans to any third parties, enter into any material contract with a value of more than RMB500,000 (US$71,821) (except those contracts entered into in the ordinary course of business), merge with or acquire any other persons or make any investments, or distribute dividends to the shareholders. The shareholders of Yishouche have agreed that, without Yougu's prior written consent, they will not dispose of their equity interests in Yishouche or create or allow any encumbrance on their equity interests. Moreover, without Yougu's prior written consent, no dividend will be distributed to Yishouche's shareholders, and if any of the shareholders receives any profit, interest, dividend or proceeds of share transfer or liquidation, the shareholder must give such profit, interest, dividend and proceeds to Yougu or its designated person(s). These agreements will remain effective until all equity interests of Yishouche held by its shareholders and all of the assets of Yishouche have been transferred or assigned to Yougu or its designated person(s).

In the opinion of JunHe LLP, our PRC counsel:

- the ownership structures of our VIEs in China and our WFOEs that have entered into contractual arrangements with the VIEs will not result in any violation of PRC laws or regulations currently in effect; and

- the contractual arrangements among Youxinpai, Youxin Hulian and the shareholders of Youxin Hulian and the contractual arrangements among Yougu, Yishouche and the shareholders of Yishouche governed by PRC law are valid, binding and enforceable, and do not and will not result in any violation of PRC laws or regulations currently in effect.

However, there are substantial uncertainties regarding the interpretation and application of current and future PRC laws, regulations and rules. 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 businesses do not comply with PRC government restrictions on foreign investment in value-added telecommunications services businesses, such as internet content provision services and online data processing and transaction processing businesses (operating e-commerce business), we could be subject to penalties, including being prohibited from continuing operations. See “Item 3. Key Information—D. Risk Factors—Risks Related to Our Corporate Structure—If the PRC government finds that the agreements that establish the structure for operating some of our operations in China do not comply with PRC regulations relating to the relevant industries, or if these regulations or the interpretation of existing regulations change in the future, we could be subject to penalties or be forced to relinquish our interests in those operations,” “Item 3. Key Information— D. Risk Factors—Risks Related to Doing Business in China—Failure to obtain certain filings, approvals, licenses, permits and certificates required for our business operations may materially and adversely affect our business, financial condition and results of operations”, “Item 3. Key Information—D. Risk Factors—Risks Related to Doing Business in China—Uncertainties in the interpretation and enforcement of Chinese laws and regulations could limit the legal protections available to us” and “Item 3. Key Information—D. Risk Factors—Risks Related to Our Corporate Structure—Our business may be significantly affected by the draft Foreign Investment Law and the newly adopted Foreign Investment Law.”

D. Property, Plant and Equipment

Our corporate headquarters are located in Beijing with office space of approximately 8,000 square meters as of December 31, 2019. We also have an office space of approximately 5,000 square meters in Xi’an mainly for our online customer service personnel and some of our product and technology personnel. We also have a total space of approximately 7,500 square meters in 32 cities for VR filming. In addition, we have local offices with an aggregate gross area of over 17,000 square meters for our 2C business in 102 cities. In 2019, we also had 7 regional transaction centers with an aggregate gross area of approximately 350,000 square meters for our 2B business across China. We lease all the facilities to conduct our business.

Item 4A. Unresolved Staff Comments

None.

Item 5. Operating and Financial Review and Prospects

The following discussion of our financial condition and results of operations is based upon, and should be read in conjunction with, our audited consolidated financial statements and the related notes included in this annual report on Form 20-F. This report contains forward-looking statements. See “Forward-Looking Information.” In evaluating our business, you should carefully consider the information provided under the caption “Item 3. Key Information—D. Risk Factors” in this annual report on Form 20-F. We caution you that our businesses and financial performance are subject to substantial risks and uncertainties.

In July 2019, September 2019 and April 2020, we entered into a binding term sheet, definitive agreements and supplemental agreements (the “Loan facilitation transaction agreements”), respectively, with Golden Pacer, a limited liability company incorporated and existing under the laws of the Cayman Islands that operates a leading financial technology platform in China, to divest our loan facilitation related business. Pursuant to the Loan facilitation transaction agreements, we have divested our entire 2C intra-regional business and ceased to provide loan facilitation related guarantee services in connection with our 2C business since November 2019. In addition, we have divested the assets and liabilities in relation to our historically-facilitated loans for XW Bank to Golden Pacer as one of the pre-conditions for the divestiture. As a result, net assets related to the historically-facilitated loans for XW Bank were reclassified as net assets transferred on our consolidated balance sheet as of December 31, 2019, and results of operations related to the divested business were reported as loss from discontinued operations in the consolidated statements of comprehensive loss. The transactions contemplated under the Loan facilitation transaction agreements were closed upon the signing of the supplemental agreements in April 2019.

In addition, we have entered into definitive agreements with Boche in January 2020 to divest our salvage car related business. Assets and liabilities associated with the divestiture of salvage car related business were reclassified as assets and liabilities held for sale on our consolidated balance sheet as of December 31, 2019, while results of operations related to the divested business were not presented as discontinued operations due to its insignificance to our overall business. The transaction with Boche closed in January 2020.

In March 2020, we entered into definitive agreements with 58.com to divest our 2B business. Assets and liabilities associated with the divestiture of 2B business were reclassified as assets and liabilities held for sale on our consolidated balance sheet as of December 31, 2019, and results of operations related to the divested business were reported as loss from discontinued operations in the consolidated statements of comprehensive loss. The transaction with 58.com closed in April 2020.

Unless indicated otherwise, the discussion of our financial data in this Item 5 and throughout this annual report relates to continuing operations only.

A. Operating Results

Overview

We are a leading national online used car dealer in China. Through our 2C business — Uxin Used Car, we provide consumers with a one-stop online used-car-buying experience, including access to a nationwide selection of used cars and various car-related value-added products and services, as well as a full suite of supporting services to fulfill these online used car transactions. Historically, we also operated 2B business — Uxin Auction, where we primarily facilitated used car transactions between business customers via online auction, which has been divested to 58.com pursuant to definitive agreements we entered into in March 2020. See “Item 4. Information on the Company—A. History and Development of the Company— Divestitures of Our Loan Facilitation, Salvage Car and 2B Businesses.”

Our 2C business currently generates revenues from (i) commission fee in relation to assisting consumers buying our inspected and certified used cars directly online and providing relevant fulfillment services, such as logistics and delivery, title transfers and vehicle registration, which equals to a certain percentage of final car sales price and (ii) value-added service fee in relation to the additional services provided to consumers, for example, we help consumers select and apply for customized auto financing options that are provided by our financing partners, assist them purchasing suitable insurance policies that are provided by insurance companies, and provide well-rounded warranty programs. Prior to the divestiture of our loan facilitation related business to Golden Pacer as first announced in July 2019, our 2C business generated revenues from the transaction facilitation and loan facilitation services we provided to car buyers. See “Item 4. Information on the Company—A. History and Development of the Company— Divestitures of Our Loan Facilitation, Salvage Car and 2B Businesses.” In addition, prior to the divestiture of our 2B business, we generated revenues from transaction facilitation service fee charged in relation to connecting business buyers with used car sellers and facilitating car sales through our auction service, as well as the title transfer service we provide.

Since we shifted our focus to 2C online used car transactions, we have witnessed a significant growth of our business. After taking into consideration the effect of the divestiture of loan facilitation related business described above, in 2019, we facilitated 97,100 online used car transactions for our 2C business, representing a 153.8% increse from 2018, and the total GMV for our 2C business reached RMB11.3 billion (US$1.6 billion) in 2019, representing 155.3% increase from 2018. Our total revenues increased significantly by 140.9% from RMB659.1 million in 2018 to RMB1,588.0 million (US$228.1 million) in 2019. Our net loss from continuing operations was RMB1,327.7 million (US$190.7 million) in 2019, compared to a net loss of RMB1,351.8 million in 2018.

Major Factors Affecting Our Results of Operations

General Factors Affecting Our Results of Operations

Our business and operating results are affected by general factors affecting China's online used car transaction industry, which include:

- China's overall economic growth and level of per capita disposable income;
- outbreaks of COVID-19 or any other serious contagious diseases;
- changes in the supply and demand for used cars, and changes in geographic distribution of cars;
- consumers and dealers' acceptance of the online used car transaction model; and
- regulations and policies affecting the used car industry and consumer auto finance industry.

Unfavorable changes in any of these general industry conditions could negatively affect demand for our services and materially and adversely affect our results of operations.

While the duration of the current COVID-19 pandemic and its disruption to our business and related financial impacts cannot be accurately estimated at this time, we expect that our financial condition, results of operations, and cash flows for the first half of 2020 will be materially and adversely affected with potential continuing impacts on subsequent periods. In particular, our business operations during the first quarter of 2020 have been materially and adversely affected as a result of the closure of used car markets and dealerships, the significant disruptions to the logistics and delivery of used cars, and barriers to title transfers, among others. In addition, borrowers' ability or willingness to repay their auto loans has also been negatively affected by general economic downturns. As the impact of the pandemic will be fully considered in the credit loss assessment under the new accounting standards effective on January 1, 2020, we will provide a significant provision for credit losses and losses from guarantee liabilities for the first quarter of 2020 associated with our historically-facilitated loans that were not transferred to Golden Pacer.

We will continue to monitor and evaluate the impact of the COVID-19 pandemic on our financial condition, results of operations, and cash flows for the first half of 2020 and subsequent periods. The global spread of COVID-19 pandemic in a significant number of countries around the world has resulted in, and may intensify, global economic distress, and the extent to which it may affect our financial condition, results of operations, and cash flows will depend on future developments, which are highly uncertain and cannot be predicted. See "Item 3.D. Key Information—Risk Factors—Risks Relating to Our Business and Industry— The COVID-19 pandemic could have a material adverse impact on our business, operating results and financial condition."

Specific Factors Affecting Our Results of Operations

While our business is influenced by general factors affecting China's online used car transaction industry, we believe our results of operations are more directly affected by company specific factors, including the following:

Ability to increase transaction volume on our platform

We operate our business as a leading national online used car dealer in China, which is supported by a nationwide service network and our online used car transaction fulfillment capabilities. Our ability to continue to increase our transaction volume and GMV affects the growth of our business and our revenues. As we continued to shift our focus to 2C online used car transactions since we launched this business in early 2018, the total number of online used car transactions completed through our 2C business increased by 153.8% from 38,264 in 2018 to 97,100 in 2019, and our total 2C GMV grew by 155.3% from RMB4.4 billion in 2018 to RMB11.3 billion (US$1.6 billion) in 2019. We anticipate that our future revenue growth will continue to depend largely on the increase of transaction volume on our platform. Our ability to increase transaction volume depends on, among other things, our ability to continually improve the service and user experience that we offer, increase brand awareness, expand our service network and enhance our online used car transaction fulfillment and technology capabilities.

Ability to capture more service opportunities and increase take rate

Our comprehensive coverage of a customer's entire buying journey positions us well to provide a variety of services to customers. Through our 2C business, in addition to enabling consumers buy used cars online from our platform, we also provide a comprehensive suite of other services to our customers that include various car-related value-added products and services, such as referrals of auto financing options and insurance products, as well as a full suite of supporting services to fulfill these online used car transactions. By offering these services, we generate more revenues and increase our overall take rate from the transactions. We will continue to strengthen our services and provide more value-added products and services from time to time to capture additional opportunities.

By providing a variety of services, we were able to achieve an average total 2C take rate of 8.4% in 2018 and 12.0% in 2019, as measured by the total revenue from 2C business divided by our total 2C GMV. Our ability to maintain or increase fees charged for our services and provide more services affects our take rate and financial performance.

Ability to enhance operational efficiency

Our results of operations are directly affected by our scale and operational efficiency. In addition to our own sales team, we have also worked with third-party agents to enlarge our sales force efficiently across China. We currently have a nationwide service network of over 1,100 service centers operated by our local agents. As our business grows, we expect to achieve greater operating leverage, improve the efficiency and utilization of our personnel, and obtain more favorable terms from our business partners.

Marketing is critical to our business. Given the relatively low online penetration rate for the used car market in China, we need to educate the market about the benefits of buying used cars online and to raise our brand awareness. We also need to invest to acquire user traffic from different online channels. As a result, sales and marketing expenses have historically represented a substantial majority of our total operating expenses, amounting to 225.9% and 74.6% of our total revenues in 2018 and 2019, respectively. Our ability to lower our sales and marketing expenses as a percentage of total revenues depends on our ability to improve sales and marketing efficiency, including through increasing sales productivity, optimizing our traffic acquisition channels and improving traffic-to-sales conversion, as well as leveraging our brand value and word-of-mouth referrals. We may also continue to increase our sales and marketing expenses in absolute amounts in order to further expand our business across China as well as acquire customers and raise our brand awareness.

Selected Statements of Operations Items

Revenues

We derive our revenues from our 2C and other businesses. Prior to the divesture of our 2B business in April 2020, we also generated revenues from 2B business, which was presented as discontinued operations. The following table presents our revenues by category, in terms of absolute amounts and as percentages of our total revenues for the periods presented.

	Years Ended December 31,						
	2017		2018		2019		
	RMB	%	RMB	%	RMB	US$	%
	(in thousands)						
Revenues:							
To consumers ("2C")	**—**	**—**	**369,640**	**56.1**	**1,347,408**	**193,543**	**84.8**
- Commission revenue	—	—	203,158	30.8	711,362	102,181	44.8
- Value-added service revenue	—	—	166,482	25.3	636,046	91,362	40.0
Others	309,133	100.0	289,450	43.9	240,623	34,563	15.2
Total revenues	**309,133**	**100.0**	**659,090**	**100.0**	**1,588,031**	**228,106**	**100.0**

2C business

Our 2C business currently generates revenues from commission and value-added services. For each used car sold through our 2C business, we charge a commission fee equivalent to a certain percentage of final car sales price. The commission fee is for services provided through our platform in enabling consumers to buy the car of choice online from our nationwide selection of inspected and certified used cars, and fulfilling these online transactions, such as car delivery, title transfers and vehicle registration. We generate value-added service revenue from value-added service fee, which is charged for the additional services provided to consumers for their online used car purchase, for example, we help consumers select and apply for customized auto financing options, assist them purchasing suitable insurance policies, and provide well-rounded warranty programs.

Prior to the Loan Facilitation Divestiture, we also generated loan facilitation revenue from the consumer auto loans facilitated on our platform. As a result of the divestiture, we are relieved of the guarantee obligations in relation to the historically-facilitated loans associated with XW Bank. Immediately prior to the divestiture, the remaining outstanding balance of the historically-facilitated loans for XW Bank was RMB17.0 billion (US$2.4 billion). In accordance with the applicable accounting standards, net assets of RMB827.7 million (US$118.9 million) related to the historically-facilitated loans for XW Bank were reclassified as net assets transferred on our consolidated balance sheet as of December 31, 2019 as the divestiture of such assets and liabilities was a pre-condition of the transaction. Results of operations related to the divested business were reported as loss from discontinued operations in the consolidated statements of comprehensive loss.

Prior to the Loan Facilitation Divestiture, for each used car sold through our intra-regional 2C business with financing solutions and each used car sold through our cross-regional 2C business with or without financing solutions, we charged a transaction facilitation service fee to the consumer that equaled to the higher of a certain percentage of the price of the car and a minimum fee. Prior to the second half of 2018, we used to charge transaction facilitation service fees to car dealers for each used car sold through our intra-regional 2C business without financing solutions. Starting in the second half of 2018, to further facilitate our market expansion, we gradually discontinued charging car dealers transaction facilitation service fees in intra-regional transactions without financing solutions. The transaction facilitation service fee was for services provided through our platform in connecting consumers with used car sellers, facilitating car sales to consumers and providing after-sale warranty. We recognized transaction facilitation revenue when the service was rendered, except that the revenue relating to warranty services was deferred and recognized over the warranty period, which was typically one year. In 2019, we discontinued charging transaction facilitation service fees for intra-regional transactions without financing solutions. Thus, service fees have not been charged to the car dealers at all since then.

Others

Our other revenues mainly include commission from salvage cars sales and interest income from financial leases. Prior to the divestiture of our salvage car business in January 2020, we generated revenue from our salvage car business primarily by charging the buyers a commission.

Cost of Revenues

Cost of revenues primarily consists of salaries and benefits for personnel involved in car inspection, quality control, customer service and after-sales service, fulfillment costs related to logistics and delivery as well as title transfers and vehicle registration, cost of GPS tracking devices, and cost of warranty services. We expect that our cost of revenues will increase in absolute dollar amounts as we continue to expand our business.

Operating Expenses

Our operating expenses primarily consist of (i) sales and marketing expenses, (ii) research and development expenses, and (iii) general and administrative expenses.

Sales and marketing expenses

Sales and marketing expenses primarily consist of salaries and benefits for our sales and marketing personnel, customer acquisition expenses and branding expenses. Customer acquisition expenses primarily include online traffic acquisition costs. Branding expenses primarily include brand advertising costs. We expect that our sales and marketing expenses will increase in absolute dollar amounts in the foreseeable future as we plan to engage in effective sales and marketing activities to further attract new customers and grow our businesses.

Research and development expenses

Research and development expenses primarily consist of salaries and benefits for our research and development personnel and IT infrastructure services-related expenses. We expect our research and development expenses will increase in absolute dollar amounts in the foreseeable future as we continue to invest in technology to attract customers and enhance customer experience.

General and administrative expenses

General and administrative expenses primarily consist of salaries and benefits as well as share-based compensation for our management and administration employees involved in general corporate functions, office rental expenses, and professional service fees. We expect that our general and administrative expenses will increase as we incur additional expenses relating to improving our internal controls, complying with Section 404 of the Sarbanes-Oxley Act and maintaining investor relations as a public company.

Fair value change of derivative liabilities

The fair value change of derivative liabilities is primarily related to bifurcated conversion features of our preferred shares, and to a lesser extent, related to the bifurcated share swap feature and redemption feature of our redeemable non-controlling interests. Upon the completion of our initial public offering, all of our preferred shares were converted into Class A ordinary shares on a one-for-one basis, and as such the derivative liabilities related to the bifurcated conversion features of our preferred shares became shareholders' equity.

Discontinued operations

Discontinued operations relate to our historical loan facilitation related business which was divested to Golden Pacer, and 2B business which was divested to 58.com. Our salvage car related business divested to Boche was not presented as discontinued operations as it did not meet the criteria for discontinued operation under ASC205-20. See "Item 4. Information on the Company— A. History and Development of the Company— Divestitures of Our Loan Facilitation, Salvage Car and 2B Businesses."

Taxation

Cayman Islands

Under the current laws of the Cayman Islands, our company and its subsidiaries incorporated in the Cayman Islands are not subject to tax on income or capital gain. In addition, payments of dividends and capital in respect of our ordinary shares (and any consequential payments to the holders of our ADSs) will not be subject to taxation in the Cayman Islands and no withholding will be required on the payment of dividends or capital to any holder of our ordinary shares or ADSs, nor will gains derived from the disposal of our ordinary shares or ADSs be subject to Cayman Islands income or corporation tax. The Cayman Islands currently have no income, corporation or capital gains tax and no estate duty, inheritance tax or gift tax.

British Virgin Islands

Some of our subsidiaries are companies incorporated in the British Virgin Islands. Under the current law of the British Virgin Islands, we are not subject to income, corporation or capital gains tax in the British Virgin Islands. In addition, payment of dividends by the British Virgin Islands subsidiaries to their respective shareholders who are not resident in the British Virgin Islands, if any, is not subject to withholding tax in the British Virgin Islands.

Hong Kong

Our subsidiaries in Hong Kong are subject to the uniform tax rate of 16.5%. Under Hong Kong tax law, our subsidiaries in Hong Kong are exempted from income tax on their foreign-derived income and there is no withholding tax in Hong Kong on remittance of dividends. No provision for Hong Kong profits tax was made as we had no estimated assessable profit that was subject to Hong Kong profits tax in 2017, 2018 and 2019.

PRC

Generally, our PRC subsidiaries, our VIEs and their subsidiaries are subject to enterprise income tax on their taxable income in the PRC at a rate of 25%. The enterprise income tax is calculated based on the entity's global income as determined under PRC tax laws and accounting standards. Youxinpai (Beijing) Information Technology Co., Ltd. obtained High and New Technology Enterprises, or HNTE, status in December 2016, and is eligible to enjoy a preferential tax rate of 15% from 2016 to 2019. Youxin Internet (Beijing) Information Technology Co., Ltd. has been qualified as "Software Enterprises" eligible for preferential tax treatments, and thus was exempted from corporate income tax in PRC in 2016 and 2017 and will be allowed a 50% tax reduction at a statutory rate of 25% in 2018, 2019 and 2020.

Our PRC subsidiaries, our VIEs and their subsidiaries are subject to VAT at a rate of 6% on the services provided and related surcharges, and 17% before April 30, 2018 and 16% since May 1, 2018 for the new cars sold.

Under the EIT Law and its Implementation Rules, subject to any applicable tax treaty or similar arrangement between the PRC and the jurisdiction where the shareholders of our PRC subsidiaries reside that provides for a different income tax arrangement, PRC withholding tax at the rate of 10% is normally applicable to dividends from PRC sources payable to the shareholders that are non-PRC resident enterprises, which do not have an establishment or place of business in the PRC, or which have such establishment or place of business if the relevant income is not effectively connected with the establishment or place of business. Under the PRC Individual Income Tax Law and its implementation rules, dividends from sources within the PRC paid to foreign individual shareholders who are not PRC residents are generally subject to a PRC withholding tax at a rate of 20%, subject to any reduction or exemption set forth in applicable tax treaties and PRC laws. Although substantially all of our business operations are based in the PRC, it is unclear whether dividends we pay with respect to our Class A ordinary shares or ADSs would be treated as income derived from sources within the PRC and as a result be subject to PRC income tax if we were considered a PRC resident enterprise, as described below. See "Item 3. Key Information— D. Risk Factors —Risks Related to Doing Business in China—Under the EIT Law, we may be classified as a "resident enterprise" of China; such classification could result in unfavorable tax consequences to us and our non-PRC shareholders and materially and adversely affect our results of operations and financial condition."

Results of Operations

The following table summarizes our consolidated results of operations, both in absolute amounts and as percentages of our total revenues, for the periods presented.

	For the Year Ended December 31						
	2017		2018		2019		
	RMB	%	RMB	%	RMB	US$	%
	(in thousands)						
Revenues:							
To consumers ("2C")							
- Commission revenue	—	—	203,158	30.8	711,362	102,181	44.8
- Value-added service revenue	—	—	166,482	25.3	636,046	91,362	40.0
Others	309,133	100.0	289,450	43.9	240,623	34,563	15.2
Total revenues	**309,133**	**100.0**	**659,090**	**100.0**	**1,588,031**	**228,106**	**100.0**
Cost of revenues[(1)]	(92,735)	(30.0)	(418,852)	(63.6)	(689,292)	(99,011)	(43.4)
Gross Profit	**216,398**	**70.0**	**240,238**	**36.4**	**898,739**	**129,096**	**56.6**
Operating expenses:							
Sales and marketing[(1)]	(179,328)	(58.0)	(1,488,699)	(225.9)	(1,184,997)	(170,214)	(74.6)
Research and development[(1)]	—	—	(124,513)	(18.9)	(140,006)	(20,111)	(8.8)
General and administrative[(1)]	(389,072)	(125.9)	(1,070,419)	(162.4)	(402,040)	(57,749)	(25.3)
Gains/(losses) from guarantee liabilities[(2)]	1,840	0.6	(4,414)	(0.7)	(194,385)	(27,922)	(12.2)
Provision for credit losses	(38,075)	(12.3)	(40,626)	(6.2)	(271,372)	(38,980)	(17.1)
Total operating expenses	**(604,635)**	**(195.6)**	**(2,728,671)**	**(414.0)**	**(2,192,800)**	**(314,976)**	**(138.1)**
Other operating income	—	—	—	—	1,925	277	0.1
Loss from continuing operations	**(388,237)**	**(125.6)**	**(2,488,433)**	**(377.6)**	**(1,292,136)**	**(185,604)**	**(81.4)**
Interest income	2,234	0.7	24,554	3.7	14,958	2,149	0.9
Interest expense	(199)	(0.1)	(63,880)	(9.7)	(112,587)	(16,172)	(7.1)
Other income	4,248	1.4	23,721	3.6	71,142	10,219	4.5
Other expenses	(3,808)	(1.2)	(25,568)	(3.9)	(36,569)	(5,253)	(2.3)
Foreign exchange (losses)/gains	(627)	(0.2)	(8,232)	(1.2)	4,247	610	0.3
Fair value change of derivative liabilities	(885,821)	(286.6)	1,185,090	179.8	—	—	—
Gain from disposal of investment, net	—	—	—	—	28,257	4,059	1.8
Impairment of long-term investment	—	—	—	—	(37,775)	(5,426)	(2.4)
Loss from continuing operations before income tax expense	**(1,272,210)**	**(411.5)**	**(1,352,748)**	**(205.2)**	**(1,360,463)**	**(195,418)**	**(85.7)**
Income (tax expense)/credit	(211)	(0.1)	(1,644)	(0.2)	2,554	367	0.2
Equity in income of affiliates	3,597	1.2	2,631	0.4	30,231	4,342	1.9
Net loss from continuing operations, net of tax	**(1,268,824)**	**(410.4)**	**(1,351,761)**	**(205.1)**	**(1,327,678)**	**(190,709)**	**(83.6)**

(1) Share-based compensation in the amount of RMB165.9 million, RMB1,052.0 million and RMB100.3 million (US$14.4 million) in 2017, 2018 and 2019, respectively, was charged to cost of revenues, sales and marketing expenses, research and development expenses, and general and administrative expenses.

(2) The following table sets forth the notional balance of our guarantee obligation by loan-to-value categories as of December 31, 2019:

	Loan-to-value ratio			
	90%	80%	70%	50%
Outstanding loan balance as of December 31, 2019 (RMB in thousands)	3,138,931	202,362	11,387,397	799,431

Year Ended December 31, 2019 Compared to Year Ended December 31, 2018

Revenues

Our revenues increased by 140.9% from RMB659.1 million in 2018 to RMB1,588.0 million (US$228.1 million) in 2019.

2C business. Revenues of our 2C business increased significantly by 264.5% from RMB369.6 million in 2018 to RMB1,347.4 million (US$193.5 million) in 2019 , which was primarily attributable to increases in 2C transaction volume, GMV and the take rate of our 2C business. The take rate of our 2C business, as measured by the revenue of our 2C business divided by the GMV of our 2C business, was 8.4% and 12.0% in 2018 and 2019, respectively.

- *Commission revenue*. The commission revenue increased significantly by 250.2% from RMB203.2 million in 2018 to RMB711.4 million (US$102.2 million) in 2019, primarily due to increases in transaction volume, GMV and commission rate. The number of 2C online used cars transactions increased by 153.8% from 38,264 units in 2018 to 97,100 units in 2019, and the corresponding GMV increased by 155.3% from RMB4.4 billion to RMB11.3 billion (US$1.6 billion) during the same period. Our unique value proposition to consumers along with an improved user experience and higher pricing power contributed to the increase in our commission rate from 4.6% in 2018 to 6.3% in 2019.

- *Value-added service revenue*. Our value-added service revenue increased significantly by 282.1% from RMB166.5 million in 2018 to RMB636.0 million (US$91.4 million) in 2019, primarily driven by increases in transaction volume, GMV and VAS take rate. Our VAS take rate increased to 5.6% in 2019 from 3.8% in 2018, primarily driven by higher pricing power as a result of our increasingly optimized and diversified services.

Others. Our other revenues was RMB240.6 million (US$34.6 million) in 2019, compared to RMB289.5 million in 2018.

Cost of revenues

Our cost of revenues increased by 64.6% from RMB418.9 million in 2018 to RMB689.3 million (US$99.0 million) in 2019, primarily as a result of an increase from RMB71.0 million in 2018 to RMB207.8 million (US$29.8 million) in 2019 in salaries and benefits of employees engaged in car inspection, quality control, customer service and after-sales service, as well as an increase in fulfilment cost driven by an increase in the transaction volume.

Gross profit

As a result of the foregoing, our total gross profit increased by 274.1% from RMB240.2 million in 2018 to RM898.7 million (US$129.1 million) in 2019. Our gross profit margin increased from 36.4% in 2018 to 56.6% in 2019.

Sales and marketing expenses

Our sales and marketing expenses decreased by 20.4% from RMB1,488.7 million in 2018 to RMB1,185.0 million (US$170.2 million) in 2019 as a result of our continuous efforts in enhancing operating efficiency.

Research and development expenses

Our research and development expenses increased by 12.4% from RMB124.5 million in 2018 to RMB140.0 million (US$20.1 million) in 2019, primarily attributable to an increase from RMB78.6 million in 2018 to RMB105.8 million (US$15.2 million) in 2019 in salaries and benefits for employees engaged in research and development as a result of our continued efforts to strengthen our AI and other technological capabilities.

General and administrative expenses

Our general and administrative expenses decreased by 62.4% from RMB1,070.4 million in 2018 to RMB402.0 million (US$57.7 million) in 2019, primarily attributable to a decrease in share-based compensation expenses.

Losses from guarantee liabilities

Our losses from guarantee liabilities increased from RMB4.4 million in 2018 to RMB194.4 million (US$27.9 million) in 2019, which resulted from the guarantee obligations associated with the remaining portion of our historically-facilitated loans that were not transferred to Golden Pacer, as well as the adversely-affected performance of the aforementioned loans which was impacted by a series of lending and debt collection-related regulations promulgated in the fourth quarter of 2019.

Provision for credit losses

Our provision for credit losses increased from RMB40.6 million in 2018 to RMB271.4 million (US$39.0 million) in 2019 as a result of the adversely-affected performance of our financial assets and impact from a series of lending and debt collection-related regulations promulgated in the fourth quarter of 2019, mainly including loans recognized as result of payment under the guarantee and financial lease receivables.

Interest income

We had interest income of RMB24.6 million in 2018 and RMB15.0 million (US$2.1 million) in 2019.

Interest expenses

We had interest expense of RMB63.9 million in 2018 and RMB112.6 million (US$16.2 million) in 2019. The increase in interest expense was mainly attributable to an increase in our borrowings and convertible notes. Since we recognize the deposits of interest at present value, the gap between actual amount of disbursement and book value of deposits of interests is recognized as interest expense.

Other income

Other income increased from RMB23.7 million in 2018 to RMB71.1 million (US$10.2 million) in 2019.

Other expenses

Other expenses increased from RMB25.6 million in 2018 to RMB36.6 million (US$5.3 million) in 2019.

Foreign exchange gains/(losses)

We had foreign exchange gains of RMB4.2 million (US$0.6 million) in 2019, compared to foreign exchange losses of RMB8.2 million in 2018.

Fair value change of derivative liabilities

Our fair value change of derivative liabilities was nil in 2019, compared to a gain of RMB1,185.1 million in 2018. The impact of derivative liabilities is no longer exist as the preferred shares were converted into ordinary shares at the time of IPO.

Gain from disposal of investment, net

Our gain from disposal of investment was RMB28.3 million (US$4.1 million) in 2019, compared to nil in 2018. Gain from disposal of investment in 2019 was primarily attributable to our disposal of our equity investments in a technology company focusing on pilotless automobile systems.

Impairment of long-term investment

Impairment of long-term investment was RMB37.8 million (US$5.4 million) in 2019, compared to nil in 2018. The increase in impairment of long-term investment was primarily attributable to our equity investment in a technology company which incurred continuous losses starting from 2019 and began to liquidate its business in June 2019.

Income tax credit/expense

We had income tax credit of RMB2.6 million (US$0.4 million) in 2019, compared to a tax expense of RMB1.6 million in 2018.

Equity in income of affiliates

Equity in income of affiliates increased from RMB2.6 million in 2018 to RMB30.2 million (US$4.3 million), primarily attributable to an equity pick-up income from one of our invested companies.

Net loss from continuing operations, net of tax

As a result of the foregoing, our net loss from continuing operations decreased from RMB1,351.8 million in 2018 to RMB1,327.7 million (US$190.7 million) in 2019.

Year Ended December 31, 2018 Compared to Year Ended December 31, 2017

To facilitate the comparison of our operating results in 2017 and 2018, the financial results of our Divested Businesses in 2017 and 2018 are presented on the same basis as in 2019.

Revenues

Our revenues increased by 113.2% from RMB309.1 million in 2017 to RMB659.1 million in 2018.

2C business. Revenues of our 2C business increased from nil in 2017 to RMB369.6 million in 2018. We launched our 2C online used car transaction business in early 2018, which was previously referred to as “2C cross-regional business” and is currently the sole component of our 2C business.

- *Commission revenue*. The commission revenue increased from nil in 2017 to RMB203.2 million in 2018.

- *Value-added service revenue*. Our value-added service revenue increased from nil in 2017 to RMB166.5 million in 2018.

Others. Our other revenues decreased by 6.4% from RMB309.1 million in 2017 to RMB289.5 million in 2018.

Cost of revenues

Our cost of revenues increased by 351.7% from RMB92.7 million in 2017 to RMB418.9 million in 2018, primarily as a result of an increase in salaries and benefits of employees engaged in car inspection, quality control, customer service and after-sales service, an increase in fulfilment cost driven by an increase in the transaction volume.

Gross profit

As a result of the foregoing, our total gross profit increased by 11.0% from RMB216.4 million in 2017 to RMB240.2 million in 2018.

Sales and marketing expenses

Our sales and marketing expenses increased by 730.2% from RMB179.3 million in 2017 to RMB1,488.7 million in 2018.

Research and development expenses

Our research and development expenses increased from nil in 2017 to RMB124.5 million in 2018.

General and administrative expenses

Our general and administrative expenses increased by 175.1% from RMB389.1 million in 2017 to RMB1,070.4 million in 2018.

Losses/gains from guarantee liabilities

We recorded losses from guarantee liabilities of RMB4.4 million in 2018, compared to gains from guarantee liabilities of RMB1.8 million in 2017. The change was primarily due to the increased delinquency rate.

Interest income

We had interest income of RMB2.2 million in 2017 and RMB24.6 million in 2018.

Interest expense

We had interest expense of RMB0.2 million in 2017 and RMB63.9 million in 2018, attributable to an increase in our borrowings and convertible notes. Since we recognize the deposits of interest at present value, the gap between actual amount of disbursement and book value of deposits of interests is recognized as interest expense.

Other income

Other income increased from RMB4.2 million in 2017 to RMB23.7 million in 2018.

Other expenses

Other expenses increased from RMB3.8 million in 2017 to RMB25.6 million in 2018.

Foreign exchange losses

We had foreign exchange losses of RMB0.6 million and RMB8.2 million in 2017 and 2018, respectively. The change was primarily attributable to the appreciation of U.S. dollars against RMB in 2018.

Fair value change of derivative liabilities

Our fair value change of derivative liabilities was a gain of RMB1,185.1 million in 2018, compared to a loss of RMB885.8 million in 2017. The increase in value between 2017 and 2018 was primarily due to a decrease in the value of our company.

Income tax expense

We had income tax expense of RMB0.2 million and RMB1.6 million in 2017 and 2018, respectively, primarily resulting from the net taxable income position of certain operating entities in the PRC.

Equity in income of affiliates

Equity in income of affiliates decreased from RMB3.6 million in 2017 to RMB2.6 million in 2018. The balance in 2017 was primarily attributable to the investment income recognized from revaluation of the previously held equity interest in Chefang and Baogu upon our acquisitions of the two entities in 2017.

Net loss from continuing operations, net of tax

As a result of the foregoing, we had net losses from continuing operations of RMB1,268.8 million and RMB1,351.8 million in 2017 and 2018, respectively.

Critical Accounting Policies

Critical Accounting Policies, Judgments and Estimates

We prepare our financial statements in accordance with U.S. GAAP, which requires our management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities at the balance sheet dates and the reported amounts of revenues and expenses during the reporting periods. We continually evaluate these judgments and estimates based on our own historical experience, knowledge and assessment of current business and other conditions, our expectations regarding the future based on available information and assumptions that we believe to be reasonable, which together form our basis for making judgments about matters that are not readily apparent from other sources. Since the use of estimates is an integral component of the financial reporting process, our actual results could differ from those estimates. Some of our accounting policies require a higher degree of judgment than others in their application.

The selection of critical accounting policies, the judgments and other uncertainties affecting application of those policies and the sensitivity of reported results to changes in conditions and assumptions are factors that should be considered when reviewing our financial statements. We believe the following accounting policies involve the most significant judgments and estimates used in the preparation of our financial statements. You should read the following description of critical accounting policies, judgments and estimates in conjunction with our consolidated financial statements and other disclosures included in this annual report.

Consolidation of variable interest entity (VIE)

We account for entities qualifying as VIEs in accordance with Financial Accounting Standards Boards, or FASB, Accounting Standards Codification Topic 810, Consolidation, or ASC 810. In order to comply with PRC regulatory requirements restricting foreign ownership of internet information services, value-added telecommunications, and certain other businesses in China, we have been conducting our online auction platforms through VIEs. In 2015, the restrictions on foreign-owned shareholding percentage in online data processing and transaction processing (operating E-commerce) business in China was partially removed. Therefore, certain of our eligible WFOEs have applied for and obtained approval from Shanghai Communications Administration to conduct value-added telecommunications services in the scope of online data processing and transaction processing (operating E-commerce). As a result, certain of our WFOEs have been operating our main online platforms instead of our VIEs since then. Our VIEs mainly conduct other online platforms to provide internet information services and they are holding some of our intellectual properties as well. Revenues from VIEs accounted for approximately 12.5%, 10.2% and 4.6% of our total revenues in the years ended December 31, 2017, 2018 and 2019.

We have entered into a series of contractual arrangements, including exclusive option agreement, equity pledge agreements and exclusive business cooperation agreements, with our VIEs and their respective shareholders. As a result of our direct ownership in our WFOEs and the contractual arrangements relating to our VIEs, we are regarded as the primary beneficiary of our VIEs In accordance with ASC 810, and we treat them and their subsidiaries as our consolidated affiliated entities under U.S. GAAP. We have consolidated the financial results of our VIEs and their respective subsidiaries in our consolidated financial statements in accordance with U.S. GAAP.

Any changes in PRC laws and regulations that affect our ability to control our VIEs might preclude us from consolidating the entities in the future. We will continually evaluate whether we are the primary beneficiary of our VIEs as facts and circumstances change.

Revenue recognition

We primarily engage in used car business as a leading national online used car dealer through our mobile app — Uxin Used Car and website — www.xin.com, providing consumers with a nationwide selection of used and various car-related value-added products and services. Prior to the divestiture of our 2B business, we also operated the mobile app — Uxin Auction and website — www.youxinpai.com to facilitate transactions between business customers via online auction service. Revenue principally represents 2C commission revenue and value-added service revenue as well as other revenue. 2B transaction facilitation revenue is currently recognized as discontinued.

We adopted ASC Topic 606, “Revenue from Contracts with Customers” for all periods presented. Consistent with the criteria of Topic 606, we recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to receive in exchange for those goods or services.

To achieve that core principle, an entity should apply five steps defined under Topic 606. We assess our revenue arrangements against specific criteria in order to determine if we are acting as principal or agent. Revenue arrangements with multiple performance obligations are divided into separate units of accounting. We considered appropriate method to allocate the transaction price to each performance obligation based on the relative standalone selling prices of the services being provided. In estimating the standalone selling price for the services that are not directly observable, we considered the suitable methods included in ASC 606-10-21-34, and determined the adjusted market assessment approach is the most appropriate method. When estimating the relative standalone selling prices, we consider selling prices of similar services. Revenue is recognized upon transfer of control of promised goods or services to a customer.

From time to time, we provide incentives to consumers. These incentives are given in the form of discount coupon to consumers, and are applied to the same transaction. As these incentives were provided without any distinct good or service in return, these incentives have been recorded as reduction of revenue, pursuant to the guidance under ASC 606.

Revenue is recorded net off cash incentives and value-added-tax collected from customers.

Online used car transaction services (2C Business)

Our online platform and offline infrastructure enable consumers to buy used cars online via our online used car transaction services. Our online used car transaction services help individual consumers complete their purchases of cars without having to physically inspect the cars on-site, in particular when the consumers are located in different cities from where the cars are. Our offline infrastructure provides consumers with vehicle inspection, payment and settlement, fulfilment services (including logistics and delivery, title transfers and vehicle registration), and warranty services. We have identified two types of services — commission-related services and value-added services. We recognize commission revenue and value-added service revenue upon the closing of car sales, except that the revenue relating to warranty services is deferred and recognized over the warranty period as we stand ready to perform the service during that period, which is typically 6 months or one year.

Others

Other revenue mainly comprises of revenues from commission from salvage car sales and interest income from financial leases, etc.

We continue to provide loans through our Easy Loan program to selected dealers in the form of financial lease agreements to help finance their inventory. In the third quarter of 2018, we started to provide funds in the form of financial lease agreements to selected borrowers in addition to facilitating loans for the purchase of cars. In these arrangements, we are considered the loan originator and hold such loans on our balance sheet. We generate interest income from these arrangements. Interest income is recognized over the financial lease period, taking into account of the principal outstanding and the effective interest rate over the period to maturity.

Remaining performance obligations

Revenue allocated to remaining performance obligations represent deferred revenue that has not yet been recognized. As of December 31, 2019, the aggregate amount of the transaction price allocated to remaining performance obligations was RMB31.3 million (US$4.5 million). We expect to recognize approximately 100% of this revenue over the next 12 months.

Financial lease receivables

Financial lease receivables include dealer inventory financing receivables and receivables generated from finance lease arrangements.

We provide short-term inventory financing to certain selected car dealers. Those car dealers can apply and obtain loans through the Easy Loan program. We provide funding to the dealer and may in turn obtain financing from one of our financing partners to fund the Easy Loan program. In order to fund the Easy Loan program, we and a third-party financing partner enter into a financing business cooperation agreement, which establishes that loans provided to dealers are made in direct connection to the financial lease contracts entered into between us and the dealers for the underlying cars. Accordingly, we are considered as the primary obligor in the lending relationship and therefore record the liabilities to the third-party financing partner on our consolidated balance sheets. Consequently, we consider that the financial lease receivables generated from financial lease contracts with car dealers are not settled or extinguished. Therefore, we continue to account for the financial lease receivables on our consolidated balance sheets.

We started to cooperate with third-party financing partners in September 2015. Before September 2015, we entered into finance lease arrangements with consumers who needed financing in the car purchases. In the third quarter of 2018, we started to provide funds in the form of financial lease agreements to selected borrowers in addition to facilitating loans for the purchase of cars.

Financial lease receivables are measured at amortized cost and reported on our consolidated balance sheets at outstanding principal adjusted for the allowance for credit losses. Allowance for financial lease receivables is provided when we have determined the balance is impaired.

Goodwill

In accordance with ASC 805 Business Combination, goodwill represents the excess of the purchase consideration over the fair value of assets and liabilities of businesses acquired.

Goodwill is not amortized but is tested for impairment at the reporting unit level at least annually, or more frequently if events or changes in circumstances indicate that it might be impaired based on the requirements of ASC 350-20. In accordance with the FASB guidance on “Testing of Goodwill for Impairment,” we have elected to perform a qualitative assessment to determine whether the two-step impairment testing of goodwill is necessary. In this assessment, we consider primary factors such as industry and market considerations, overall financial performance of the reporting unit, and other specific information related to the operations. Based on the qualitative assessment, if it is more likely than not that the fair value of each reporting unit is less than the carrying amount, the quantitative impairment test is performed. Otherwise, no further testing is required. Recoverability of goodwill is evaluated using a two-step process. In the first step, the fair value of a reporting unit is compared to its carrying value. If the fair value of a reporting unit exceeds the carrying value of the net assets assigned to a reporting unit, goodwill is considered not impaired and no further testing is required. If the carrying value of the net assets assigned to a reporting unit exceeds the fair value of a reporting unit, the second step of the impairment test is performed in order to determine the implied fair value of a reporting unit’s goodwill. Determining the implied fair value of goodwill requires valuation of a reporting unit’s tangible and intangible assets and liabilities in a manner similar to the allocation of purchase price in a business combination. If the carrying value of a reporting unit’s goodwill exceeds its implied fair value, goodwill is deemed impaired and is written down to the extent of the difference. We estimate the total fair value of the reporting unit using discounted cash flow analysis, and make assumptions regarding future revenue, gross margins, working capital levels, tax and cash flows of the reporting unit. As of December 31, 2019, there was no event or any circumstance that we identified, which indicates that the fair value of our reporting unit was substantially lower than the respective carrying value.

In 2017, we acquired Chefang and Baogu and have consolidated their financial results in our consolidated financial statements since the respective dates of acquisitions. As of December 31, 2019, we recorded goodwill in the amount of RMB4.1 million (US$0.6 million) and RMB4.2 million (US$0.6 million) for Chefang and Baogu, respectively. As there were no identifiable intangible assets from the acquisitions of Chefang and Baogu, the goodwill is not amortized but is tested for impairment in accordance with ASC350. In 2018, RMB3.7 million of goodwill impairment loss was recorded for Chefang.

In 2018, we acquired Zhejiang Dongwang Internet Technology Co., Ltd., or Dongwang, and have consolidated its financial results in our consolidated financial statements since the date of acquisition. As of December 31, 2019, we recorded goodwill in the amount of RMB38.2 million (US$5.5 million) and reclassified as held-for-sale assets due to the divestiture of our salvage car business. There were identifiable intangible assets from the acquisition of Dongwang. Those intangible assets were recognized and measured at fair value upon acquisition and amortized over five years. Goodwill is not amortized but is tested for impairment in accordance with ASC350.

Share-based compensation

We follow ASC 718 to determine whether a share option or a restricted share unit should be classified and accounted for as a liability award or equity award. All grants of share-based awards to employees and directors classified as equity awards are recognized in the financial statements based on their grant-date fair values which are calculated using an option pricing model. We classify the share-based awards granted to employees as equity awards, and have elected to recognize compensation expense relating to the share-based awards with service condition on a graded vesting basis over the requisite service period, which is generally the vesting period.

Under ASC 718, we apply the Binomial option pricing model in determining the fair value of options granted. ASC 718 requires forfeiture rates to be estimated at the time of grant and revised, if necessary, in subsequent periods if actual forfeitures differ from initial estimates. Share-based compensation expense is recorded net of estimated forfeitures such that expense is recorded only for those share-based awards that are expected to vest.

In February 2018, we adopted the Amended and Restated Plan, which was later amended and renamed as the 2018 Second Amended and Restated Share Incentive Plan (the “Amended and Restated Plan”). Under the Amended and Restated Plan, the maximum aggregate number of Class A ordinary shares that may be issued pursuant to all awards granted under the Amended and Restated Plan is 102,040,053.

On September 22, 2019, our board of directors approved a reduction in the exercise price for outstanding options previously granted by our company with an exercise price higher than $1.03 per ordinary share, up to US$3.00 per ordinary share, to $1.03 per share, provided that any participating option holder agrees to amendment in the number of shares subject to his or her option as determined by the plan administrator. We accounted for this reduction as a share option modification which required the remeasurement of these share options at the time of the modification. The total incremental cost as a result of the modification was US$4.1 million. The incremental cost related to vested options amounted to US$2.1 million and was recorded in the consolidated statements of comprehensive loss during the year ended December 31, 2019. The incremental cost related to unvested options amounted to US$2.0 million and will be recorded over the remaining service period.

Options

We granted 12,819,330, 25,224,000 and 4,247,500 options to our employees, with a weighted average exercise price of US$2.13, US$2.90 and US$1.36, for the years ended December 31, 2017, 2018 and 2019. No options granted to employees were exercisable as of December 31 2017, whereas 18,659,232 and 19,698,819 options were exercisable as of December 31, 2018 and 2019, respectively. 9,800,000, 7,300,000 and 10,570,575 options granted to key management became exercisable as of December 31, 2017, 2018 and 2019, respectively.

Under the Amended and Restated Plan, employees are generally subject to a four-year service schedule, under which an employee earns an entitlement to vest in 25% of his or her option grants at the end of each year of completed service.

As of December 31, 2019, the fair value of vested and nonvested options granted to employees and management amounted to RMB104.0 million (US$14.9 million) and RMB34.2 million (US$4.9 million), respectively, and a share-based compensation expense of RMB100.3 million (US$14.4 million) was recognized for the vested options.

Other share-based awards

For the year ended December 31, 2016, we recorded share-based compensation expense of RMB226.4 million for issuance and grant of 19,985,520 ordinary shares to our management in April 2016.

In September 2017, one of our preferred shareholders transferred 6,686,020 series A preferred shares and 10,590,390 series B preferred shares with a consideration of US$41.2 million to Gao Li Group, which is controlled by Mr. Kun Dai, the chairman of our board of directors and chief executive officer. The difference between the transfer price and the fair value of preferred shares transferred was RMB137.7 million and was recognized as compensation expense to Mr. Kun Dai in September 2017.

In June 2018, we recorded share-based compensation expense of RMB620.4 million for the issuance of 17,742,890 restricted shares to Mr. Kun Dai, which were vested immediately upon consummation of a successful initial public offering.

On May 25, 2018, one of our executive officers exercised his vested options to acquire 3,333,330 ordinary shares. In addition, we also offered vesting acceleration to that executive officer's 1,666,670 unvested options on May 25, 2018 and the executive officer also exercised such options to acquire 1,666,670 ordinary shares. Therefore, in May 2018, we recorded all remaining unrecognized compensation costs which were accelerated in the amount of RMB31.8 million.

On June 27, 2018, RMB5.2 million share-based compensation was recorded as the redesignation of our ordinary shares and super voting power was granted to the beneficial owner of our Class B ordinary shares, Mr. Kun Dai.

Recent Accounting Pronouncements

See Item 17 of Part III, "Financial Statements—Note 2—Summary of significant accounting policies—Recent accounting pronouncements."

B. Liquidity and Capital Resources

Cash flows and working capital

In addition to experiencing net losses during the periods presented, we had net cash used in operating activities of RMB1,834.2 million, RMB2,281.3 million and RMB1,194.1 million (US$171.5 million) in 2017, 2018 and 2019, respectively. Discussions of our cash flows and working capital in this Item 5.B. relate to both discontinued and continuing operations. Our principal sources of liquidity have been proceeds from issuances of equity and equity-linked securities.

- In January 2018, we raised an aggregate of US$250.0 million by issuing additional preferred shares to certain investors in a private placement.

- In June 2018, we completed our initial public offering in which we issued and sold an aggregate of 25,000,000 ADSs, representing 75,000,000 Class A ordinary shares, resulting in net proceeds to us of US$204.8 million. Concurrently with our initial public offering, we sold convertible notes to CNCB (Hong Kong) Investment Limited ("the CNCB Note") and Golden Fortune Company Limited ("the GF Note"), resulting in net proceeds to us of US$100 million and US$75 million, respectively. The CNCB Note and the GF Note each beared an interest rate of 6% and 6.5% per annum. The convertible notes became due and were paid in June 2019.

- In June 2019, we sold convertible notes in an aggregate principal amount of US$230 million to Redrock Holding Investments Limited, TPG Growth III SF Pte. Ltd., 58.com Holdings Inc., Zhuhai Guangkong Zhongying Industrial Investment Fund (Limited Partnership), Magic Carpet International Limited and ClearVue UXin Holdings, Ltd. (the "Notes"). The Notes will become due and payable on June 11 and June 12, 2024 unless converted earlier. The purchasers of the convertible notes have the right to convert the convertible notes into Class A ordinary shares of our company during the period from and including the 181st day after the issuance date to and including the maturity date. The conversion price per Class A ordinary share of the Notes equals US$1.03 and may be adjusted. The Notes each bears an interest rate of 3.75% per annum, payable until the outstanding principal amount is fully paid; provided that if any portion of the convertible notes are duly converted into Class A ordinary shares pursuant to the terms of the convertible notes, no interest accrued on the principal amount being converted shall be payable.

- Between July and November 2019, we sold convertible notes in an aggregate principle amount of US$50 million to affiliates of Pacific Bridge Asset Management (the "PB Notes"). Among the PB Notes, notes of US$20.05 million in principal amount bears an interest rate of 10% per annum (the "10% Notes"), and notes of US$29.95 million in principal amount bears an interest rate of 11% per annum (the "11% Notes"). The 10% Notes will become due and payable 12 months after the issuance date, and the 11% Notes will become due and payable 15 months after the issuance date, unless converted earlier. The purchasers of the convertible notes have the right to convert the convertible notes into Class A ordinary shares of our company during the period from and including the 181st day after the issuance date to and including the maturity date, which right may be exercised twice only. The conversion prices per Class A ordinary share of the PB Notes are US$1.663, US$1.683 and US$1.7, as applicable, and may be adjusted. The interests are payable until the outstanding principal amount is fully paid; provided that if any portion of the convertible notes are duly converted into Class A ordinary shares pursuant to the terms of the convertible notes, no interest accrued on the principal amount being converted shall be payable.

- As of December 31, 2019, we had an outstanding balance of short-term borrowings of RMB263.4 million (US$37.8 million) due within 12 months, with a fixed annual interest rate of between 5.9% and 9.8%.

As of December 31, 2019, we had RMB478.2 million (US$68.7 million) in cash and cash equivalents. Our cash and cash equivalents primarily consist of cash on hand and deposits placed with financial institutions that can be added to or withdrawn without limitation. As of December 31, 2019, we had RMB707.0 million (US$101.6 million) in restricted cash, which consisted primarily of security deposits for the guarantees we provided to our remaining third-party financing partners for the repayment of consumer auto loan historically facilitated through our 2C business before the fourth quarter of 2019.

We expect that the COVID-19 pandemic will have material and adverse impacts on our cash flow for the first quarter of 2020 with potential continuing impacts on subsequent periods. However, based on our liquidity assessment, we expect that our cash and cash equivalents, and cash considerations received from our recent Divested Businesses would be sufficient to fund our operating expenses, capital requirements and other contractual obligations for at least the next 12 months from the date these financial statements are issued. We are entitled to receive a total cash consideration of RMB330 million and US$105 million from the divestiture of our salvage car and 2B businesses, respectively, of which RMB165 million was received in January 2020 and US$75 million was received in April 2020, and the remaining considerations will be received before the end of the first half of 2020. In addition, as we no longer provide any loan facilitation related guarantee services as a result of the divestiture of our loan facilitation related business, we are no longer obligated to incur any additional guarantee liabilities that would require any cash outflows going forward. We will also not incur cash outflows in connection with guarantee liabilities related to the loans we historically facilitated for XW Bank as we have transferred XW Bank-related loans to Golden Pacer as a result of the divestiture of our loan facilitation related business. In addition, we will be entitled to receive 85% of net cash inflow generated by the divested and transferred assets and liabilities from Golden Pacer in relation to the historically-facilitated loans for XW Bank. For the historically-facilitated loans that were not transferred to Golden Pacer, we believe that the future cash outflows in connection with the guarantee liabilities related to historical loans facilitated for WeBank under existing arrangements should be limited. We will also generate future cash inflows from the historically defaulted loans that we have bought back when we are able to collect the repayments. We may, however, need additional capital in the future to fund our continuing operations. See "Item 3.D. Key Information—Risk Factors—Risks Relating to Our Business and Industry— The COVID-19 pandemic could have a material adverse impact on our business, operating results and financial condition." The issuance and sale of additional equity would result in further dilution to our shareholders. The incurrence of indebtedness would result in increased fixed obligations and could result in operating covenants that would restrict our operations. We cannot assure you that financing will be available in amounts or on terms acceptable to us, if at all.

As of December 31, 2019, 18.0% of our cash and cash equivalents were denominated in Renminbi and held in China, and the remaining cash and cash equivalents, denominated in U.S. dollars or Hong Kong dollars, were held outside China. As of the same date, 5.2% of our cash and cash equivalents were held by our VIEs and their subsidiaries.

Although we consolidate the results of our VIEs and their subsidiaries, we only have access to the assets or earnings of our VIEs and their subsidiaries through our contractual arrangements with our VIEs and their shareholders. See "Item 4. Information on the Company—C. Organizational Structure—Contractual Agreements with the VIEs and Their Respective Shareholders." For restrictions and limitations on liquidity and capital resources as a result of our corporate structure, see "Item 5. Operating and Financial Review and Prospects—B. Liquidity and Capital Resources—Holding Company Structure."

In utilizing the proceeds we expect to receive from our initial public offering, we may make additional capital contributions to our PRC subsidiaries, establish new PRC subsidiaries and make capital contributions to these new PRC subsidiaries, make loans to our PRC subsidiaries or VIEs, or acquire offshore entities with business operations in China in offshore transactions. However, most of these uses are subject to PRC regulations and approvals. For example:

- capital contributions to our PRC subsidiaries must be approved by the Ministry of Commerce or its local counterparts; and

- loans by us to our PRC subsidiaries and VIEs to finance their activities cannot exceed statutory limits and must be registered with SAFE or its local branches.

See "Item 4. Information on the Company—B. Business Overview—Regulation—Regulations Relating to Foreign Exchange" and "Item 4. Information on the Company—D. Risk Factors—Risks Related to Doing Business in China—PRC regulations on loans and direct investments by offshore holding companies to PRC entities may delay or prevent us from making loans or additional capital contributions to our PRC entities."

A majority of our revenues have been, and we expect they are likely to continue to be, in the form of Renminbi. Under existing PRC foreign exchange regulations, Renminbi may be converted into foreign exchange for current account items, including profit distributions, interest payments and trade-and service related foreign exchange transactions. Our PRC subsidiaries may convert Renminbi amounts that they generate in their own business activities, including technical consulting and related service fees pursuant to their contracts with the VIEs, as well as dividends they receive from their own subsidiaries, into foreign exchange and pay them to their non-PRC parent companies in the form of dividends. However, current PRC regulations permit our PRC subsidiaries to pay dividends to us only out of their accumulated profits, if any, determined in accordance with China accounting standards and regulations. Each of our PRC subsidiaries is required to set aside at least 10% of its after-tax profits after making up previous years' accumulated losses each year, if any, to fund certain reserve funds until the total amount set aside reaches 50% of its registered capital. These reserves are not distributable as cash dividends. Due to restrictions on the distribution of share capital from our PRC subsidiaries and also as a result of these entities' unreserved accumulated losses, total restrictions placed on the distribution of our PRC subsidiaries' net assets was RMB825.2 million (US$118.5 million), representing 177.4% of our total consolidated net assets as of December 31, 2019. Furthermore, capital account transactions, which include loans, must be approved by and/or registered with SAFE and its local branches. We can provide funding to our PRC subsidiaries and our VIEs and the subsidiaries of the VIEs through loans as long as the loan amount does not exceed the statutory limit, which is twice the amount of the relevant entities' respective net assets calculated in accordance with China accounting standards.

The following table sets forth a summary of our cash flows for the periods indicated.

	For the Year Ended December 31,			
	2017	2018	2019	
	RMB	RMB	RMB	US$
	(in thousands)			
Summary Consolidated Statements of Cash Flow Data:				
Net cash used in operating activities	(1,834,243)	(2,281,333)	(1,194,101)	(171,522)
Net cash used in investing activities	(586,843)	(1,078,617)	(484,254)	(69,559)
Net cash generated from financing activities	3,288,842	4,274,052	73,630	10,576
Effect of exchange rate changes on cash, cash equivalents and restricted cash	3,334	(9,278)	960	138
Net increase/(decrease) in cash, cash equivalents and restricted cash	871,090	904,824	(1,603,765)	(230,366)
Cash, cash equivalents and restricted cash at beginning of the year	1,038,113	1,730,001	1,812,702	260,378
Cash, cash equivalents and restricted cash at end of the year	1,730,001	1,812,702	1,185,188	170,242

Operating Activities

Net cash used in operating activities was RMB1,194.1 million (US$171.5 million) for the year ended December 31, 2019. In 2019, the difference between our net cash used in operating activities and our net loss RMB1,990.1 million (US$285.9 million) mainly resulted from certain non-cash expenses, including losses from guarantee liabilities of RMB362.6 million (US$52.1 million), provision for credit losses of RMB271.4 million (US$39.0 million), share-based compensation of RMB100.3 million (US$14.4 million), and changes in certain working capital accounts. Changes in the working capital accounts mainly included an increase in loan recognized as a result of payment under the guarantee of RMB1,533.3 million (US$220.2 million) and a decrease in deposit of interests from consumers and payable to financing partners of RMB470.1 million (US$67.5 million), partially offset by an increase in payables, accruals and other current liabilities of RMB674.9 million (US$97.0 million) and a decrease in advance to consumers on behalf of financing partners of RMB519.8 million (US$74.7 million). The increase in loan recognized as a result of payment under the guarantee was mainly due to the fluctuation in outstanding facilitated-loan performance. The decrease in deposit of interests from consumers and payable to financing partners was mainly because we no longer collected the upfront deposit of interests from consumers and have gradually paid the remaining interests back to the financing partners. The increase in payables, accruals and other current liabilities was primarily attributable to our expansion of 2C online used car business. The decrease in advance to consumers on behalf of financing partners was primarily because we ceased to provide loan facilitation related services and no longer advanced funds to consumers on behalf of financing partners.

Net cash used in operating activities was RMB2,281.3 million for the year ended December 31, 2018. In 2018, the difference between our net cash used in operating activities and our net loss of RMB1,538.3 million mainly resulted from certain non-cash expenses, including fair value change of derivative liabilities of RMB1,185.1 million, share-based compensation of RMB1,052.0 million, and changes in certain working capital accounts. Changes in the working capital accounts mainly included an increase in receivables, prepaid expenses and other current assets of RMB595.3 million, a decrease in deposit of interests from consumers and payable to financing partners of RMB563.5 million and an increase in advance to sellers of RMB446.4 million, partially offset by an increase in payables, accruals and other current liabilities of RMB654.3 million and an increase in advance to consumers on behalf of financing partners of RMB305.5 million. The increase in receivables, prepaid expenses and other current assets was primarily attributable to the increase of prepaid marketing and consulting expenses. The decrease in deposit of interests from consumers and payable to financing partners was primarily because we no longer collected the deposit of interests from consumers and have paid the remaining interests back to our financing partners. The increase in advance to sellers was primarily attributable to the expansion of 2C online used car transaction business.

Net cash used in operating activities was RMB1,834.2 million for the year ended December 31, 2017. The difference between our net cash used in operating activities and our net loss of RMB2,747.8 million mainly resulted from certain non-cash expenses or gains, including shared-based compensation of RMB165.9 million, the fair value change of derivative liabilities of RMB885.8 million, and changes in certain working capital accounts. Changes in the working capital accounts mainly included an increase in payables, accruals and other current liabilities of RMB911.6 million, an increase in deposit of interests from consumers and payable to financing partners of RMB628.9 million, partially offset by an increase in advance to sellers of RMB200.5 million, and an increase in loan recognized as a result of payment under the guarantee of RMB478.5 million. The increase in payables, accruals and other current liability was primarily attributable to our increasing guarantee liabilities driven by the fast growth of our then-existing loan facilitation business. The increase in deposit of interests from consumers and payable to financing partners was primarily attributable to the upfront deposit of interests collected from consumers and payable to financing partners and was in line with the growth of our then-existing loan facilitation business. The increase in advance from buyers collected on behalf of sellers was primarily attributable to the rapid expansion of our 2B business.

Investing Activities

Net cash used in investing activities was RMB484.3 million (US$69.6 million) for the year ended December 31, 2019, primarily attributable to the legal title of restricted cash transferred to Golden Pacer of RMB1,175.9 million (US$168.9 million) in connection with the divestiture of our loan facilitation related business.

Net cash used in investing activities was RMB1,078.6 million for the year ended December 31, 2018, primarily attributable to an increase in short-term investments of RMB595.1 million.

Net cash used in investing activities was RMB586.8 million for the year ended December 31, 2017, which was primarily attributable to the loan extended to a related party of RMB451.4 million, and the cash paid for long term investments of RMB152.7 million.

Financing Activities

Net cash generated from financing activities was RMB73.6 million (US$10.6 million) for the year ended December 31, 2019, primarily attributable to net proceeds of RMB1,853.4 million (US$266.2 million) from issuance of convertible notes, and repayment of convertible notes of RMB1,190.2 million (US$171.0 million).

Net cash generated from financing activities was RMB4,274.1 million for the year ended December 31, 2018, primarily attributable to net proceeds of RMB2,574.0 million from initial public offering and issuance of convertible notes.

Net cash generated from financing activities was RMB3,288.8 million for the year ended December 31, 2017, which was primarily attributable to proceeds of RMB2,721.1 million from issuance of convertible redeemable preferred shares.

Holding Company Structure

Uxin Limited is a holding company with no material operations of its own. We conduct our operations primarily through our PRC subsidiaries, our VIEs and their subsidiaries in China. As a result, Uxin Limited's ability to pay dividends depends upon dividends paid by our PRC subsidiaries. If our existing PRC subsidiaries 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 subsidiaries in China are permitted to pay dividends to us only out of their retained earnings, if any, as determined in accordance with China accounting standards and regulations. Under PRC law, each of our subsidiaries and our VIEs 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, each of our wholly foreign-owned subsidiaries in China may allocate a portion of its after-tax profits based on China accounting standards to enterprise expansion funds and staff bonus and welfare funds at its discretion, and our VIEs may allocate a portion of their after-tax profits based on China 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 subsidiaries have not paid dividends and will not be able to pay dividends until they generate accumulated profits and meet the requirements for statutory reserve funds.

The table below sets forth the respective revenues and assets contribution of Uxin Limited and our subsidiaries and our VIEs as of the dates and for the periods indicated:

	Net Revenues				Total Assets		
	For the Year Ended December 31, 2016	For the Year Ended December 31, 2017	For the Year Ended December 31, 2018	For the Year Ended December 31, 2019	As of December 31, 2017	As of December 31, 2018	As of December 31, 2019
Uxin Limited and its wholly-owned subsidiaries	87.4%	87.5%	89.8%	95.4%	90.5%	96.1%	91.0%
VIEs	12.6%	12.5%	10.2%	4.6%	9.5%	3.9%	9.0%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Note: The percentages exclude the inter-company transactions and balances between Uxin Limited and its subsidiaries and the VIEs.

Capital Expenditures

We made capital expenditures of RMB81.2 million, RMB133.9 million and RMB46.8 million (US$6.7 million) in 2017, 2018 and 2019, respectively. In these periods our capital expenditures were mainly used for the purchase of computer equipment and software and leasehold improvements. We will continue to make such capital expenditures to support the expected growth of our business.

C. Research and Development

See "Item 4. Information on the Company—B. Business Overview—Technology" and "Item 4. Information on the Company—B. Business Overview—Intellectual Property."

D. Trend Information

Other than as disclosed elsewhere in this annual report, we are not aware of any trends, uncertainties, demands, commitments or events for the year ended December 31, 2019 that are reasonably likely to have a material and adverse effect on our net revenues, income, profitability, liquidity or capital resources, or that would cause the disclosed financial information to be not necessarily indicative of future results of operations or financial conditions.

E. Off-Balance Sheet Arrangements

We have not entered into any financial guarantees or other commitments to guarantee the payment obligations of any third parties. We have not entered into any derivative contracts that are indexed to our shares and classified as shareholder's equity or that are not reflected in our consolidated financial statements. Furthermore, we do not have any retained or contingent interest in assets transferred to an unconsolidated entity that serves as credit, liquidity or market risk support to such entity. We do not have any variable interest in any unconsolidated entity that provides financing, liquidity, market risk or credit support to us or engages in leasing, hedging or product development services with us.

F. Contractual Obligations

The following table sets forth our contractual obligations as of December 31, 2019:

	Payment due by period				
	Total	Less than 1 year	1-3 years	3-5 years	Greater than 5 years
			(in RMB thousands)		
Borrowings	504,451	263,425	241,026	—	—
Convertible notes	1,953,336	314,487	34,323	1,604,526	—
Interests payable	409,714	45,798	63,067	300,849	—
Operating lease commitments	65,071	54,689	9,336	1,046	—
Total	2,932,572	678,399	347,752	1,906,421	—

The borrowings, convertible notes and interests payable represent our borrowings from commercial banks or other financial institutions for our working capital and the corresponding interests payable, as well as the outstanding convertible notes we issued and the corresponding interests payable.

Our operating lease commitments relate to our leases of offices, including our nationwide service network which are under non-cancellable operating lease agreements.

Other than the above, we did not have any significant capital and other commitments, long-term obligations, or guarantees as of December 31, 2019.

Item 6. Directors, Senior Management and Employees

A. Directors and Senior Management

The following table sets forth information regarding our executive officers and directors as of the date of this annual report.

Directors and Executive Officers	Age	Position/Title
Kun Dai	38	Chairman of the Board of Directors and Chief Executive Officer
Cheung Lun Julian Cheng	46	Director
Qiang Chang Sun	63	Director
Muyuan Wang	38	Director
Lin Cong	39	Director
Rong Lu	49	Independent Director
Shun Lam Steven Tang	64	Independent Director
Yong Zhong Huang	51	Independent Director
Zhen Zeng	38	Chief Financial Officer
Zhitian Zhang	38	Chief Operating Officer

Mr. Kun Dai is our founder and has served as chairman of our board of directors and chief executive officer since our inception. Mr. Dai has been involved in internet and automobile industries for over ten years. Mr. Dai founded one of China's first online used car websites, CarResume.com, in 2005. From 2007 to 2011, Mr. Dai worked at an NYSE-listed auto information provider, BitAuto, first as deputy general manager and later as vice president. Mr. Dai received a master's degree in Commerce from Cardiff University.

Mr. Cheung Lun Julian Cheng has been serving as our director since March 2014. Presently, Mr. Cheng is a managing director at Warburg Pincus Asia LLC and co-leads Warburg Pincus' business in China. Mr. Cheng joined Warburg Pincus in 2000. Prior to joining Warburg Pincus, Mr. Cheng was in investment banking with Salomon Smith Barney and Deutsche Bank in Hong Kong. Mr. Cheng received a bachelor's degree from Harvard University.

Mr. Qiang Chang Sun has been serving as our director since June 2019. Mr. Sun currently serves as an independent director of SOHO China Limited (HKEx: 00410), GDS Holdings Limited (Nasdaq: GDS) and Phoenix Media Investment (Holdings) Limited (HKEx: 02008). Mr. Sun has served as TPG's Managing Partner for China since September 2017. Prior to joining TPG, he was chairman of the board of directors and founder of Black Soil Group, an agriculture investment holding company. From 1995 to 2015, Mr. Sun was a partner at Warburg Pincus Asia and served as chairman of Asia Pacific for the firm and a member of the firm's Executive Management Group. Mr. Sun holds a Bachelor of Arts degree from the Beijing Foreign Studies University and a joint degree of MA/MBA from the Joseph Lauder Institute of International Management and the Wharton School of the University of Pennsylvania.

Mr. Muyuan Wang has been serving as our director since November 2019. Mr. Wang currently serves as a senior director of the Mobile Ecological Group of Baidu, Inc. (Nasdaq: BIDU) and is in charge of Baidu's various business lines with a focus on exploring innovative business opportunities in the car, business development, education, travelling and gaming industries. Mr. Wang received his bachelor's and master's degrees in automation from Tsinghua University in 2003 and 2005, respectively, as well as a master's degree from University of Illinois Urbana-Champaign in 2007.

Mr. Lin Cong has been serving as our director since December 2019. Mr. Cong has served as the Vice President of 58.com Group since March 2017. Before joining 58.com, he was the co-founder and CEO of Youche.com Inc., a used car dealer chain in China, from February 2014 to March 2017. From August 2010 to February 2014, Mr. Cong served as the Vice President of Finance and IT with 58.com. Mr. Cong also worked as a management consultant with Boston Consulting Group from August 2008 to August 2009 and as an auditor with PricewaterhouseCoopers Zhong Tian LLP from August 2002 to May 2005. Mr. Cong holds a bachelor's degree in accounting from Tsinghua University and an M.B.A. degree from Stanford University.

Ms. Rong Lu has been serving as our director since October 2017. Presently, Ms. Lu is an independent venture capitalist investing in technology start-ups in the United States and China. In October 2019, she founded Atypical Ventures, an early-stage technology venture investment firm in China. In 2006, she co-founded DCM China, an early-stage venture capital firm. During her more than 12-year tenure at DCM, Ms. Lu invested in and served as a board member for many companies including Kuaishou, BitAuto Holdings Ltd., E-Commerce China Dangdang Inc., Pactera Technology International Ltd., DXY.cn, and HaoDF.com. She also served as an independent director and on the audit committee of iKang Healthcare Group, Inc. and served as an independent director and chairman of the special committee for iDreamSky Technologies Limited before those two companies were taken private. Ms. Lu is currently an independent director on the board of Yum China Holdings Inc (NYSE; YUMC). Prior to joining DCM in 2003, Ms. Lu was a Vice President in the technology, media and telecommunications investment banking group of Goldman Sachs & Co. in Menlo Park, California. Ms. Lu received her master's degree in international economics and energy, environment, science and technology from Johns Hopkins University, School of Advanced International Studies and bachelor's degree in economics from the University of Maryland, Baltimore County.

Mr. Shun Lam Steven Tang has been serving as our director since June 2019. Mr. Tang served as an executive director at Vital Mobile Holdings Limited (HKEx: 6133) from 2015 to 2019, where he oversaw the compliance of Vital Mobile as a public company. Prior to this, Mr. Tang served as the chairman of the board of directors of RDA Microelectronics Limited (Nasdaq: RDA) from 2009 to 2015. Mr. Tang served as the chief executive officer of Coolsand Technology from 2008 to 2010. Mr. Tang has over 35 years of experience in high-tech, semiconductors, electronics, automotive, forestry, pharmaceutical and consumer sectors, and has served as directors and committee members of private companies and publicly-listed companies. Mr. Tang received his bachelor's degree in electrical and electronic engineering from Nottingham University and his MBA degree from Bradford University.

Mr. Yong Zhong Huang has been serving as our director since June 2019. Mr. Huang is the founder of Juntong Capital, an independent equity investment firm that focuses on private equity investments in China. Before founding Juntong Capital in 2014, Mr. Huang was a global partner responsible for Asian investments at Pantheon Ventures, a private equity fund of funds with over US$30 billion under management. Prior to joining Pantheon Ventures in 2004, Mr. Huang was the head of Shanghai office for AIG Global Investment Co and also worked at Schroders and Merrill Lynch as investment banker. Mr. Huang received his EMBA degree from the PBC Finance School of Tsing Hua University and his bachelor's degree in finance from Shanghai University of Finance and Economics.

Mr. Zhen Zeng joined us in 2011 and serves as our chief financial officer. Mr. Zeng has over ten years of experience in finance. From 2010 to 2011, Mr. Zeng served as a vice president in finance at Civa Printal. From 2006 to 2010, Mr. Zeng served as an audit manager at PricewaterhouseCoopers. Mr. Zeng received a master's degree in Commerce and Accounting from Griffith University.

Mr. Zhitian Zhang joined us in April 2012 and serves as our chief operating officer. Prior to his appointment as the chief operating officer, Mr. Zhang served as president of our online used car transaction business, where he was responsible for operations and sales management, as well as general manager of our sales management center. Prior to joining Uxin, Mr. Zhang worked for Bitauto Holdings Limited (NYSE: BITA) from 2007 to 2012, first as a director and then as vice general manager of its used car business. Mr. Zhang received his bachelor's degree in Law from the National Police University for Criminal Justice.

B. Compensation

Compensation of Directors and Executive Officers

For the year ended December 31, 2019, we paid an aggregate of RMB4.3 million (US$0.6 million) in cash to our executive officers, and we did not pay any cash 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 consolidated affiliated 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 and other statutory benefits and a housing provident fund.

Employment Agreements and Indemnification Agreements

We have entered into employment agreements with each of our executive officers. 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 also entered into indemnification agreements with each of our directors and executive officers. Under these agreements, 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 a director or officer of our company.

2018 Amended and Restated Share Incentive Plan

We adopted the 2018 Amended and Restated Share Incentive Plan in February 2018, which was further amended in August 2018 and November 2018, for the purpose of promoting the success and enhance the value of our company, by linking the personal interests of the members of the board, employees, consultants and other individuals to those of our shareholders and, by providing an incentive for outstanding performance, to generate superior returns for our shareholders. In November 2018, we increased the number of shares reserved for future awards under the plan, and renamed it 2018 Second Amended and Restated Share Incentive Plan, which we refer to as the Amended and Restated Plan in this annual report. Under the Amended and Restated Plan, the maximum aggregate number of shares which may be issued pursuant to all awards is 102,040,053 Class A ordinary shares. As of February 29, 2020, 311,845 restricted share units and 33,878,883 share options have been issued and outstanding under the Amended and Restated Plan.

On September 22, 2019, our board of directors approved a reduction in the exercise price for outstanding options previously granted by our company with an exercise price higher than $1.03 per ordinary share to $1.03 per share, provided that any participating option holder agrees to amend the number of shares subject to his or her option as determined by the plan administrator.

The following paragraphs summarize the terms of the Amended and Restated Plan.

Types of Awards. The Plan permits the awards of options, stock appreciation right, dividend equivalent right, restricted shares and restricted share units or other right or benefit under the Plan.

Plan Administration. The board or a committee appointed by the board acts as the plan administrator. The plan administrator will determine the participants who are to receive awards, the type or types of awards to be granted, the number of awards to be granted, and the terms and conditions of each award grant. The plan administrator can amend outstanding awards and interpret the terms of the Amended and Restated Plan and any award agreement.

Award Agreement. Awards granted under the Amended and Restated Plan are evidenced by an award agreement that sets forth the terms and conditions for each grant.

Exercise Price. The excises price of an option will be determined by the plan administrator, but in the case of an award issued in connection with acquisitions, the exercise or purchase price for the award shall be determined in accordance with the provisions of the relevant instrument evidencing the agreement to issue such award.

Eligibility. We may grant awards to our employees, consultants, and all members of the board, and other individuals.

Term of the Awards. The term of each option or share appreciation right granted under the Amended and Restated Plan shall not exceed ten years from date of the grant.

Vesting Schedule. In general, the plan administrator determines the vesting schedule, which is set forth in the relevant award agreement.

Transfer Restrictions. Awards may not be transferred in any manner by the recipient other than by will or the laws of descent and distribution, except as otherwise provided by the plan administrator. The grantee may designate one or more beneficiaries of the grantee's award in the event of the grantee's death on a beneficiary designation form provided by the administrator.

Termination. The plan shall terminate in February 2028, provided that our board may terminate the plan at any time and for any reason.

The following table summarizes the outstanding options and restricted share units that we had granted to our directors and executive officers under the Amended and Restated Plan as of February 29, 2020:

	Ordinary Shares Underlying Outstanding Options or Restricted Share units	Exercise Price ($/Share)	Grant Date	Expiration Date
Kun Dai	—	—	—	—
Rong Lu	*	—	Various dates from November 19, 2018 to December 31, 2019	February 13, 2028
Zhen Zeng	*	0.0001 to 1.03	Various dates from March 26, 2013 to February 14, 2018	March 23, 2023
Zhitian Zhang	*	0.1 to 1.03	Various dates from March 26, 2013 to March 1, 2019	August 20, 2023
Total	9,146,748			

* Less than 1% of our total ordinary shares outstanding on as-converted basis.

As of February 29, 2020, other grantees as a group held options to purchase 24,933,883 Class A ordinary shares of our company, with exercise prices ranging from US$0.0001 to US$1.03 per share.

C. Board Practices

Board of Directors

Our board of directors consists of eight directors. A director is not required to hold any shares in our company by way of qualification. A director may vote with respect to any contract, proposed contract or arrangement in which he is materially interested provided (i) such director, if his interest in such contract or arrangement is material, has declared the nature of his interest at the earliest meeting of the board at which it is practicable for him to do so, either specifically or by way of a general notice and (ii) if such contract or arrangement is a transaction with a related party, such transaction has been approved by the audit committee. The directors may exercise all the powers of the company to borrow money, and to mortgage or charge its undertaking, property and uncalled capital, and issue debentures, debenture stock or other securities whenever money is borrowed or as security for any debt, liability or obligation of the 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 have established three committees under the board of directors: an audit committee, a compensation committee and a nominating and corporate governance committee. We have adopted a charter for each of the three committees. Each committee's members and functions are described below.

Audit Committee. Our audit committee consists of Shun Lam Steven Tang, Yong Zhong Huang and Rong Lu. Shun Lam Steven Tang is the chairperson of our audit committee. We have determined that Shun Lam Steven Tang, Yong Zhong Huang and Rong Lu satisfy the "independence" requirements of Rule 5605 of the Nasdaq Stock Market Rules. We have determined that Rong Lu qualifies as an "audit committee financial expert." The audit committee oversees our accounting and financial reporting processes and the audits of the financial statements of our company. The audit committee is 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 consists of Shun Lam Steven Tang, Yong Zhong Huang and Rong Lu. Rong Lu is the chairperson of our compensation committee. We have determined that Rong Lu, Shun Lam Steven Tang and Yong Zhong Huang satisfy the "independence" requirements of Rule 5605 of the Nasdaq Stock Market Rules. The compensation committee assists 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 is 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 consists of Shun Lam Steven Tang, Yong Zhong Huang and Rong Lu. Yong Zhong Huang is the chairperson of our nominating and corporate governance committee. We have determined that Shun Lam Steven Tang, Yong Zhong Huang and Rong Lu satisfy the "independence" requirements of Rule 5605 of the Nasdaq Stock Market Rules. The nominating and corporate governance committee assists 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 is responsible for, among other things:

- selecting and recommending to the board 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.

Terms of Directors and Executive Officers

Our officers are elected by and serve at the discretion of the board of directors. Our directors are not subject to a term of office and hold office until such time as they resign by notice in writing to our company, or are removed from office by an ordinary resolution of the shareholders or by the board. In addition, a director will be removed from office automatically if, among other things, the director (i) becomes bankrupt or makes any arrangement or composition with his creditors; or (ii) is found by our company to be or becomes of unsound mind; (iii) without special leave from the Board, is absent from meetings of the Board for three consecutive meetings and the Board resolves that an office be rated; or (iv) is removed from office pursuant to our current memorandum and articles of association.

D. Employees

As of December 31, 2019, we had a total of 6,455 employees. We had a total of 12,619 employees as of December 31, 2018 and 11,326 employees as of December 31, 2017.

The following tables give breakdowns of our employees as of December 31, 2019 by function:

	As of December 31, 2019
Functions:	
Products and technology	334
Operations	5,546
Car inspection and inventory related personnel	1,668
Sales and pre-sales customer service	2,696
Fulfillment and after-sales customer service	752
Other operations	430
Finance and legal	127
Human resources	115
Corporate communication and marketing	21
Others	312
Total	6,455

E. Share Ownership

The following table sets forth information with respect to the beneficial ownership of our ordinary shares as of February 29, 2020 by:

- each of our directors and executive officers; and
- each of our principal shareholders who beneficially own 5% or more of our ordinary shares on an as-converted basis.

The calculations in the table below are based on 887,617,391 ordinary shares outstanding as of February 29, 2020, comprising of (i) 846,807,530 Class A ordinary shares, excluding the 16,562,988 Class A ordinary shares issued to our depositary bank for bulk issuance of ADSs reserved for future issuances upon the exercise or vesting of awards granted under our Amended and Restated Plan, and (ii) 40,809,861 Class B ordinary shares.

In June 2019, we issued convertible notes in an aggregate principal amount of US$230 million to Redrock Holding Investments Limited, TPG Growth III SF Pte. Ltd., 58.com Holdings Inc., and certain other investors (the "Notes"). The purchasers of the convertible notes have the right to convert the convertible notes into Class A ordinary shares of our company during the period from and including the 181st day after the issuance date to and including the maturity date. The conversion price per Class A ordinary share of the Notes equals US$1.03 (the "Initial Conversion Price") and may be adjusted. Assuming the Notes are converted at the Initial Conversion Price, the Notes will be converted into approximately 223 million Class A ordinary shares of our company. See "Item 5. Operating and Financial Review and Prospects—B. Liquidity and Capital Resources—Cash flows and working capital."

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, including through the exercise of any option, warrant or other right or the conversion of any other security. These shares, however, are not included in the computation of the percentage ownership of any other person.

	Class A Ordinary Shares	Class B Ordinary Shares	Total Ordinary Shares	%†	% of Aggregate Voting Power†
Directors and Executive Officers:**					
Kun Dai[1]	93,170,300	40,809,861	133,980,161	15.1	39.9
Cheung Lun Julian Cheng	—	—	—	—	—
Qiang Chang Sun	—	—	—	—	—
Muyuan Wang	—	—	—	—	—
Lin Cong	—	—	—	—	—
Rong Lu	*	—	*	*	*
Shun Lam Steven Tang	—	—	—	—	—
Yong Zhong Huang	—	—	—	—	—
Zhen Zeng	*	—	*	*	*
Zhitian Zhang	*	—	*	*	*
All Directors and Executive Officers in the aggregate	100,168,298	40,809,861	140,978,159	15.9	40.5
Principal Shareholders:					
Xin Gao Group Limited[2]	—	40,809,861	40,809,861	4.6	32.5
Jeneration Capital Affiliated Entities[3]	129,076,788	—	129,076,788	14.5	10.3
Redrock Holding Investments Limited[4]	151,032,260	—	151,032,260	16.3	11.7
58.com Holdings Inc.[5]	97,087,378	—	97,087,378	9.9	7.2
Baidu (Hong Kong) Limited[6]	79,832,280	—	79,832,280	9.0	6.4
TPG Affiliated Entities[7]	78,385,277	—	78,385,277	8.3	6.0
Kingkey Affiliated Entities[8]	75,893,890	—	75,893,890	8.6	6.1
LC Affiliated Funds[9]	63,142,198	—	63,142,198	7.1	5.0
Cathay Rong IV Limited[10]	57,045,450	—	57,045,450	6.4	4.5
GIC Private Limited[11]	48,865,050	—	48,865,050	5.5	3.9

* Less than 1% of our total outstanding shares.

** Each of Mr. Kun Dai, Zhen Zeng, Zhitian Zhang, Shun Lam Steven Tang and Ms. Rong Lu's business address is 2-5/F, Tower E, LSHM Center, No.8 Guangshun South Avenue, Chaoyang District, Beijing, People's Republic of China. Mr. Cheung Lun Julian Cheng's business address is Suite 6703, International Finance Centre II, 8 Finance Street, Hong Kong. Mr. Sun's business address is Level 12, Cyberport 1, 100 Cyberport Road, Hong Kong. Mr. Wang's business address is No. 10 Shangdi 10th Street, Haidian District, Beijing, People's Republic of China. Mr. Cong's business address is Building 101, Jiayuanqiao North Road #10A, Chaoyang District, Beijing 100015, People's Republic of China. Mr. Huang's business address is 21/F CMA Building, 64 Connaught Road Central, Hong Kong.

† For each person and group included in this column, percentage ownership is calculated by dividing the number of ordinary shares beneficially owned by such person or group by the sum of the total number of ordinary shares outstanding, which is 887,617,391 as of February 29, 2020.

†† 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 a vote. Our Class A ordinary shares and Class B ordinary shares vote together as a single class on all matters submitted to a vote of our shareholders, except as may otherwise be required by law. 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 (i) 40,809,861 Class B ordinary shares directly held by Xin Gao Group Limited, a British Virgin Islands company beneficially owned by Mr. Kun Dai through a trust and of which Mr. Kun Dai is the sole director, (ii) 17,276,410 Class A ordinary shares directly held by Gao Li Group Limited, a British Virgin Islands company wholly owned by Mr. Dai and of which Mr. Kun Dai is the sole director, (iii) 61,129,800 Class A ordinary shares directly held by Kingkey New Era Auto Industry Global Limited, a British Virgin Islands company, and (iv) 14,764,090 Class A ordinary shares directly held by BOCOM International Supreme Investment Limited, a British Virgin Islands company, as reported on the Schedule 13G filed by Mr. Dai, among others, on February 11, 2019. Mr. Kun Dai, together with Mr. Jiarong Chen and JenCap UX III, jointly decides the disposal of Uxin Limited shares directly held by Kingkey New Era Auto Industry Global Limited, and is deemed to be the beneficial owner of all shares of Uxin Limited held by Kingkey New Era Auto Industry Global Limited. Mr. Kun Dai, together with Mr. Jiarong Chen and JenCap UX, jointly controls the voting power of all shares of Uxin Limited held by BOCOM International Supreme Investment Limited, and is deemed to be the beneficial owner of all shares of Uxin Limited held by BOCOM International Supreme Investment Limited. For further details on Kingkey New Era Auto Industry Global Limited and BOCOM International Supreme Investment Limited, please see footnote (8) below. For further details on JenCap UX III and JenCap UX, please see footnote (3) below. The registered office of Xin Gao Group Limited is P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands. The registered office of Gao Li Group is OMC Chambers, Wickhams Cay I, Road Town, Tortola, British Virgin Islands. The registered office of Kingkey New Era Auto Industry Global Limited is Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG 1110, British Virgin Islands. The registered office of BOCOM International Supreme Investment Limited is Craigmuir Chambers, Road Town, Tortola, VG 1110, British Virgin Islands.

To our knowledge, as of February 29, 2020, a total of 93,170,300 Class A ordinary shares beneficially owned by Mr. Kun Dai through Gao Li Group Limited, Kingkey New Era Auto Industry Global Limited and BOCOM International Supreme Investment Limited, representing 2.0%, 6.9%, and 1.7% of outstanding ordinary shares of Uxin Limited, respectively, had been pledged to third-party lenders in connection with certain loan agreements entered into in 2017 in an aggregate principal amount of approximately US$163.1 million, most proceeds of which were used to fund the purchase of shares in our company in the latest rounds of pre-IPO equity financings. The loans became due in June, November and December 2019, respectively, and the borrowers are currently in discussion with the lenders to seek extensions of the loans. Assuming all these pledged shares have been sold or otherwise disposed of pursuant to the enforcement of the share pledges, Mr. Kun Dai would have beneficially owned 4.6% of our outstanding ordinary shares, representing 32.5% of our total voting power, as of February 29, 2020.

In addition, as of February 29, 2020, a total of 40,809,861 Class B ordinary shares beneficially owned by Mr. Kun Dai through Xin Gao Group Limited, representing 4.6% of outstanding ordinary shares and 32.5% of voting power of Uxin Limited, had been pledged to Redrock Holding Investments Limited, TPG Growth III SF Pte. Ltd. and 58.com Holdings Inc. (the "Key Investors"), in connection with the issuance of convertible notes ("the Notes") to the Key Investors, Zhuhai Guangkong Zhongying Industrial Investment Fund (Limited Partnership), Magic Carpet International Limited and ClearVue UXin Holdings, Ltd., to secure certain obligations under the Investors' Rights Agreement entered into on June 10, 2019. In addition, pursuant to the Investors' Rights Agreement, Mr. Kun Dai has agreed to not transfer any of the shares of Uxin Limited beneficially owned by him without the prior written consent of each of the Key Investors during the three years following the issuance of the Notes (which may be extended by another two years if all Key Investors agree to extend), subject to certain exceptions. See "Item 7. Major Shareholders and Related Party Transactions —B. Related Party Transactions—Transactions with Redrock, TPG, 58.com and other existing shareholders."

(2) Represents 40,809,861 ordinary shares, all of which are directly held by Xin Gao Group Limited, a British Virgin Islands company wholly owned by Mr. Kun Dai. The registered office of Xin Gao Group Limited is P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands. As of February 29, 2020, all Class B ordinary shares held by Xin Gao Group Limited, representing 4.6% of outstanding ordinary shares and 32.5% of voting power of Uxin Limited, had been pledged to the Key Investors in connection with the issuance of the Notes. See footnote (1) above.

(3) Represents (i) 8,737,788 Class A Ordinary Shares held by Jeneration Capital Master Fund, a company incorporated in Cayman Islands, (ii) 42,336,300 Class A Ordinary Shares beneficially owned by Jeneration Capital Partners L.P., a company incorporated in Cayman Islands, comprising 27,572,210 Class A ordinary shares directly held by JenCap UX, a company incorporated in Cayman Islands, and 14,764,090 Class A Ordinary Shares directly held by BOCOM International Supreme Investment Limited, a company incorporated in British Virgin Islands, (iii) 16,872,900 Class A ordinary shares held by JenCap UX II Plus LLC., a limited liability company formed in the State of Delaware, United States, and (iv) 61,129,800 Class A ordinary shares indirectly held by JenCap UX III through Kingkey New Era Auto Industry Global Limited, a British Virgin Islands company, as reported on the Schedule 13G filed by JenCap UX, among others, on February 14, 2020. JenCap UX III, an exempted company incorporated in Cayman Islands, indirectly holds 18.48% of shares in Kingkey New Era Auto Industry Global Limited through First Tycoon Ventures Limited which holds 56% of shares in Kingkey New Era Auto Industry Global Limited. Mr. Kun Dai, Mr. Jiarong Chen and JenCap UX III jointly decide the disposal of Uxin Limited shares directly held by Kingkey New Era Auto Industry Global Limited, and each of them is deemed to be the beneficial owner of all shares of Uxin Limited held by Kingkey New Era Auto Industry Global Limited. Mr. Kun Dai, Mr. Jiarong Chen and JenCap UX, ultimately controlled by Mr. Jimmy Ching-Hsin Chang, jointly control the voting power of all shares held by BOCOM International Supreme Investment Limited, and each of them is deemed to be the beneficial owner of all shares of Uxin Limited held by BOCOM International Supreme Investment Limited. For further details on Kingkey New Era Auto Industry Global Limitedand BOCOM International Supreme Investment Limited, please see footnote (8) below. JenCap UX is wholly owned by Jeneration Capital Partners L.P., of which Jeneration Capital GP is the general partner. Jeneration Capital GP is ultimately wholly owned by Jimmy Ching-Hsin Chang. JenCap UX II Plus LLC is wholly owned by JenCap UX II, of which the management shareholder that controls the voting thereof is Jeneration Capital Management, an exempted company incorporated in Cayman Islands, which is ultimately controlled by Jimmy Ching-Hsin Chang. The management shareholder which controls the voting of JenCap UX III is also Jeneration Capital Management. Each of JenCap UX, JenCap UX II Plus LLC and JenCap UX III is unaffiliated with Mr. Kun Dai and Mr. Jiarong Chen. The registered office of JenCap UX is Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman KY1-1104, Cayman Islands. The registered office of JenCap UX II Plus LLC is 2711 Centerville Road, Suite 400, Wilmington, Delaware, New Castle County, USA. The above is based on the Schedule 13G filed by JenCap UX, among others, on February 14, 2020.

(4) Represents 112,197,309 Class A ordinary shares directly held by Redrock Holding Investments Limited in the form of 37,399,103 ADSs and 38,834,951 Class A ordinary shares upon the full conversion of the convertible notes held by Redrock Holding Investments Limited in principal amount of US$40 million at a conversion price of $1.03 per Class A ordinary share convertible from the 181st day after June 10, 2019, the issuance date, as reported on the Schedule 13D/A filed by Redrock Holding Investments Limited, among others, on February 10, 2020. Redrock Holdings Investments Limited is incorporated in British Virgin Islands and is owned by Warburg Pincus Private Equity XI, L.P., a Delaware limited partnership, Warburg Pincus Private Equity XI-B, L.P., a Delaware limited partnership, Warburg Pincus Private Equity XI-C, L.P., a Cayman Islands exempted limited partnership, Warburg Pincus XI (Asia), L.P., a Cayman Islands exempted limited partnership, Warburg Pincus XI Partners, L.P., a Delaware limited partnership, and WP XI Partners, L.P., a Delaware limited partnership. Warburg Pincus LLC, a New York limited liability company, is the manager of Warburg Pincus Private Equity XI, L.P., Warburg Pincus Private Equity XI-B, L.P., Warburg Pincus Private Equity XI-C, L.P., Warburg Pincus XI (Asia), L.P., Warburg Pincus XI Partners, L.P., and WP XI Partners, L.P. The general partner of Warburg Pincus Private Equity XI (Asia), L.P., Warburg Pincus Private Equity XI-B, L.P., Warburg Pincus XI Partners and WP XI Partners is Warburg Pincus XI, L.P., a direct subsidiary of Warburg Pincus & CO, a New York general partnership and the general partner of Warburg Pincus XI, L.P. Charles R. Kaye and Joseph P. Landy are the managing general partners of Warburg Pincus & Co., and the ultimate general partners of Warburg Pincus Private Equity XI-C, L.P. and Warburg Pincus XI (Asia), L.P. Charles R. Kaye and Joseph P. Landy disclaim beneficial ownership of all shares held by Warburg Pincus entities mentioned herein. Investment and voting decisions with respect to the shares are made by a committee comprised of three or more individuals and all members of such committee disclaim beneficial ownership of the shares held by Warburg Pincus entities mentioned herein. The registered office of Redrock Holding Investments Limited is P.O. Box 3340, Road Town, Tortola, British Virgin Islands. The above is based on the Schedule 13D/A filed by Redrock Holding Investments Limited, among others, on February 10, 2020.

(5) Represents 97,087,378 Class A ordinary shares 58.com Holdings Inc. will beneficially own upon the full conversion of the convertible notes it holds in principal amount of US$100 million at a conversion price of $1.03 per Class A ordinary share convertible from the 181st day after June 10, 2019, the issuance date. 58.com Holdings Inc. is incorporated in the British Virgin Islands and wholly owned by 58.com Inc., a public company listed on the New York Stock Exchange. The above is based on the Schedule 13D filed by 58.com Holdings Inc. and 58.com Inc. on June 20, 2019.

(6) Represents 79,832,280 Class A ordinary shares directly held by Baidu (Hong Kong) Limited, as reported on the Schedule 13G filed by Baidu (Hong Kong) Limited, among others, on February 1, 2019. Baidu (Hong Kong) Limited is incorporated in Hong Kong and wholly owned by Baidu, Inc., a public company listed on the Nasdaq Global Select Market. The registered office of Baidu (Hong Kong) Limited is Rooms 2201-03, 22/F, World-Wide House, 19 Des Voeux Road Central, Hong Kong. The above is based on the Schedule 13G filed by Baidu (Hong Kong) Limited, among others, on February 1, 2019.

(7) Represents (i) 20,132,850 Class A Shares directly held by TPG Growth III SF, (ii) 58,252,427 Class A Shares issuable to TPG Growth III SF upon conversion of the convertible notes it holds in principal amount of US$60 million at a conversion price of $1.03 per Class A ordinary share convertible from the 181st day after June 10, 2019, the issuance date. TPG Growth III SF Pte. Ltd.is a company formed under the laws of Singapore and is wholly owned by TPG Growth III SF Finance, Limited Partnership, a Prince Edwards Island limited partnership. TPG Growth III SF AIV GenPar, L.P., a Cayman Islands limited partnership, is the general partner of TPG Growth III SF Finance, and TPG Growth III SF AIV GenPar Advisors, Inc., a Cayman Islands exempted company, is the general partner of TPG Growth III SF AIV GenPar, L.P. TPG Growth III SF AIV GenPar Advisors, Inc. is wholly owned by TPG Holdings III, L.P., a Delaware limited partnership. TPG Holdings III-A, L.P., a Cayman Islands limited partnership, is the general partner of TPG Holdings III, L.P. TPG Holdings III-A, L.P. is wholly owned by TPG Group Holdings (SBS), L.P., a Delaware limited partnership, and the general partner of TPG Group Holdings (SBS), L.P. is TPG Group Holdings (SBS) Advisors, LLC, a Delaware limited liability company, which is wholly owned by TPG Group Holdings (SBS) Advisors, Inc. The above is based on the Schedule 13D filed by TPG Group Holdings (SBS) Advisors, Inc., among others, on June 20, 2019.

(8) Represents 61,129,800 Class A ordinary shares directly held by Kingkey New Era Auto Industry Global Limited, or Kingkey Global, a British Virgin Islands company, and 14,764,090 Class A Ordinary Shares owned by BOCOM International Supreme Investment Limited, or BOCOM, a British Virgin Islands company, as reported on the Schedule 13G/A filed by Kingkey Global, among others, on February 13, 2019. The shareholders of Kingkey Global are First Tycoon Ventures Limited, Excellent Ace Holdings Limited and Mr. Jiarong Chen, holding 56%, 37.33% and 6.67% of Kingkey Global, respectively. Excellent Ace Holdings Limited is wholly owned by Mr. Kun Dai. First Tycoon Ventures Limited is 66.7% and 33.3% held by Sail Best Investments Limited and JenCap UX III, respectively. Sail Best Investments Limited is wholly owned by Kingkey Investment Group Limited, a company jointly owned by Mr. Jiarong Chen and Mr. Jiajun Chen. Mr. Kun Dai, Mr. Jiarong Chen and JenCap UX III jointly decide the disposal and voting of the shares of Uxin Limited directly held by Kingkey Global, and each of them is deemed to be the beneficial owner of all the shares of Uxin Limited held by Kingkey Global. Mr. Kun Dai, Mr. Jiarong Chen and JenCap UX jointly decide the disposal and voting of the shares of Uxin Limited directly held by BOCOM, and each of them is deemed to be the beneficial owner of all the shares of Uxin Limited held by BOCOM. The registered office of Kingkey Global is Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG 1110, British Virgin Islands. The registered office of BOCOM International Supreme Investment Limited is Craigmuir Chambers, Road Town, Tortola, VG 1110, British Virgin Islands. For further details on JenCap UX III and JenCap UX, please see footnote (3) above.

As of February 29, 2020, a total of 75,893,890 Class A ordinary shares directly held by Kingkey Global and BOCOM, representing 6.9%, and 1.7% of outstanding ordinary shares of Uxin Limited, respectively, had been pledged to third-party lenders in connection with certain loan agreements entered into in 2017 in an aggregate principal amount of approximately US$179.0 million, most proceeds of which were used to fund the purchase of shares in our company in the latest rounds of pre-IPO equity financings. The loans became due in November and December 2019, respectively, and the borrowers are currently in discussion with the lenders to seek extensions of the loans. See footnote (1) above.

Kingkey New Era Auto Industry Limited, or Kingkey, a British Virgin Islands company, directly held 57,045,450 Class A ordinary shares of Uxin Limited immediately after the completion of our initial public offering, and currently does not hold any shares in Uxin Limited after the share transfer as described below. The shareholders of Kingkey are Excellent Ace Holdings Limited and ACME Celestial Limited, which hold 40% and 60% of the shares in Kingkey, respectively. Excellent Ace Holdings Limited is wholly owned by Mr. Kun Dai. ACME Celestial Limited is 66.7% and 33.3% held by Mr. Jiarong Chen and JenCap UX, respectively. Kingkey as borrower pledged 57,045,450 Class A ordinary shares pursuant to a share charge in favor of Cathay Rong IV Limited, a third-party lender, in connection with a loan in the principal amount of US$100.0 million under a facility agreement entered into with the lender on October 25, 2017. The enforcement of the pledged shares by the lender upon an event of default is not subject to restrictions in the lock-up agreement entered into between the shareholder and the underwriters of our initial public offering. After our initial public offering, a confirmatory security deed relating to the original share charge was entered into by Kingkey as chargor on July 27, 2018 in light of the pledged shares being converted from preferred shares into Class A ordinary shares upon the completion of our initial public offering, and a deed of undertaking supplementing the original facility agreement was entered into by Kingkey as borrower on September 28, 2018, which added a margin call and top-up requirement relating to the loan. On December 19, 2018, Cathay Rong IV Limited, as the lender, issued an instruction letter to enforce its security interests in the pledged shares, and the pledged shares were transferred by Kingkey to the lender as a result thereof. Cathay Rong IV Limited may hold or dispose of these securities at its discretion, including on the public market, as repayment of the outstanding loan and satisfaction of other obligations under the facility agreement. For further details on Cathay Rong IV Limited, please see footnote (10) below.

The above is based on the Schedule 13G/A filed by Kingkey Global, among others, on February 13, 2019.

(9) Represents (i) 58,795,583 Class A ordinary shares directly held by LC Fund V, L.P., a limited partnership under Cayman Islands law, and (ii) 4,346,615 Class A ordinary shares directly held by LC Parallel Fund V, L.P., a limited partnership under Cayman Islands law, as reported on the Schedule 13G filed by LC Fund V, L.P., among others, on January 28, 2019. The general partner of LC Fund V, L.P. and LC Parallel Fund V, L.P. is LC Fund V. GP Limited, which is controlled by Right Lane Limited, a limited liability company incorporated in Hong Kong. Red Lane Limited is directly controlled by Legend Holdings Corporation, a public company listed on Hong Kong Stock Exchange and incorporated in the People's Republic of China. The registered office of both LC Fund V, L.P. and LC Parallel Fund V, L.P. is P.O. Box 309, Ugland House, South Church Street, George Town, Grand Cayman KY1-1104, Cayman, Islands. The above is based on the Schedule 13G filed by LC Fund V, L.P., among others, on January 28, 2019.

(10) Represents 57,045,450 Class A ordinary shares directly held by Cathay Rong IV Limited, as reported on the Schedule 13D filed by Cathay Rong IV Limited, among others, on December 26, 2018. Cathay Rong acquired 57,045,450 Class A ordinary shares from Kingkey New Era Auto Industry Limited as a result of foreclosing the shares pledged in connection with a loan in the principal amount of US$100.0 million under a facility agreement entered into on October 25, 2017. For further details on the loan and foreclosure, please see footnote (8) above. Cathay Rong IV Limited is a British Virgin Islands company wholly owned by China Huarong Macau (HK) Investment Holdings Limited, a company incorporated in Hong Kong. China Huarong Macau (HK) Investment Holdings Limited is a wholly owned subsidiary of China Huarong (Macau) International Company Limited, a company incorporated in Macau, which is a majority-owned subsidiary of Huarong (HK) Industrial and Financial Investment Limited, a company incorporated in Hong Kong. Huarong (HK) Industrial and Financial Investment Limited is a wholly owned subsidiary of Huarong Real Estate Co., Ltd, a company incorporated in the People's Republic of China, which is a wholly owned subsidiary of China Huarong Asset Management Co., Ltd., a company incorporated in the People's Republic of China. The board of directors of China Huarong Asset Management Co., Ltd. comprises of Wang Zhanfeng, Li Xin, Li Yi, Wang Cong, Dai Lijia, Zhou Langlang, Song Fengming, Tse Hau Yin, Liu Lunmin and Shao Jingchun, and Li Xin acts as the chief executive officer. The registered office of Cathay Rong IV Limited is Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG 1110, British Virgin Islands. The address of the principal business office of China Huarong Macau (HK) Investment Holdings Limited is 12th Floor, China Huarong Tower, 60 Gloucester Road, Wan Chai, Hong Kong. The address of the principal business office of China Huarong (Macau) International Company Limited is 32/F, Bank of China Building, Avenida Doutor Mario Soares, Macau. The address of the principal business office of Huarong (HK) Industrial and Financial Investment Limited is Unit 1503 Causeway Bay Plaza 2, 463-483 Lockhart Road, Hong Kong. The address of the principal business office of Huarong Real Estate Co., Ltd. is Room 250, East Building, No. 30 Tianhe Street, Hengqing, Zhuhai, Guangdong, the People's Republic of China. The address of the principal office of China Huarong Asset Management Co., Ltd. is No. 8 Financial Street, Xicheng District, Beijing, the People's Republic of China. The above is based on the Schedule 13D filed by Cathay Rong IV Limited, among others, on December 26, 2018.

(11) Represents 48,865,050 Class A ordinary shares beneficially owned by GIC Private Limited ("GIC"), a fund manager established under Singapore law with only two clients — the Government of Singapore ("GoS") and the Monetary Authority of Singapore ("MAS"). Under the investment management agreement with GoS, GIC has been given the sole discretion to exercise the voting rights attached to, and the disposition of, any shares managed on behalf of GoS. As such, GIC has the sole power to vote and power to dispose of the 38,167,326 securities beneficially owned by the GoS. GIC shares power to vote and dispose of 10,697,724 securities beneficially owned by it with MAS. The address of principal business office of GIC is 168 Robinson Road #37-01 Capital Tower Singapore 068912. The above is based on the Schedule 13G filed by GIC, among others, on February 14, 2020.

Our ordinary shares are divided into Class A ordinary shares and Class B ordinary shares. Holders of Class A ordinary shares are entitled to one vote per share, while holders of Class B ordinary shares are entitled to ten votes per share. Holders of Class A and Class B ordinary shares vote together as one class on all matters subject to a shareholders' vote. 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 circumstance. See "Item 10. Additional Information—B. Memorandum and Articles of Association" for a more detailed description of our Class A ordinary shares and Class B ordinary shares.

As of February 29, 2020, 887,617,391 of our ordinary shares were issued and outstanding. To our knowledge, a total of 650,449,107 Class A ordinary shares were held by two record holders in the United States, representing approximately 73.3% of our total outstanding ordinary shares (including the 16,562,988 Class A ordinary shares issued to our depositary bank for bulk issuance of ADSs reserved for future issuances upon the exercise or vesting of awards granted under our share incentive plans). One of these holders is The Bank of New York Mellon, the depositary of our ADS program. The number of beneficial owners of our ADSs in the United States is likely to be much larger than the number of record holders of our ordinary shares in the United States.

Except for the above, we are not aware of any arrangement that may, at a subsequent date, result in a change of control of our company.

Item 7. Major Shareholders and Related Party Transactions

A. Major Shareholders

Please refer to "Item 6. Directors, Senior Management and Employees—E. Share Ownership."

B. Related Party Transactions

Contractual Arrangements with Our Variable Interest Entities and Their Shareholders

PRC laws and regulations currently limit foreign ownership of companies that engage in a value-added telecommunications service business or the distribution of media products in China. Due to these restrictions, we operate our relevant business through contractual arrangements between Youxinpai and Yougu, our PRC subsidiaries, Youxin Hulian and Yishouche, our variable interest entities, and our variable interest entities' respective shareholders. For a description of these contractual arrangements, see "Item 4.C. Information on the Company—Organizational Structure."

Shareholder Agreements and Registration Rights

We entered into our fourteenth amended and restated shareholders' agreement on January 2, 2018 with our then-existing shareholders. Pursuant to this shareholders' agreement, we have granted certain registration rights to preferred shareholders. Set forth below is a description of the registration rights granted under the agreement.

Demand Registration Rights. At any time after the date that is six months after the completion of our initial public offering in June 2018, holders of 30% or more of voting power of the outstanding preferred shares or ordinary shares issued upon the conversion of the preferred shares have the right to request us effect a registration for their shares. Except for certain circumstances where we are entitled to defer a filing, upon receiving a notice of demand registration, we should promptly give a written notice to all other holders of preferred shares or ordinary shares issued upon the conversion of our preferred shares, and make best efforts to register the shares requested to be registered. We are not obligated to effect more than three demand registrations that have been declared and ordered effective.

Piggyback Registration Rights. If we propose to file a registration statement for a public offering of our securities, we must afford preferred shareholders or holders of ordinary shares issued upon the conversion of preferred shares an opportunity to participate in that offering. We have the right to terminate or withdraw any registration initiated by us under the piggyback registration rights prior to the effectiveness of such registration. In case of an underwritten offering, the underwriters have the right to exclude the shares requested to be registered in the initial public offering on a pro rata basis, up to 70% of the shares requested to be registered by the holders of piggyback registration rights, subject to certain preconditions.

Form F-3 Registration Rights. Any holders of series A preferred shares or ordinary shares issued upon the conversion of preferred shares may request us to file an unlimited number of registration statements on Form F-3. We should promptly give a written notice to all other preferred shareholders,

Termination of Obligations. The registration rights shall terminate: (i) on the fifth anniversary of the completion of our initial public offering, (ii) upon the termination, liquidation, dissolution of our company, or (iii) if and when in the opinion of our counsel, all such registrable securities proposed to be sold by a shareholder may be sold without registration in any ninety day period pursuant to Rule 144 promulgated under the Securities Act, provided that such counsel is qualified to and experienced in practicing U.S. securities regulations, and we shall provide such opinion of our counsel to the shareholder.

Loans to Related Parties

On July 19, 2017, we entered into a loan agreement with Gao Li Group Limited, one of our shareholders controlled by Mr. Kun Dai, and loaned US$56.5 million to Gao Li Group Limited with a term of five years bearing interest of 6% per annum. All outstanding principal and accrued interest under this loan agreement were repaid in full on May 28, 2018.

On July 19, 2017, we entered into a loan agreement with Mr. Kun Dai, and loaned US$22.8 million to Mr. Kun Dai with a term of five years bearing interest of 6% per annum. All outstanding principal and accrued interest under this loan agreement were repaid in full on May 28, 2018.

On December 17, 2017, we entered into a loan agreement with Mr. Kun Dai, and subsequently loaned US$10.7 million to Mr. Kun Dai with a term of five years bearing interest of 6% per annum. All outstanding principal and accrued interest under this loan agreement were repaid in full on May 28, 2018.

On May 28, 2018, Xin Gao Group Limited surrendered 19,226,040 ordinary shares, 3,313,980 Series A preferred shares and 8,424,970 Series C-1 preferred shares in the company to us to repay all of the outstanding principal and accrued interest owed to us by Xin Gao Group Limited, Gao Li Group Limited and Mr. Kun Dai in an aggregate amount of approximately US$114.0 million. The number of shares surrendered was calculated based on an estimated settlement price of US$3.68069 per share, which was the purchase price in our last round of preferred shares financing prior to our initial public offering. We also agreed with Xin Gao Group Limited and Mr. Kun Dai that if the offering price per ordinary share in our initial public offering was lower than the estimated settlement price, we would have the right to unilaterally redeem and cancel additional shares beneficially owned by Mr. Kun Dai so that the value of the total shares surrendered and cancelled will be equal to the total loan amount owed to us based on the final price of our initial public offering. As a result, 7,025,849 additional ordinary shares held by Xin Gao Limited were further surrendered immediately prior to the completion of our initial public offering in June 2018.

Transactions with Baidu

In 2017 and 2018, Baidu (Hong Kong) Limited, or Baidu, one of our shareholders, provided advertising and user acquisition services to us at arm's length in the amount of RMB0.8 million and RMB1.4 million, respectively. As of December 31, 2017, we had an amount of RMB0.8 million due from Baidu, representing the unsettled balance of our prepaid service fees to Baidu. As of December 31, 2019, the remaining balance due from Baidu was nil.

Transactions with Baogu

In 2017, Baogu Automobile Technology Services (Beijing) Co., or Baogu, provided warranty services to our customers in the amount of RMB10.7 million. As of December 31, 2019, the remaining balance due from Baogu was nil as Baogu became our wholly owned subsidiary in August 2017.

Transactions with Xiao Qing

In September 2015, we invested RMB5.0 million in Shanghai Xiao Qing Information Technology Co., Ltd., or Xiao Qing, an associate of our company, for certain equity interests in Xiao Qing. In October 2016, we withdrew our investment in Xiao Qing, and as of December 31, 2019, the remaining balance due from Xiao Qing was nil.

In 2017, Xiao Qing provided repair and maintenance inspection services to us in the amount of RMB1.5 million. Xiao Qing did not provide any services to us in 2018 or 2019.

Share Conversion Agreement with Fairlubo's shareholders

On June 8, 2018, we entered into an amended and restated share conversion agreement with the Fairlubo shareholders who have the right to convert their shares in Fairlubo into the shares of our company under the Fairlubo shareholders' agreement. Pursuant to the share conversion agreement, the Fairlubo shareholders agree that, concurrently with the completion of our initial public offering, all their shares in Fairlubo will be converted into such number of Class A ordinary shares of our company that is equal to the quotient of the value of the Fairlubo shares at the time divided by the public offering price of this offering. The Fairlubo shareholders have agreed with us that the value of the Fairlubo shares at the time shall be the higher of (i) the value of the Fairlubo shares as determined by an independent appraiser jointly approved by certain shareholders holding at least two-thirds of the issued and outstanding series B preferred shares of Fairlubo, and (ii) the total investment amount paid by the Fairlubo shareholders plus an internal return rate of 50% per annum calculated from January 21, 2016, the date of their investment, to June 1, 2018, which amounts to approximately US$39.1 million in the aggregate. Upon the completion of our initial public offering in June 2018, we issued 13,026,713 Class A ordinary shares to certain Fiarlubo shareholders at the initial public offering price of US$9.00 per ADS as a result of the share conversion.

Transactions with Redrock, TPG, 58.com and other existing shareholders

Convertible Note Purchase Agreement

We entered into a convertible note purchase agreement (the "NPA") with Redrock Holding Investment Limited, TPG Growth III SF Pte. Ltd., 58.com Holdings Inc., ClearVue UXin Holdings, Ltd., Magic Carpet International Limited and Zhuhai Guangkong Zhongying Industrial Investment Fund (Limited Partnership) (collectively, the "Purchasers") and Mr. Kun Dai (the "Founder") on May 29, 2019. Pursuant to the NPA, we issued convertible notes in an aggregate principal amount of US$230 million to the Purchasers through a private placement on June 10, 2019. For a detailed description of the terms of the convertible notes, see "Item 5. Operating and Financial Review and Prospects—B. Liquidity and Capital Resources—Cash flows and working capital."

Investors' Rights Agreement

In connection with the NPA, we entered into an investors' rights agreement (the "IRA") with Redrock Holding Investments Limited, TPG Growth III SF Pte. Ltd., 58.com Holdings Inc. (each a "Key Investor"). Mr. Kun Dai, Xin Gao Group Limited, Gao Li Group Limited and JenCap UX on June 10, 2019.

Pursuant to the IRA, during the three years following the issuance of the notes pursuant to the NPA, which may be extended by another two years if all Key Investors agree to extend (the "Period"), the Company's board of directors (the "Board") shall consist of eight directors, among which, subject to certain limitations set forth in the Investors' Rights Agreement, each of the Key Investors and Mr. Kun Dai shall be entitled to nominate one director, the Key Investors shall be entitled to collectively nominate two independent directors, Mr. Kun Dai shall be entitled to nominate one independent director, and the Board shall appoint the eighth director. Each party to the IRA has agreed that it or he will exercise its or his respective voting rights to (i) elect the directors nominated by each of the Key Investors and Mr. Kun Dai (each a "Director Nominating Party") to the Board, (ii) remove such director from the Board if the Director Nominating Party so determines, and (iii) replace such director as nominated by the Director Nominating Party in the event of a vacancy. The IRA also provides for certain corporate governance arrangements during the Period.

During the Period, for so long as the Key Investors hold in aggregate no less than 30% of the aggregate principal amount of the Notes they hold on June 10, 2019, the Board shall maintain an executive committee (the "Executive Committee") consisting of directors nominated by each of the Key Investors and the Founder, to oversee certain matters of our company.

In addition, during the Period, without the affirmative prior written consent or approval of the required number of Key Investors as provided for in the IRA, we shall not take any actions with respect to certain prescribed matters.

The Founder, Xin Gao Group Limited and Gao Li Group Limited also agreed that during the Period, (i) they will not transfer any of their shares without the prior written consent of each of the Key Investors, and (ii) the Founder shall not and shall cause Xin Gao not to convert any Class B ordinary share of Company held by Xin Gao into Class A ordinary share.

Transactions with 58.com

Divestiture of 2B Business and Business Cooperation on C2B Business

In March 2020, we entered into definitive agreements to divest our 2B business to 58.com. See "Item 4. Information on the Company—A. History and Development of the Company— Divestitures of Our Loan Facilitation, Salvage Car and 2B Businesses." As part of the transaction, we also entered into a business cooperation agreement with 58.com pursuant to which we will provide 58.com with information related to used cars for sale by individuals.

Other Transactions with 58.com

In 2019, 58.com provided advertising and other services to us at arm's length in the amount of RMB47.1 million (US$6.8 million). As of December 31, 2019, we had an amount of RMB51.6 million (US$7.4 million) due from 58.com, representing the unsettled balance of our advertising expenses paid to 58.com.

Employment Agreements and Indemnification Agreements

See "Item 6. Directors, Senior Management and Employees—B. Compensation."

Share Incentives

See "Item 6. Directors, Senior Management and Employees—B. Compensation."

C. Interests of Experts and Counsel

Not applicable.

Item 8. Financial Information

A. Consolidated Statements and Other Financial Information

We have appended consolidated financial statements filed as part of this annual report.

Legal Proceedings

We and certain of our current and former officers and directors have been named as defendants in two putative securities class actions. Both cases were purportedly brought on behalf of a class of persons who allegedly suffered damages as a result of alleged misstatements and omissions in certain disclosure documents in connection with our initial public offering in June 2018.

The first case, In re Uxin Limited Securities Litigation, Index No. 650427/2019 (Sup. Ct. N.Y. Cty.), consolidated six complaints filed in the Supreme Court of the State of New York in January 2019. A Consolidated Amended Complaint was filed in August 5, 2019, and on March 9, 2020, the Court granted in part and denied in part our motion to dismiss. On March 12, 2020, we filed a notice of appeal in the Appellate Division of the Supreme Court of the State of New York for the First Department. The second case, Machniewicz v. Uxin Limited et al, Case No. 1:19-cv-00822 (E.D.N.Y.), was filed in the United States District Court for the Eastern District of New York on February 11, 2019. On April 24, 2020, we completed briefing on a motion to dismiss, and a decision is pending. Both actions remain in preliminary stages. For risks and uncertainties relating to the pending cases against us, please see "Item 3. Key Information—D. Risk Factors—Risks Related to Our Business and Industry—We have been named as a defendant in a putative shareholder class action lawsuit that could have a material adverse impact on our business, financial condition, results of operation, cash flows and reputation."

We are also subject to ongoing trademark, unfair competition, contractual disputes and other proceedings in the PRC, and may be subject to other legal or administrative claims and proceedings arising in the ordinary course of business. Litigations or any other legal or administrative proceedings, regardless of the outcome, is likely to result in substantial cost and diversion of our resources, including our management's time and attention. See "Item 3. Key Information—D. Risk Factors—Risks Related to Our Business and Industry—We may be subject to legal proceedings in the ordinary course of our business. If the outcomes of these proceedings are adverse to us, it could have a material adverse effect on our business, results of operations and financial condition."

Dividend Policy

Our board of directors has discretion on whether to distribute dividends, subject to certain requirements of Cayman Islands law. In addition, our shareholders may by ordinary resolution declare a dividend, but no dividend may exceed the amount recommended by our board of directors. In either case, all dividends are 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. Even if we decide 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 have not declared or paid any dividends on our ordinary shares, nor do we have any present plan to pay any cash dividends on our ordinary shares in the foreseeable future. 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 "Item 4. Information on the Company—B. Business Overview—Regulation—Regulations Relating to Foreign Exchange—Regulations on Dividend Distribution." 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 the ADS holders in proportion to 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 "Item 12. Description of Securities Other than Equity Securities—D. American Depositary Shares." Cash dividends on our ordinary shares, if any, will be paid in U.S. dollars.

B. Significant Changes

Except as disclosed elsewhere in this annual report, we have not experienced any significant changes since the date of our audited consolidated financial statements included in this annual report.

Item 9. The Offer and Listing

A. Offering and Listing Details

Our ADSs, each representing three of our Class A ordinary shares, have been listed on Nasdaq since June 27, 2018. Our ADSs trade under the symbol "UXIN."

B. Plan of Distribution

Not applicable.

C. Markets

Our ADSs have been listed on Nasdaq since June 27, 2018 under the symbol "UXIN."

D. Selling Shareholders

Not applicable.

E. Dilution

Not applicable.

F. Expenses of the Issue

Not applicable.

Item 10. Additional Information

A. Share Capital

Not applicable.

B. Memorandum and Articles of Association

We are a Cayman Islands exempted company with limited liability and our affairs are governed by our memorandum and articles of association, as amended and restated from time to time, and the Companies Law (2018 Revision) of the Cayman Islands, which is referred to as the Companies Law below, and the common law of the Cayman Islands.

The following are summaries of material provisions of our current memorandum and articles of association, insofar as they relate to the material terms of our ordinary shares.

Registered Office and Objects

Our registered office in the Cayman Islands is located at the offices of Maples Corporate Services Limited at P.O. Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands, or at such other location within the Cayman Islands as our board of directors may from time to time decide. The objects for which our company is established are unrestricted and we have full power and authority to carry out any object not prohibited by the Companies Law, as amended from time to time, or any other law of the Cayman Islands.

Board of Directors

See "Item 6. Directors, Senior Management and Employees—C. Board Practices."

Ordinary Shares

Our ordinary shares are divided into Class A ordinary shares and Class B ordinary shares. Holders of our Class A ordinary shares and Class B ordinary shares will have the same rights except for voting and conversion rights. Our ordinary shares are issued in registered form and are issued when registered in our register of shareholders. We may not issue shares to bearer. Our shareholders who are non-residents of the Cayman Islands may freely hold and vote their shares.

Conversion

Each Class B ordinary share is convertible into one Class A ordinary share at any time by the holder thereof. Class A ordinary shares are not convertible into Class B ordinary shares under any circumstances. Upon (i) any direct or indirect sale, transfer, assignment or disposition of Class B ordinary shares by a holder thereof or the direct or indirect transfer or assignment of the voting power attached to such number of Class B ordinary shares through voting proxy or otherwise to any person or entity that is not an Affiliate (as defined in our memorandum and articles of association) of such holder, or (ii) the direct or indirect sale, transfer, assignment or disposition of a majority of the issued and outstanding voting securities of, or the direct or indirect transfer or assignment of the voting power attached to such voting securities through voting proxy or otherwise, or the direct or indirect transfer, sale, assignment or disposition of all or substantially all of the assets of a holder of Class B ordinary shares that is an entity to any person or entity that is not an Affiliate of such holder, such Class B ordinary shares will be automatically and immediately converted into an equal number of Class A ordinary shares.

Dividends

The holders of our ordinary shares are entitled to such dividends as may be declared by our board of directors, subject to our memorandum and articles of association. In addition, our shareholders may by ordinary resolution declare a dividend, but no dividend shall exceed the amount recommended by our directors. Under the laws of the Cayman Islands, our company may declare and pay a dividend only out of funds legally available, namely out of either our profit or share premium account, provided that in no circumstances may a dividend be paid if, immediately after this payment, this would result in our company being unable to pay its debts as they fall due in the ordinary course of business. Dividends received by each Class B ordinary share and Class A ordinary share in any dividend distribution shall be the same.

Voting Rights

Our Class A ordinary shares and Class B ordinary shares vote together as a single class on all matters submitted to a vote of our shareholders, except as may otherwise be required by law or provided for in our memorandum and articles of association. In respect of matters requiring shareholders' vote, each Class A ordinary share is entitled to one vote, and each Class B ordinary share is entitled to ten 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 which are present in person or by proxy at the meeting.

An ordinary resolution to be passed at a meeting by the shareholders requires the affirmative vote of a simple majority of the votes attaching 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 cast attaching to the outstanding ordinary shares cast by those shareholders entitled to vote who are present 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 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 memorandum and articles of association. Holders of the ordinary shares may, among other things, divide or combine their shares by ordinary resolution.

General Meetings of Shareholders

As a Cayman Islands exempted company, we are not obliged by the Companies Law to call shareholders' annual general meetings. Our 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 in which case we shall specify the meeting as such in the notices calling it, and the annual general meeting shall be held at such time and place as may be determined by our directors.

Shareholders' general meetings may be convened by a majority of our board of directors. Advance notice of at least seven (7) calendar days is required for the convening of our annual general shareholders' meeting (if any) and any other general meeting of our shareholders. A quorum required for any general meeting of shareholders consists of at least one shareholder present or by proxy, representing not less than one-third of all votes attaching to the issued and outstanding shares in our company entitled to vote at general meetings.

The Companies 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 memorandum and articles of association provide that upon the requisition of shareholders representing in aggregate not less than a majority of all votes attaching to the issued and outstanding shares of our company entitled to vote at general meetings, our board is obliged to call an extraordinary general meeting and put the resolutions so requisitioned to a vote at such meeting. However, our 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.

Transfer of Ordinary Shares

Subject to the restrictions in our memorandum and articles of association as 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 ordinary shares;
- the instrument of transfer is properly stamped, if required; and
- 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.
- a fee of such maximum sum as the Nasdaq Stock Market LLC 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 Stock Market LLC, be suspended and our register of members 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 our register of members closed for more than 30 days in any year as our board may determine.

Liquidation

On a return of capital or the winding up of our company, if the assets available for distribution amongst our shareholders 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 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, as nearly as may be, the losses are borne by our shareholders in proportion to the par value of the shares held by them.

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 Shares

We may issue shares on terms that such shares are subject to redemption, at our option or at the option of the holders of these shares, on such terms and in such manner as may be determined by our board of directors or by the shareholders by special resolution. Our Company may also repurchase any of our shares on such terms and in such manner as have been approved by our board of directors or by an ordinary resolution of our shareholders. 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 new 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 our 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 our 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 or series of shares, the rights attached to any class or series of shares (unless otherwise provided by the terms of issue of the shares of that class or series), whether or not our company is being wound-up, may only be materially adversely varied with the consent in writing of all the holders of the issued shares of that class or series or with the sanction of an ordinary resolution passed at a separate meeting of the holders of the shares of the class or series. The rights conferred upon the holders of the shares of any class issued 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 the creation, allotment or issue of further shares ranking pari passu with or subsequent to such existing class of shares, or the redemption or purchase of any shares of any class by our company. The rights of the holders of our 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.

Issuance of Additional Shares

Our memorandum of association authorize 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 memorandum of association also authorize our board of directors to establish from time to time one or more series of preference shares and to determine, with respect to any series of preference 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 preference 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.

Anti-Takeover Provisions

Some provisions of our 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 preference shares in one or more series and to designate the price, rights, preferences, privileges and restrictions of such preference 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 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.

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 the shares of our 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).

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 cancelled.

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.

Register of Members

Under Companies Law, we must keep a register of members and there should be entered therein:

- the names and addresses of the members, together with a statement of the shares held by each member, and such statement shall confirm (i) of the amount paid or agreed to be considered as paid, on the shares of each member, (ii) the number and category of shares held by each member, and (iii) whether each relevant category of shares held by a member carries voting rights under the articles of association of the company, and if so, whether such voting rights are conditional;

- 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. 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.

C. Material Contracts

Other than in the ordinary course of business and other than those described in “Item 4. Information on the Company” or “Item 7. Major Shareholders and Related Party Transactions—B. Related Party Transactions” or elsewhere in this annual report, we have not entered into any material contract during the two years immediately preceding the date of this annual report.

D. Exchange Controls

See “Item 4. Information on the Company—B. Business Overview—Regulation—Regulations Relating to Foreign Exchange.”

E. Taxation

The following summary of the principal Cayman Islands, PRC and U.S. 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 annual report, 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 or our shareholders 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 by our company. There are no exchange control regulations or currency restrictions in the Cayman Islands.

Payments of dividends and capital in respect of our ordinary shares and ADSs 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 our ordinary shares or the ADSs, nor will gains derived from the disposal of our ordinary shares or the ADSs be subject to Cayman Islands income or corporation tax.

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 believe that Uxin Limited is not a PRC resident enterprise for PRC tax purposes. Uxin Limited is not controlled by a PRC enterprise or PRC enterprise group and we do not believe that Uxin Limited meets all of the conditions above. Uxin Limited 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 us.

If the PRC tax authorities determine that Uxin Limited is a PRC resident enterprise for enterprise income tax purposes, we may be required to withhold a 10% tax from dividends we pay to our shareholders that are non-resident enterprises, including the holders of the ADSs. 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 deemed 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% which in the case of dividends may be withheld at source. Any PRC tax liability may be reduced by an applicable tax treaty. However, it is also unclear whether non-PRC shareholders of Uxin Limited would be able to claim the benefits of any tax treaties between their country of tax residence and the PRC in the event that Uxin Limited is treated as a PRC resident enterprise.

Provided that our Cayman Islands holding company, Uxin Limited, 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 the ADSs. SAT Public Notice 7 further clarifies that, if a non-resident enterprise derives income by acquiring and selling shares in an offshore listed enterprise in the public market, such income will not be subject to PRC tax. However, there is uncertainty as to the application of SAT Public Notice 7, we and our non-PRC resident investors may be at risk of being required to file a return and being taxed under SAT Public Notice 7 and we may be required to expend valuable resources to comply with SAT Public Notice 7 or to establish that we should not be taxed under SAT Public Notice 7. Under SAT Circular 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 transferee or other person who is obligated to pay for the transfer is obligated to withhold the applicable taxes, currently at a rate of 10% for the transfer of equity interests in a PRC resident enterprise. See "Item 3. Key Information—D. 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 shareholders."

United States Federal Income Taxation

The following discussion is a summary of U.S. federal income tax considerations generally applicable to the ownership and disposition of the ADSs or Class A ordinary shares by a U.S. Holder (as defined below) that holds the ADSs or Class A ordinary shares as "capital assets" (generally, property held for investment) under the U.S. Internal Revenue Code of 1986, as amended (the "Code"). This discussion is based upon existing U.S. federal tax law, which is subject to differing interpretations or change, possibly with retroactive effect. No ruling has been sought from the IRS with respect to any U.S. 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, moreover, does not address the U.S. federal estate, gift, and alternative minimum tax considerations, Medicare tax on certain net investment or any state, local and non-U.S. tax considerations, relating to the ownership or disposition of the ADSs or Class A ordinary shares. The following summary does not address all aspects of U.S. federal income taxation that may be important to particular investors in light of their individual circumstances or to persons in special tax situations such as:

- banks and other financial institutions;
- insurance companies;
- pension plans;
- cooperatives;
- regulated investment companies;
- real estate investment trusts;
- broker-dealers;
- traders that elect to use a mark-to-market method of accounting;

- certain former U.S. citizens or long-term residents;
- tax-exempt entities (including private foundations);
- holders who acquire their ADSs or Class A ordinary shares pursuant to any employee share option or otherwise as compensation;
- investors that will hold their ADSs or Class A ordinary shares as part of a straddle, hedge, conversion, constructive sale or other integrated transaction for U.S. federal income tax purposes;
- investors that have a functional currency other than the U.S. dollar;
- persons that actually or constructively own 10% or more of the total combined voting power or value of our stock; or
- partnerships or other entities taxable as partnerships for U.S. federal income tax purposes, or persons holding ADSs or Class A ordinary shares through such entities, all of whom may be subject to tax rules that differ significantly from those discussed below.

Each U.S. Holder is urged to consult its tax advisor regarding the application of U.S. federal taxation to its particular circumstances, and the state, local, non-U.S. and other tax considerations of the ownership and disposition of the ADSs or Class A ordinary shares.

General

For purposes of this discussion, a "U.S. Holder" is a beneficial owner of our ADSs or Class A ordinary shares that is, for U.S. federal income tax purposes:

- an individual who is a citizen or resident of the United States;
- a corporation (or other entity subject to tax as a corporation for U.S. federal income tax purposes) created in, or organized under the law of the United States or any state thereof or the District of Columbia;
- an estate the income of which is includible in gross income for U.S. federal income tax purposes regardless of its source; or
- a trust (A) the administration of which is subject to the primary supervision of a U.S. court and which has one or more U.S. persons who have the authority to control all substantial decisions of the trust or (B) that has otherwise validly elected to be treated as a U.S. person under the Code.

If a partnership (or other entity treated as a partnership for U.S. federal income tax purposes) is a beneficial owner of the ADSs or Class A 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 the ADSs or Class A ordinary shares and their partners are urged to consult their tax advisors regarding an investment in the ADSs or Class A ordinary shares.

The discussion below assumes that the representations contained in the deposit agreement and any related agreement are true and that the obligations in such agreements will be complied with in accordance with their terms. Accordingly for U.S. federal income tax purposes, it is generally expected that a U.S. Holder of ADSs will be treated as the beneficial owner of the underlying Class A ordinary shares represented by the ADSs, and therefore deposits or withdrawals of Class A ordinary shares for ADSs will generally not be subject to U.S. federal income tax.

Passive Foreign Investment Company Considerations

A non-U.S. corporation, such as our company, will be classified as a PFIC for U.S. federal income tax purposes for any taxable year, if 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 value of its assets (generally based on an average of the quarterly values of the assets) during such year is attributable to assets that produce or are held for the production of passive income (the "asset test"). A separate determination must be made after the close of each taxable year as to whether a non-United States corporation is a PFIC for that year. Passive income generally includes dividends, interest, royalties, rents, annuities, net gains from the sale or exchange of property producing such income and net foreign currency gains. For this purpose, cash and assets readily convertible into cash are categorized as passive assets and the company's goodwill associated with active business activity is taken into account as a non-passive asset.

In addition, a non-U.S. corporation will be treated as owning its proportionate share of the assets and earning its proportionate share of the income of any other corporation in which it owns, directly or indirectly, 25% or more (by value) of the stock. Although the law in this regard is not entirely clear, we treat our VIEs as being owned by us for U.S. federal income tax purposes because we control the management decisions and are entitled to substantially all of the economic benefits associated with these entities. As a result, we consolidate their results of operations in our consolidated U.S. GAAP financial statements.

Based on the market price of our ADSs and the composition of our assets (in particular, the substantial amount of cash and other cash-like assets), we believe that we were a PFIC for United States federal income tax purposes for the taxable year ended December 31, 2019 because the volatility of the market price of our ADSs caused us to narrowly exceed the asset test percentage threshold. Further, we believe that we will likely be classified as a PFIC for our current taxable year ending December 31, 2020 unless the market price of our ADSs increases and /or we invest a substantial amount of the cash and other passive assets we hold in assets that produce or are held for the production of non-passive income.

If we area PFIC for any year during which a U.S. Holder holds our ADSs or Class A common shares, we generally would continue to be treated as a PFIC for all succeeding years during which such U.S. Holder holds our ADSs or Class A common shares even if we cease to meet the threshold requirements for PFIC status, unless a U.S. Holder makes a taxable "deemed sale" election that may allow the U.S. Holder to eliminate the continuing PFIC status under certain circumstances.

The United States federal income tax rules that apply if we are classified as 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 discussion below under "—Passive Foreign Investment Company Rules," any cash distributions (including the amount of any PRC tax withheld) paid on the ADSs or Class A ordinary shares out of our current or accumulated earnings and profits, as determined under U.S. 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 Class A 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 U.S. federal income tax principles, any distribution we pay will generally be treated as a "dividend" for U.S. federal income tax purposes. Dividends received on the ADSs or Class A ordinary shares will not be eligible for the dividends received deduction allowed to corporations in respect of dividends received from U.S. corporations.

Individuals and other non-corporate U.S. Holders will be subject to tax at the lower capital gains tax rate applicable to "qualified dividend income," provided that certain conditions are satisfied, including that (1) the ADSs or Class A ordinary shares on which the dividends are paid are readily tradable on an established securities market in the United States, or, in the event that we are deemed to be a PRC resident enterprise under the PRC tax law, we are eligible for the benefit of the United States-PRC income tax treaty, (2) we are neither a PFIC nor treated as such with respect to a U.S. Holder (as discussed below) for the taxable year in which the dividend is paid or the preceding taxable year, (3) certain holding period requirements are met, and (4) such non-corporate U.S. Holders are not under an obligation to make related payments with respect to positions in substantially similar or related property. For this purpose, ADSs listed on the Nasdaq Global Select Market will generally be considered to be readily tradable on an established securities market in the United States. Although the law in this regard is not entirely clear, since we do not expect our Class A ordinary shares will be listed on any securities market, we do not believe that Class A ordinary shares that are not represented by ADSs will generally be considered to be readily tradable on an established securities market in the United States. Furthermore, as mentioned above, we believe that we were a PFIC for the taxable year ended December 31, 2019, and we will likely be classified as a PFIC for our current taxable year ending December 31, 2020. Each U.S. Holder should consult its tax advisors regarding the availability of the lower rate for dividends paid with respect to the ADSs or Class A ordinary shares.

In the event that we are deemed to be a PRC resident enterprise under the PRC Enterprise Income Tax Law (see "Item 4. Information on the Company—B. Business Overview—Regulation—Regulations Relating to Tax—Enterprise Income Tax"), we may be eligible for the benefits of the United States-PRC income tax treaty. If we are eligible for such benefits, dividends we pay on our Class A ordinary shares, regardless of whether such shares are represented by the ADSs, and regardless of whether our ADSs are readily tradable on an established securities market in the United States, would be eligible for the reduced rates of taxation applicable to qualified dividend income, as described in the preceding paragraph.

For U.S. foreign tax credit purposes, dividends paid on the ADSs or Class A ordinary shares generally will be treated as income from foreign sources and generally will constitute passive category income. If PRC withholding taxes apply to dividends paid to you with respect to the ADSs or Class A ordinary shares, you may be able to obtain a reduced rate of PRC withholding taxes under the United States-PRC income tax treaty if certain requirements are met. In addition, subject to certain conditions and limitations, PRC withholding taxes on dividends that are non-refundable under the income tax treaty between the United States and the PRC may be treated as foreign taxes eligible for credit against your U.S. federal income tax liability. If a U.S. Holder does not elect to claim a foreign tax credit, such holder may instead claim a deduction for U.S. federal income tax purposes in respect of such withholding, but only for a year in which such holder elects to do so for all creditable foreign income taxes. Each U.S. Holder should consult its tax advisors regarding the creditability of any PRC tax.

Sale or Other Disposition

Subject to the discussion below under "—Passive Foreign Investment Company Rules," a U.S. Holder will generally recognize gain or loss upon the sale or other disposition of our ADSs or Class A ordinary shares in an amount equal to the difference between the amount realized upon the disposition and the holder's adjusted tax basis in such ADSs or Class A ordinary shares. The gain or loss will generally be capital gain or loss. Individuals and other non-corporate U.S. Holders who have held the ADS or Class A ordinary shares for more than one year will generally be eligible for reduced tax rates. The deductibility of a capital loss may be subject to limitations. Any such gain or loss that the U.S. Holder recognizes will generally be treated as U.S. source income or loss for foreign tax credit limitation purposes, which will generally limit the availability of foreign tax credits. However, in the event we are deemed to be a PRC resident enterprise under the PRC Enterprise Income Tax Law, a U.S. Holder may be subject to PRC tax upon the disposition of our ADSs or Class A ordinary shares. In such event, if PRC tax were to be imposed on any gain from such disposition, a U.S. Holder that is eligible for the benefits of the United States-PRC income tax treaty may elect to treat such gain as PRC source income. Each U.S. Holder should consult its tax advisors regarding the creditability of any PRC tax.

Passive Foreign Investment Company Rules

As mentioned above, we believe that we were a PFIC for the taxable year ended December 31, 2019, and we will likely be classified as a PFIC for our current taxable year ending December 31, 2020. If we are classified as a PFIC for any taxable year during which a U.S. Holder holds our ADSs or Class A 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 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 percent 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 Class A ordinary shares), and (ii) any gain realized on the sale or other disposition of ADSs or Class A 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 Class A 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 classified as a PFIC (each, a "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 individuals or corporations, as appropriate, 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 Class A ordinary shares and any of our subsidiaries, our VIEs or any of the subsidiaries of our VIEs 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 urged to consult their tax advisors regarding the application of the PFIC rules to any of our subsidiaries, our VIEs or any of the subsidiaries of our VIEs.

As an alternative to the foregoing rules, a U.S. Holder of "marketable stock" (as defined below) in a PFIC may make a mark-to-market election with respect to such stock. If a U.S. Holder makes this election with respect to the ADSs, the holder will generally (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 in each such taxable year 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 such deduction will only be allowed to the extent of the 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. If a U.S. Holder makes a mark-to-market election in respect of the ADSs and we cease to be classified as a PFIC, the holder will not be required to take into account the gain or loss described above during any period that we are not classified as a PFIC. If a U.S. Holder makes a mark-to-market election, any gain such U.S. Holder recognizes upon the sale or other disposition of the ADSs in a year when we are a PFIC will be treated as ordinary income and any loss will be treated as ordinary loss, but such loss will only be treated as ordinary loss to the extent of the net amount previously included in income as a result of the mark-to-market election.

The mark-to-market election is available only for "marketable stock," which is stock that is regularly traded on a qualified exchange or other market, as defined in applicable United States Treasury regulations. We expect that our ADSs will continue to be listed on the NASDAQ Global Select Market, which is a qualified exchange for these purposes, and, consequently, assuming that the ADSs are regularly traded, it is expected that the mark-to-market election would be available to a U.S Holder of our ADSs if were we to become a PFIC, but no assurances are given in this regard.

Because a mark-to-market election cannot be made for any lower-tier PFICs that we may own, a U.S. Holder may continue to be subject to the PFIC 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 U.S. federal income tax purposes.

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.

If a U.S. Holder owns our ADSs or Class A ordinary shares during any taxable year that we are a PFIC, the holder must generally file an annual report containing such information as the United States Treasury Department may require. Each U.S. Holder should consult its tax advisors regarding the U.S. federal income tax consequences of owning and disposing of the ADSs or Class A ordinary shares if we are or become a PFIC.

F. Dividends and Paying Agents

Not applicable.

G. Statement by Experts

Not applicable.

H. Documents on Display

We previously filed with the SEC our registration statement on Form F-1 (Registration No. 333-225266), as amended, including the annual report contained therein, to register the issuance and sale of our ordinary shares represented by ADSs in relation to our initial public offering. We have also filed with the SEC the registration statement on Form F-6 (Registration No. 333-225594) to register the ADSs.

We are subject to periodic reporting and other informational requirements of the Exchange Act as applicable to foreign private issuers, and are required to file reports and other information with the SEC. Specifically, we are required to file annually an annual report on Form 20-F within four months after the end of each fiscal year, which is December 31. All information filed with the SEC can be obtained over the internet at the SEC's website at www.sec.gov. As a foreign private issuer, we are exempt from the rules under the Exchange Act prescribing the furnishing and content of quarterly reports and proxy statements, and officers, directors and principal shareholders are exempt from the reporting and short-swing profit recovery provisions contained in Section 16 of the Exchange Act.

We will furnish the Bank of New York Mellon, the depositary of the ADSs, with our annual reports, which will include a review of operations and annual audited consolidated 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, upon our 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.

In accordance with Nasdaq Stock Market Rule 5250(d), we will post this annual report on Form 20-F on our website at http://ir.xin.com. In addition, we will provide hardcopies of our annual report free of charge to shareholders and ADS holders upon request.

I. Subsidiary Information

Not applicable.

Item 11. Quantitative and Qualitative Disclosures about Market Risk

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.

We may invest 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.

Foreign Exchange Risk

Substantially all of our revenues and expenses are denominated in RMB. 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 Renminbi because the value of our business is effectively denominated in RMB, while our ADSs will be traded in U.S. dollars.

The conversion of Renminbi into foreign currencies, including U.S. dollars, is based on rates set by the People's Bank of China. The Renminbi has fluctuated against the U.S. dollar, at times significantly and unpredictably. It is difficult to predict how market forces or PRC or U.S. government policy may impact the exchange rate between Renminbi and the U.S. dollar in the future.

To the extent that we need to convert U.S. dollars into Renminbi for our operations, appreciation of the Renminbi 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 Renminbi into U.S. dollars for the purpose of making payments for dividends on our Class A ordinary shares or the ADSs or for other business purposes, appreciation of the U.S. dollar against the Renminbi would have a negative effect on the U.S. dollar amounts available to us.

As of December 31, 2019, we had RMB-denominated cash and cash equivalents and restricted cash RMB797.5 million, and U.S. dollar-denominated cash balances of US$59.2 million. Assuming we had converted RMB797.5 million into U.S. dollars at the exchange rate of RMB6.9618 for US$1.00 as of December 31, 2019, our U.S. dollar cash balance would have been US$114.6 million. If the RMB had depreciated by 10% against the U.S. dollar, our U.S. dollar cash balance would have been US$104.1 million instead. Assuming we had converted US$59.2 million into RMB at the exchange rate of RMB6.9618 for US$1.00 as of December 31, 2019, our RMB cash balance would have been RMB411.9 million. If the RMB had depreciated by 10% against the U.S. dollar, our RMB cash balance would have been RMB453.1 million instead.

Inflation

To date, inflation in the PRC has not materially impacted 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 2017, 2018 and 2019 were increases of 1.8%, 1.9% and 4.5%, respectively. Although we have not been materially affected by inflation in the past, we can provide no assurance that we will not be affected in the future by higher rates of inflation in the PRC. For example, certain operating costs and expenses, such as employee compensation and office operating expenses may increase as a result of higher inflation. Additionally, because a substantial portion of our assets consists of cash and cash equivalents and short-term investments, high inflation could significantly reduce the value and purchasing power of these assets. We are not able to hedge our exposure to higher inflation in China.

Item 12. Description of Securities Other than Equity Securities

A. Debt Securities

Not applicable.

B. Warrants and Rights

Not applicable.

C. Other Securities

Not applicable.

D. American Depositary Shares

Fees and Charges Our ADS holders May Have to Pay

An ADS holder will be required to pay the following service fees to the depositary bank and certain taxes and governmental charges (in addition to any applicable fees, expenses, taxes and other governmental charges payable on the deposited securities represented by any of the ADSs):

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
$0.05 (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
$0.05 (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

Fees and Other Payments Made by the Depositary to Us

The depositary has agreed to reimburse us annually for our expenses incurred in connection with investor relationship programs and any other program related to our ADS facility and the travel expense of our key personnel in connection with such programs. The depositary has also agreed to provide additional payments to us based on the applicable performance indicators relating to our ADS facility. There are limits on the amount of expenses for which the depositary will reimburse us, but the amount of reimbursement available to us is not necessarily tied to the amount of fees the depositary collects from investors. In 2019, we received approximately US$3.8 million (after tax) reimbursement from the depositary for our expenses incurred in connection with investor relationship programs related to the ADS facility and the travel expense of our key personnel in connection with such programs.

PART II

Item 13. Defaults, Dividend Arrearages and Delinquencies

None.

Item 14. Material Modifications to the Rights of Security Holders and Use of Proceeds

Material Modifications to the Rights of Security Holders

None.

Item 15. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our chief executive officer and chief financial officer, has performed an evaluation of the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Exchange Act) as of the end of the period covered by this report, as required by Rule 13a-15(b) under the Exchange Act.

Based upon that evaluation, our management, with the participation of our chief executive officer and chief financial officer, has concluded that, as of the end of the period covered by this annual report, our disclosure controls and procedures were ineffective as of December 31, 2019 and as of the date that the evaluation of the effectiveness of our disclosure controls and procedures was completed, because of the material weaknesses in our internal control over financial reporting described below. However, we believe that the consolidated financial statements included in this annual report on Form 20-F correctly present our financial position, results of operations and cash flows for the fiscal years covered thereby in all material respects.

Management's Annual Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as defined in Rule 13a-15(f) under the Exchange Act. Our internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements in accordance with U.S. GAAP, and includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of our company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with U.S. GAAP, and that receipts and expenditures of our company are being made only in accordance with authorizations of our management and directors; and (3) provide reasonable assurance regarding prevention or timely detection of the unauthorized acquisition, use or disposition of our company's assets that could have a material effect on the consolidated financial statements. Our management evaluated the effectiveness of our internal control over financial reporting as of December 31, 2019, as required by Rule 13a-15(c) of the Exchange Act, based on criteria established in the framework in Internal Control—Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this evaluation, our management has concluded that our internal control over financial reporting was ineffective as of December 31, 2019. This assessment identified two material weaknesses in our internal control over financial reporting, as follows:

(i) Our lack of adequate number of accounting staff and management resources with appropriate knowledge of U.S. GAAP and SEC reporting and compliance requirements.

(ii) Insufficient documented financial closing policies and procedures, specifically those related to period end expenses cut-off and accruals.

This annual report does not include an attestation report of our independent registered public accounting firm regarding internal control over financial reporting as we qualify as an "emerging growth company" under section 3(a) of the Securities Exchange Act of 1934, as amended, and are therefore exempt from the attestation requirement.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. In addition, projections of any evaluation of effectiveness of our internal control over financial reporting to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.

We are in the process of implementing a number of measures to address these material weaknesses identified, including: (i) hire more qualified financial and reporting personnel, including financial controller, equipped with relevant U.S. GAAP and SEC reporting experiences and qualifications to strengthen the financial reporting function and to set up financial and system control framework; (ii) implement regular and continuous U.S. GAAP accounting and financial reporting training programs for our accounting and financial reporting personnel; (iii) set up an internal audit function as well as to engage an external consulting firm to assist us to assess Sarbanes-Oxley compliance readiness and improve overall internal controls, and (iv) establish sufficient and formal financial closing policies and procedures, especially those related to period end cut-off and accruals. We expect that we will incur significant costs in the implementation of such measures. However, we cannot assure you that we will remediate our material weaknesses in a timely manner. See "Risk Factors—Risks Related to Our Business and Industry— 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. 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 intend to take advantage of the extended transition period for complying with new or revised accounting standards provided under the JOBS Act in the future.

Changes in Internal Control over Financial Reporting

Other than as described above, there were no changes in our internal controls over financial reporting that occurred during the period covered by this annual report on Form 20-F that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Item 16A. Audit Committee Financial Expert

Our board of directors has determined that Rong Lu, an independent director (under the standards set forth in Nasdaq Stock Market Rule 5605(a)(2) and Rule 10A-3 under the Exchange Act) and member of our audit committee, is an audit committee financial expert.

Item 16B. Code of Ethics

Our board of directors adopted a code of business conduct and ethics that applies to our directors, officers and employees in June 2018. We have posted a copy of our code of business conduct and ethics on our website at *http://ir.xin.com*.

Item 16C. Principal Accountant Fees and Services

The following table sets forth the aggregate fees by categories specified below in connection with certain professional services rendered by PricewaterhouseCoopers Zhong Tian LLP, our principal external auditors, for the periods indicated.

	2018		2019	
Audit fees[1]	US$	1,092,785	US$	1,146,756
All other fees[2]	US$	138,419	US$	38,703

(1) "Audit fees" means the aggregate fees billed in each of the fiscal years listed for professional services rendered by our principal auditors for the audit of our annual financial statements and assistance with and review of documents filed with the SEC. In 2018 and 2019, the audit refers to financial audit.

(2) "All other fees" means the aggregate fees billed in each of the fiscal years listed for professional services rendered by our principal auditors associated with certain financial due diligence projects, permissible services to review and comment on internal control design over financial reporting and other advisory services.

The policy of our audit committee is to pre-approve all audit and non-audit services provided by PricewaterhouseCoopers Zhong Tian LLP, including audit services, audit-related services, tax services and other services as described above, other than those for *de minimis* services which are approved by the audit committee prior to the completion of the audit.

Item 16D. Exemptions from the Listing Standards for Audit Committees

Not applicable.

Item 16E. Purchases of Equity Securities by the Issuer and Affiliated Purchasers

None.

Item 16F. Change in Registrant's Certifying Accountant

Not applicable.

Item 16G. Corporate Governance

As a Cayman Islands company listed on Nasdaq, we are subject to the Nasdaq corporate governance listing standards. However, Nasdaq rules permit a foreign private issuer like us to follow the corporate governance practices of its home country. Certain corporate governance practices in the Cayman Islands, which is our home country, may differ significantly from the Nasdaq corporate governance listing standards. Maples and Calder (Hong Kong) LLP, our Cayman Islands counsel, has provided letters to the Nasdaq Stock Market certifying that under Cayman Islands law, (i) we are not required to hold annual shareholders meetings every year and (ii) shareholder approval is not required for the adoption or amendment of an equity compensation plan. We followed and intend to continue to follow our home country practice in lieu of the requirement to hold an annual meeting of shareholders no later than one year after the end of a fiscal year under Nasdaq Rule 5620(a). We also followed home country practice when adopting our 2018 Second Amended and Restated Share Incentive Plan in November 2018 without seeking shareholder approval.

Other than the practices described above, there are no significant differences between our corporate governance practices and those followed by U.S. domestic companies under Nasdaq Stock Market Rules.

However, if we choose to follow other home country practice in the future, our shareholders may be afforded less protection than they otherwise would under the Nasdaq corporate governance listing standards applicable to U.S. domestic issuers. See "Item 3. Key Information—D. Risk Factors—Risks Related to Our ADSs—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."

Item 16H. Mine Safety Disclosure

Not applicable.

PART III

Item 17. Financial Statements

We have elected to provide financial statements pursuant to Item 18.

Item 18. Financial Statements

The consolidated financial statements of Uxin Limited, its subsidiaries and its consolidated variable interest entities are included at the end of this annual report.

Item 19. Exhibits

Exhibit Number	Description of Document
1.1	Amended and Restated Memorandum and Articles of Association of the Registrant (incorporated by reference to Exhibit 3.2 of the registration statement on Form F-1/A (file no. 333-225266), as amended, filed by the Registrant with the Securities and Exchange Commission on June 1, 2018)
2.1	Registrant's Specimen American Depositary Receipt (incorporated by reference to Exhibit 4.1 of the registration statement on Form F-1/A (file no. 333-225266), as amended, filed by the Registrant with the Securities and Exchange Commission on June 13, 2018)
2.2	Registrant's Specimen Certificate for Ordinary Shares (incorporated by reference to Exhibit 4.2 of the registration statement on Form F-1/A (file no. 333-225266), as amended, filed by the Registrant with the Securities and Exchange Commission on June 13, 2018)
2.3	Deposit Agreement, among the Registrant, the depositary and the holders and beneficial owners of American Depositary Shares issued thereunder dated June 27, 2018 (incorporated by reference to Exhibit 4.3 of the registration statement on Form S-8 (file no. 333-227576), filed by the Registrant with the Securities and Exchange Commission on September 28, 2018)
2.4	Shareholders Agreement, between the Registrant and other parties thereto dated as of January 2, 2018 (incorporated by reference to Exhibit 4.4 of the registration statement on Form F-1 (file no. 333-225266), as amended, filed by the Registrant with the Securities and Exchange Commission on May 29, 2018)
3.1*	Description of the Registrant's Securities
4.1	2018 Second Amended and Restated Share Incentive Plan (incorporated by reference to Exhibit 4.1 of the annual report on Form 20-F filed by the Registrant with the Securities and Exchange Commission on April 29, 2019)
4.2	Form of Indemnification Agreement between the Registrant and its directors and executive officers (incorporated by reference to Exhibit 10.2 of the registration statement on Form F-1 (file no. 333-225266), as amended, filed by the Registrant with the Securities and Exchange Commission on May 29, 2018)

Exhibit Number	Description of Document
4.3	Form of Employment Agreement between the Registrant and its executive officers (incorporated by reference to Exhibit 10.3 of the registration statement on Form F-1 (file no. 333-225266), as amended, filed by the Registrant with the Securities and Exchange Commission on May 29, 2018)
4.4	English translation of the Amended and Restated Exclusive Business Cooperation Agreement between Youxinpai and Youxin Hulian dated September 11, 2014 (incorporated by reference to Exhibit 10.4 of the registration statement on Form F-1 (file no. 333-225266), as amended, filed by the Registrant with the Securities and Exchange Commission on May 29, 2018)
4.5	English translation of the Fourth Amended and Restated Equity Interest Pledge Agreement among Youxinpai, Youxin Hulian and Mr. Kun Dai dated November 23, 2016 (incorporated by reference to Exhibit 10.5 of the registration statement on Form F-1 (file no. 333-225266), as amended, filed by the Registrant with the Securities and Exchange Commission on May 29, 2018)
4.6	English translation of the Fourth Amended and Restated Power of Attorney issued by Mr. Kun Dai to Youxinpai dated November 23, 2016 (incorporated by reference to Exhibit 10.6 of the registration statement on Form F-1 (file no. 333-225266), as amended, filed by the Registrant with the Securities and Exchange Commission on May 29, 2018)
4.7	English translation of the Fifth Amended and Restated Exclusive Option Agreement among Youxinpai, Youxin Hulian and Mr. Kun Dai dated February 4, 2018 (incorporated by reference to Exhibit 10.7 of the registration statement on Form F-1 (file no. 333-225266), as amended, filed by the Registrant with the Securities and Exchange Commission on May 29, 2018)
4.8	English translation of the Equity Interest Pledge Agreement among Youxinpai, Youxin Hulian and Beijing Min Si Lian Hua Investment Management Co., Ltd. dated September 11, 2014 (incorporated by reference to Exhibit 10.8 of the registration statement on Form F-1 (file no. 333-225266), as amended, filed by the Registrant with the Securities and Exchange Commission on May 29, 2018)
4.9	English translation of the Power of Attorney issued by Beijing Min Si Lian Hua Investment Management Co., Ltd. to Youxinpai dated September 11, 2014 (incorporated by reference to Exhibit 10.9 of the registration statement on Form F-1 (file no. 333-225266), as amended, filed by the Registrant with the Securities and Exchange Commission on May 29, 2018)
4.10	English translation of the Amended and Restated Exclusive Option Agreement among Youxinpai, Youxin Hulian and Beijing Min Si Lian Hua Investment Management Co., Ltd. dated February 4, 2018 (incorporated by reference to Exhibit 10.10 of the registration statement on Form F-1 (file no. 333-225266), as amended, filed by the Registrant with the Securities and Exchange Commission on May 29, 2018)
4.11	English translation of the Loan Agreement between Youxinpai and Mr. Kun Dai dated November 23, 2016 (incorporated by reference to Exhibit 10.11 of the registration statement on Form F-1 (file no. 333-225266), as amended, filed by the Registrant with the Securities and Exchange Commission on May 29, 2018)
4.12	English translation of the Exclusive Business Cooperation Agreement between Yougu and Yishouche dated April 9, 2016 (incorporated by reference to Exhibit 10.12 of the registration statement on Form F-1 (file no. 333-225266), as amended, filed by the Registrant with the Securities and Exchange Commission on May 29, 2018)

Exhibit Number	Description of Document
4.13	English translation of the Equity Interest Pledge Agreement among Yougu, Yishouche and Mr. Kun Dai dated April 9, 2016 (incorporated by reference to Exhibit 10.13 of the registration statement on Form F-1 (file no. 333-225266), as amended, filed by the Registrant with the Securities and Exchange Commission on May 29, 2018)
4.14	English translation of the Power of Attorney issued by Mr. Kun Dai to Yougu dated April 9, 2016 (incorporated by reference to Exhibit 10.14 of the registration statement on Form F-1 (file no. 333-225266), as amended, filed by the Registrant with the Securities and Exchange Commission on May 29, 2018)
4.15	English translation of the Amended and Restated Exclusive Option Agreement among Yougu, Yishouche and Mr. Kun Dai dated February 4, 2018 (incorporated by reference to Exhibit 10.15 of the registration statement on Form F-1 (file no. 333-225266), as amended, filed by the Registrant with the Securities and Exchange Commission on May 29, 2018)
4.16	English translation of the Amended and Restated Equity Interest Pledge Agreement among Yougu, Yishouche and Beijing Min Si Lian Hua Investment Management Co., Ltd. dated February 4, 2018 (incorporated by reference to Exhibit 10.16 of the registration statement on Form F-1 (file no. 333-225266), as amended, filed by the Registrant with the Securities and Exchange Commission on May 29, 2018)
4.17	English translation of the Power of Attorney issued by Beijing Min Si Lian Hua Investment Management Co., Ltd. to Yougu dated February 4, 2018 (incorporated by reference to Exhibit 10.17 of the registration statement on Form F-1 (file no. 333-225266), as amended, filed by the Registrant with the Securities and Exchange Commission on May 29, 2018)
4.18	English translation of the Amended and Restated Exclusive Option Agreement among Yougu, Yishouche and Beijing Min Si Lian Hua Investment Management Co., Ltd. dated February 4, 2018 (incorporated by reference to Exhibit 10.18 of the registration statement on Form F-1 (file no. 333-225266), as amended, filed by the Registrant with the Securities and Exchange Commission on May 29, 2018)

Exhibit Number	Description of Document
4.19	English translation of Vehicle Financing Business Cooperation Agreement by and among Kaifeng and Zhejiang Chouzhou Commercial Bank Co., Ltd. dated November 9, 2016 and Supplemental Agreements dated June 29, 2017, August 17, 2017, and November 28, 2017 (incorporated by reference to Exhibit 10.47 of the registration statement on Form F-1/A (file no. 333-225266), as amended, filed by the Registrant with the Securities and Exchange Commission on June 22, 2018)
4.20	English translation of Vehicle Financing Business Cooperation Agreement by and among Kaifeng and Sichuan XW Bank Co., Ltd. dated June 8, 2017 and Supplemental Agreement dated June 30, 2017 (incorporated by reference to Exhibit 10.48 of the registration statement on Form F-1/A (file no. 333-225266), as amended, filed by the Registrant with the Securities and Exchange Commission on June 22, 2018)
4.21	English translation of the Auto Financing Business Cooperation Agreement by and among Kaifeng and a third-party financing partner dated June 28, 2018 and Supplemental Agreements dated October 19, 2018 and December 7, 2018, respectively (incorporated by reference to Exhibit 4.35 of the annual report on Form 20-F filed by the Registrant with the Securities and Exchange Commission on April 29, 2019)
4.22	Amended and Restated Share Conversion Agreement by and among Fengshion Capital Investment Fund, LP, LC Fund V, L.P., LC Parallel Fund V, L.P., Fairlubo Auction Company Limited, and the Registrant dated June 8, 2018 (incorporated by reference to Exhibit 10.50 of the registration statement on Form F-1/A (file no. 333-225266), as amended, filed by the Registrant with the Securities and Exchange Commission on June 13, 2018)
4.23	Share Surrender and Loan Settlement Agreement between Mr. Kun Dai, Xin Gao Group Limited and the Registrant dated May 28, 2018 (incorporated by reference to Exhibit 10.51 of the registration statement on Form F-1 (file no. 333-225266), as amended, filed by the Registrant with the Securities and Exchange Commission on May 29, 2018)
4.24	Convertible Note Purchase Agreement by and among the Registrant, CNCB (Hong Kong) Investment Limited and CNCB (Hong Kong) Capital Limited dated June 9, 2018 (incorporated by reference to Exhibit 10.52 of the registration statement on Form F-1/A (file no. 333-225266), as amended, filed by the Registrant with the Securities and Exchange Commission on June 13, 2018)
4.25	Convertible Note Purchase Agreement by and between the Registrant and Golden Fortune Company Limited dated June 12, 2018 (incorporated by reference to Exhibit 10.53 of the registration statement on Form F-1/A (file no. 333-225266), as amended, filed by the Registrant with the Securities and Exchange Commission on June 13, 2018)
4.26	Form of Underwriting Agreement (incorporated by reference to Exhibit 1.1 of the registration statement on Form F-1/A (file no. 333-225266), as amended, filed by the Registrant with the Securities and Exchange Commission on June 13, 2018)
4.27	Convertible Note Purchase Agreement by and among the Registrant, Mr. Kun Dai, Redrock Holding Investments Limited, TPG Growth III SF Pte. Ltd., 58.com Holdings Inc., ClearVue UXin Holdings, Ltd., Magic Carpet International Limited and Zhuhai Guangkong Zhongying Industrial Investment Fund (Limited Partnership) dated May 29, 2019 (incorporated by reference to Exhibit 7.02 of the registration statement on Form 13D (file no. 005-90751) filed by 58.com Holdings Inc. and 58.com Inc. with the Securities and Exchange Commission on June 20, 2019)
4.28	Investors' Rights Agreement by and among the Registrant, Redrock Holding Investments Limited, TPG Growth III SF Pte. Ltd., 58.com Holdings Inc.. Mr. Kun Dai, Xin Gao Group Limited, Gao Li Group Limited and JenCap UX dated June 10, 2019 (incorporated by reference to Exhibit 99.2 of the registration statement on Form 13D (file no. 005-90751) filed by Mr. Kun Dai, among others, with the Securities and Exchange Commission on June 20, 2019)
4.29*†	Convertible Note Purchase Agreement (First Closing) by and between the Registrant and PacificBridge Asset Management dated July 12, 2019
4.30*†	Convertible Note Purchase Agreement (Second Closing) by and between the Registrant and PacificBridge Asset Management dated July 12, 2019

Exhibit Number	Description of Document
4.31*†	Amendment to Convertible Note Purchase Agreement (Second Closing) by and between the Registrant and PacificBridge Asset Management dated August 13, 2019
4.32*†	Convertible Note Purchase Agreement (Third Closing) by and between the Registrant and PacificBridge Asset Management dated July 12, 2019
4.33*†	Amendment to Convertible Note Purchase Agreement (Third Closing) by and between the Registrant and PacificBridge Asset Management dated August 13, 2019
4.34*†	Second Amendment to Convertible Note Purchase Agreement (Third Closing) by and between the Registrant and PacificBridge Asset Management dated October 10, 2019
4.35*†	Asset Transfer Agreement by and among the Registrant, Tianjin Wuba Rongxin Information Technology Co., Ltd. and certain other parties dated September 30, 2019
4.36*†	Supplementary Agreements to Assets Transfer Agreement by and among the Registrant, Tianjin Wuba Rongxin Information Technology Co., Ltd. and certain other parties dated April 23, 2020
4.37*†	Equity Acquisition Agreement by and among certain affiliates of the Registrant, Beijing Hengtai Boche Auction Co. Ltd. and certain other parties dated January 15, 2020
4.38*†	Assets and Business Transfer Agreement by and among the Registrant, Beijing 58 Paipai Information Technology Co., Ltd. and certain other parties dated March 24, 2020
4.39*†	Business Cooperation Agreement by and among the Registrant, Beijing 58 Paipai Information Technology Co., Ltd. and certain other parties dated April 14, 2020
8.1*	List of Principal Subsidiaries and Consolidated Affiliated Entities of the Registrant
11.1	Code of Business Conduct and Ethics of the Registrant (incorporated by reference to Exhibit 99.1 of the registration statement on Form F-1 (file no. 333-225266), as amended, filed by the Registrant with the Securities and Exchange Commission on May 29, 2018)
12.1*	Certification by Principal Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
12.2*	Certification by Principal Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
13.1**	Certification by Principal Executive Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
13.2**	Certification by Principal Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
15.1*	Consent of PricewaterhouseCoopers Zhong Tian LLP
15.2*	Consent of JunHe LLP
101.INS*	XBRL Instance Document
101.SCH*	XBRL Taxonomy Extension Schema Document

Exhibit Number	Description of Document
101.CAL*	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF*	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB*	XBRL Taxonomy Extension Label Linkbase Document
101.PRE*	XBRL Taxonomy Extension Presentation Linkbase Document

* Filed herewith

** Furnished herewith

† Certain information has been excluded from this exhibit pursuant to Rule 406 under the Securities Act.

SIGNATURES

The registrant hereby certifies that it meets all of the requirements for filing its annual report on Form 20-F and that it has duly caused and authorized the undersigned to sign this annual report on its behalf.

Uxin Limited

By: /s/ Kun Dai
Name: Kun Dai
Title: Chairman and Chief Executive Officer

Date: May 12, 2020

UXIN LIMITED

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders of Uxin Limited

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Uxin Limited and its subsidiaries (the "Company") as of December 31, 2019 and 2018, and the related consolidated statements of comprehensive loss, changes in shareholders' (deficit)/equity and cash flows for each of the three years in the period ended December 31, 2019, including the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2019 and 2018, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2019 in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits of these consolidated financial statements in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/PricewaterhouseCoopers Zhong Tian LLP

Shanghai, the People's Republic of China
May 12, 2020
We have served as the Company's auditor since 2017.

UXIN LIMITED

CONSOLIDATED BALANCE SHEETS
AS OF DECEMBER 31, 2018 AND 2019
(All amounts in thousands, except for share and per share data, unless otherwise noted)

		December 31, 2018	December 31, 2019	
		RMB	RMB	US$
ASSETS				
Current assets:				
Cash and cash equivalents		800,997	478,200	68,547
Restricted cash		1,011,705	706,988	101,343
Short-term investments		596,078	—	—
Accounts receivable		51,610	44,605	6,395
Amounts due from related parties		—	51,590	7,395
Advance to consumers on behalf of financing partners	5	521,908	2,135	306
Loan recognized as a result of payment under the guarantee, net	6	553,688	1,580,464	226,551
Advance to sellers		692,714	288,550	41,362
Other receivables, net		707,404	440,056	63,080
Inventory		19,380	13,792	1,977
Prepaid expenses and other current assets		417,314	158,908	22,779
Financial lease receivables, net		294,511	121,820	17,462
Assets held for sale	3	1,001,325	230,051	32,977
Net assets transferred	3	—	827,710	118,648
Total current assets		**6,668,634**	**4,944,869**	**708,822**
Non-current assets:				
Property, equipment and software, net		199,271	110,114	15,784
Intangible assets, net		21,179	190	27
Goodwill		110,424	9,541	1,368
Long-term investments		349,882	272,936	39,124
Right-of-use assets, net		—	45,446	6,514
Total non-current assets		**680,756**	**438,227**	**62,817**
Total assets		**7,349,390**	**5,383,096**	**771,639**

UXIN LIMITED

CONSOLIDATED BALANCE SHEETS
AS OF DECEMBER 31, 2018 AND 2019 (CONTINUED)
(All amounts in thousands, except for share and per share data, unless otherwise noted)

	December 31, 2018	December 31, 2019	
	RMB	RMB	US$
LIABILITIES AND EQUITY			
Current liabilities (including amounts of the consolidated VIEs and VIEs' subsidiaries without recourse to the primary beneficiary of RMB261,226 and RMB371,474 as of December 31, 2018 and 2019, respectively)			
Short-term borrowings and current portion of long-term borrowings	624,588	263,425	37,761
Accounts payable	156,320	127,836	18,325
Guarantee liabilities	146,427	388,307	55,662
Deposit of interests from consumers and payable to financing partners, current	314,231	42,199	6,049
Advance from buyers collected on behalf of sellers	270,347	147,923	21,204
Other payables and accruals	1,128,068	1,302,292	186,676
Deferred revenue	115,160	54,267	7,779
Convertible notes, current	1,188,192	324,644	46,536
Operating lease liabilities, current	—	32,892	4,715
Liabilities held for sale	528,498	310,029	44,441
Total current liabilities	**4,471,831**	**2,993,814**	**429,148**
Non-current liabilities			
Long-term borrowings	481,801	241,026	34,550
Deposit of interests from consumers and payable to financing partners, non-current	19,356	265	38
Deferred tax liabilities	4,759	—	—
Convertible notes, non-current	—	1,672,796	239,786
Operating lease liabilities, non-current	—	10,075	1,444
Total non-current liabilities	**505,916**	**1,924,162**	**275,818**
Total liabilities	**4,977,747**	**4,917,976**	**704,966**

UXIN LIMITED

CONSOLIDATED BALANCE SHEETS
AS OF DECEMBER 31, 2018 AND 2019 (CONTINUED)
(All amounts in thousands, except for share and per share data, unless otherwise noted)

	Notes	December 31, 2018	December 31, 2019	
		RMB	RMB	US$
Commitments and contingencies	30			
Shareholders' equity				
Ordinary shares (US$0.0001 par value, 10,000,000,000 shares authorized as of December 31, 2018 and 2019, respectively; 839,850,038 Class A ordinary shares and 40,809,861 Class B ordinary shares issued and outstanding as of December 31, 2018; 846,807,530 Class A ordinary shares and 40,809,861 Class B ordinary shares issued and outstanding as of December 31, 2019)		575	581	83
Additional paid-in capital		12,967,986	13,069,560	1,873,450
Accumulated other comprehensive income		86,061	68,192	9,775
Accumulated deficit		(10,680,489)	(12,669,165)	(1,816,055)
Total UXIN LIMITED shareholders' equity		**2,374,133**	**469,168**	**67,253**
Non-controlling interests		(2,490)	(4,048)	(580)
Total shareholders' equity		**2,371,643**	**465,120**	**66,673**
Total liabilities and shareholders' equity		**7,349,390**	**5,383,096**	**771,639**

The accompanying notes are an integral part of these consolidated financial statements

UXIN LIMITED

CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
FOR THE YEAR ENDED DECEMBER 31, 2017, 2018 AND 2019
(All amounts in thousands, except for share and per share data, unless otherwise noted)

	2017	2018	2019	
	RMB	RMB	RMB	US$
Revenues:				
To consumers ("2C")				
- Commission revenue	—	203,158	711,362	101,970
- Value-added service revenue	—	166,482	636,046	91,174
Others	309,133	289,450	240,623	34,492
Total Revenues	**309,133**	**659,090**	**1,588,031**	**227,636**
Cost of revenues	(92,735)	(418,852)	(689,292)	(98,806)
Gross profit	**216,398**	**240,238**	**898,739**	**128,830**
Operating expenses:				
Sales and marketing	(179,328)	(1,488,699)	(1,184,997)	(169,863)
Research and development	—	(124,513)	(140,006)	(20,069)
General and administrative	(389,072)	(1,070,419)	(402,040)	(57,630)
Gains/(losses) from guarantee liabilities	1,840	(4,414)	(194,385)	(27,864)
Provision for credit losses	(38,075)	(40,626)	(271,372)	(38,900)
Total operating expenses	**(604,635)**	**(2,728,671)**	**(2,192,800)**	**(314,326)**
Other operating income	—	—	1,925	276
Loss from continuing operations	**(388,237)**	**(2,488,433)**	**(1,292,136)**	**(185,220)**
Interest income	2,234	24,554	14,958	2,144
Interest expenses	(199)	(63,880)	(112,587)	(16,139)
Other income	4,248	23,721	71,142	10,198
Other expenses	(3,808)	(25,568)	(36,569)	(5,242)
Foreign exchange (losses) /gains	(627)	(8,232)	4,247	609
Fair value change of derivative liabilities	(885,821)	1,185,090	—	—
Gain from disposal of investments, net	—	—	28,257	4,050
Impairment of long-term investment	—	—	(37,775)	(5,415)
Loss from continuing operations before income tax expense	**(1,272,210)**	**(1,352,748)**	**(1,360,463)**	**(195,015)**
Income tax (expense)/credit	(211)	(1,644)	2,554	366
Equity in income of affiliates	3,597	2,631	30,231	4,333
Net loss from continuing operations, net of tax	**(1,268,824)**	**(1,351,761)**	**(1,327,678)**	**(190,316)**
Less: net loss attributable to non-controlling interests shareholders	(25,202)	(15,771)	(1,452)	(208)
Net loss from continuing operations, attributable to UXIN LIMITED	**(1,243,622)**	**(1,335,990)**	**(1,326,226)**	**(190,108)**

UXIN LIMITED

CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
FOR THE YEAR ENDED DECEMBER 31, 2017, 2018 AND 2019 (CONTINUED)
(All amounts in thousands, except for share and per share data, unless otherwise noted)

	2017	2018	2019	
	RMB	RMB	RMB	US$
Discontinued operations				
Loss from discontinued operations before income tax	(1,478,615)	(173,583)	(659,458)	(94,530)
Income tax expense	(359)	(12,941)	(2,992)	(429)
Net loss from discontinued operations, net of tax	**(1,478,974)**	**(186,524)**	**(662,450)**	**(94,959)**
Net loss from discontinued operations, attributable to UXIN LIMITED	**(1,478,974)**	**(186,524)**	**(662,450)**	**(94,959)**
Net loss	(2,747,798)	(1,538,285)	(1,990,128)	(285,275)
Less: net loss attributable to non-controlling interests shareholders	(25,202)	(15,771)	(1,452)	(208)
Net loss attributable to UXIN LIMITED	**(2,722,596)**	**(1,522,514)**	**(1,988,676)**	**(285,067)**
Accretion on redeemable preferred shares	(555,824)	(318,951)	—	—
Deemed dividend to preferred shareholders	(587,564)	(544,773)	—	—
Deemed dividend from preferred shareholders	92,779	—	—	—
Net loss attributable to ordinary shareholders	**(3,773,205)**	**(2,386,238)**	**(1,988,676)**	**(285,067)**
Net loss	**(2,747,798)**	**(1,538,285)**	**(1,990,128)**	**(285,275)**
Foreign currency translation	43,406	4,818	(17,976)	(2,577)
Total comprehensive loss	**(2,704,392)**	**(1,533,467)**	**(2,008,104)**	**(287,852)**
Less: total comprehensive loss attributable to non-controlling interests shareholders	(27,861)	(22,359)	(1,558)	(223)
Total comprehensive loss attributable to UXIN LIMITED	**(2,676,531)**	**(1,511,108)**	**(2,006,546)**	**(287,629)**

UXIN LIMITED

CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
FOR THE YEAR ENDED DECEMBER 31, 2017, 2018 AND 2019 (CONTINUED)
(All amounts in thousands, except for share and per share data, unless otherwise noted)

	2017	2018	2019	
	RMB	RMB	RMB	US$
Net loss from continuing operations, attributable to ordinary shareholders	(2,294,231)	(2,199,714)	(1,326,226)	(190,108)
Net loss from discontinued operations, attributable to ordinary shareholders	(1,478,974)	(186,524)	(662,450)	(94,959)
Net loss attributable to ordinary shareholders	**(3,773,205)**	**(2,386,238)**	**(1,988,676)**	**(285,067)**
Weighted average number of ordinary shares used in computing net loss per share, basic and diluted	49,318,860	477,848,763	886,613,598	886,613,598
Loss per share for ordinary shareholders, basic				
Continuing operations	(46.52)	(4.60)	(1.50)	(0.21)
Discontinued operations	(29.99)	(0.39)	(0.75)	(0.11)
Loss per share for ordinary shareholders, diluted				
Continuing operations	(46.52)	(4.60)	(1.50)	(0.21)
Discontinued operations	(29.99)	(0.39)	(0.75)	(0.11)

The accompanying notes are an integral part of these consolidated financial statements.

UXIN LIMITED

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' (DEFICIT)/EQUITY
FOR THE YAER ENDED DECEMBER 31, 2017, 2018 AND 2019
(All amounts in thousands, except for share and per share data, unless otherwise noted)

	Ordinary share (US $0.0001 par value)		Additional paid-in capital	Accumulated other comprehensive income	Accumulated deficit	Total UXIN LIMITED shareholders' deficit	Non-controlling interest	Total shareholders' deficit
	Number of shares	Amount RMB	RMB	RMB	RMB	RMB	RMB	RMB
Balance as of December 31, 2016	49,318,860	30	—	30,542	(4,462,333)	(4,431,761)	(12,091)	(4,443,852)
Foreign currency translation adjustments	—	—	—	46,065	—	46,065	(2,659)	43,406
Net loss	—	—	—	—	(2,722,596)	(2,722,596)	(25,202)	(2,747,798)
Share-based compensation	—	—	165,873	—	—	165,873	—	165,873
Transaction with non-controlling interests	—	—	—	—	(45,357)	(45,357)	(18,851)	(64,208)
Accretion on preferred shares to redemption value	—	—	(73,094)	—	(482,730)	(555,824)	—	(555,824)
Non-controlling interests arising from business combination	—	—	—	—	—	—	8,342	8,342
Deemed dividend to preferred shareholders	—	—	—	—	(587,564)	(587,564)	—	(587,564)
Deemed dividend from preferred shareholders	—	—	(92,779)	—	92,779	—	—	—
Balance as of December 31, 2017	49,318,860	30	—	76,607	(8,207,801)	(8,131,164)	(50,461)	(8,181,625)

UXIN LIMITED

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' (DEFICIT)/EQUITY
FOR THE YAER ENDED DECEMBER 31, 2017, 2018 AND 2019 (CONTINUED)
(All amounts in thousands, except for share and per share data, unless otherwise noted)

	Ordinary share (US $0.0001 par value)							
	Number of shares	Amount RMB	Additional paid-in capital RMB	Accumulated other comprehensive income RMB	Accumulated deficit RMB	Total UXIN LIMITED shareholders' (deficit)/equity RMB	Non-controlling interest RMB	Total shareholders' (deficit)/equity RMB
Balance as of December 31, 2017	49,318,860	30	—	76,607	(8,207,801)	(8,131,164)	(50,461)	(8,181,625)
Foreign currency translation adjustments	—	—	—	11,407	—	11,407	(6,589)	4,818
Net loss	—	—	—	—	(1,522,514)	(1,522,514)	(15,771)	(1,538,285)
Share-based compensation	—	—	151,274	—	—	151,274	—	151,274
Issuance of restricted shares to Mr. Kun Dai	17,742,890	11	620,435	—	—	620,446	—	620,446
Issuance of ordinary shares due to exercise of the share option	8,479,505	5	286,676	—	—	286,681	—	286,681
Conversion of redeemable preferred shares	743,343,820	486	11,012,694	—	—	11,013,180	—	11,013,180
Deemed dividend to preferred shareholders	—	—	—	—	(544,773)	(544,773)	—	(544,773)
Accretion on preferred shares to redemption value	—	—	(38,582)	—	(280,369)	(318,951)	—	(318,951)
Issuance of ordinary shares upon Initial Public Offering	75,000,000	50	1,342,831	—	—	1,342,881	—	1,342,881
Repurchase of the surrender shares	(26,251,889)	(16)	(573,600)	—	(125,064)	(698,680)	—	(698,680)
Fairlubo Auction Company Limited share swap	13,026,713	9	161,294	(1,953)	—	159,350	74,561	233,911
Transaction with non-controlling interests	—	—	(182)	—	—	(182)	(4,819)	(5,001)
40,809,861 ordinary shares were redesignated to Class B ordinary shares with super voting power granted to Mr. Kun Dai	—	—	5,146	—	32	5,178	589	5,767
Balance as of December 31, 2018	880,659,899	575	12,967,986	86,061	(10,680,489)	2,374,133	(2,490)	2,371,643

UXIN LIMITED

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' (DEFICIT)/EQUITY
FOR THE YAER ENDED DECEMBER 31, 2017, 2018 AND 2019 (CONTINUED)
(All amounts in thousands, except for share and per share data, unless otherwise noted)

	Ordinary share (US $0.0001 par value)		Additional paid-in capital	Accumulated other comprehensive income	Accumulated deficit	Total UXIN LIMITED shareholders' equity	Non-controlling interest	Total shareholders' equity
	Number of shares	Amount						
		RMB	RMB	RMB	RMB	RMB	RMB	RMB
Balance as of December 31, 2018	880,659,899	575	12,967,986	86,061	(10,680,489)	2,374,133	(2,490)	2,371,643
Foreign currency translation adjustments	—	—	—	(17,869)	—	(17,869)	(106)	(17,975)
Net loss	—	—	—	—	(1,988,676)	(1,988,676)	(1,452)	(1,990,128)
Issuance of ordinary shares due to exercise of the share option	6,957,492	6	1,279	—	—	1,285	—	1,285
Share-based compensation	—	—	100,295	—	—	100,295	—	100,295
Balance as of December 31, 2019	887,617,391	581	13,069,560	68,192	(12,669,165)	469,168	(4,048)	465,120

The accompanying notes are an integral part of these consolidated financial statements.

UXIN LIMITED

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2017, 2018 AND 2019
(All amounts in thousands, except for share and per share data, unless otherwise noted)

	2017	2018	2019	
	RMB	RMB	RMB	US$
Cash flows from operating activities:				
Net loss (continuing and discontinued operations)	(2,747,798)	(1,538,285)	(1,990,128)	(285,275)
Adjustments to reconcile net loss to net cash generated from operating activities:				
Shared-based compensation	165,873	1,052,032	100,295	14,377
Depreciation of property, equipment and software	68,185	88,803	88,939	12,749
Amortization of intangible assets	3,678	5,619	6,892	988
Amortization of right-of-use assets	—	—	75,924	10,883
Loss from disposal of property, equipment and software	1,542	290	2,710	388
Equity in income of affiliates	(3,597)	(2,631)	(30,231)	(4,333)
Cash dividend received	—	—	4,389	629
(Gains)/losses from guarantee liabilities	(2,284)	1,931	362,597	51,976
Accrual of allowance for doubtful accounts	1,604	19,703	1,411	202
Deferred income tax liabilities	(620)	(1,107)	(1,678)	(241)
Impairment of long-term investment	—	—	37,775	5,415
Gains from disposal of long-term investment, net	—	—	(28,257)	(4,050)
Provision for credit losses	38,075	40,626	271,372	38,900
Fair value change of derivative liabilities	885,821	(1,185,090)	—	—
Goodwill impairment	—	3,670	—	—
Changes in operating assets and liabilities:				
Receivables, prepaid expenses and other current assets	(222,391)	(595,277)	315,726	45,258
Amounts due from related parties	—	—	(51,590)	(7,395)
Advance to consumers on behalf of financing partners	(796,278)	305,509	519,773	74,507
Loan recognized as a result of payment under the guarantee	(478,492)	(409,093)	(1,533,259)	(219,784)
Advance to sellers	(200,513)	(446,427)	347,402	49,798
Financial lease receivables	(26,832)	141,517	156,301	22,405
Inventory	(67,252)	58,561	5,588	801
Payables, accruals and other current liabilities	911,639	654,281	674,946	96,750
Deposit of interests from consumers and payable to financing partners	628,889	(563,527)	(470,105)	(67,387)
Deferred revenue	6,508	87,562	(60,893)	(8,729)
Net cash used in operating activities	**(1,834,243)**	**(2,281,333)**	**(1,194,101)**	**(171,168)**

UXIN LIMITED

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2017, 2018 AND 2019 (CONTINUED)
(All amounts in thousands, except for share and per share data, unless otherwise noted)

	2017	2018	2019	
	RMB	RMB	RMB	US$
Cash flows from investing activities:				
Proceeds from disposal of property, equipment and software	885	7,735	43,611	6,251
Purchase of property, equipment and software	(81,211)	(133,907)	(46,820)	(6,711)
Cash paid for long-term investments	(152,723)	(189,450)	—	—
Cash paid for acquisition, net of cash acquired	(3,575)	(66,339)	—	—
Proceeds from disposal of long-term investments	5,048	—	96,838	13,881
Decrease/(increase) in short-term investments	96,118	(595,078)	597,984	85,718
Loan extended to a related party	(451,385)	(101,578)	—	—
Cash deposits transferred to Golden Pacer (Note 3)	—	—	(1,175,867)	(168,554)
Net cash used in investing activities	**(586,843)**	**(1,078,617)**	**(484,254)**	**(69,415)**
Cash flows from financing activities:				
Proceeds from borrowings	800,887	1,209,431	132,809	19,037
Net proceeds from issuance of convertible notes	—	—	1,853,381	265,672
Net proceeds from issuance of convertible redeemable preferred shares	2,721,065	1,674,408	—	—
Repayment of convertible notes	—	—	(1,190,182)	(170,606)
Repayment of borrowings	(204,068)	(1,183,797)	(735,294)	(105,400)
Acquisition of non-controlling interest in a subsidiary	(29,042)	—	—	—
Net proceeds from initial public offering and issuance of convertible notes	—	2,574,010	—	—
Proceeds from exercise of options	—	—	12,916	1,851
Net cash generated from financing activities	**3,288,842**	**4,274,052**	**73,630**	**10,554**
Effect of exchange rate changes on cash, cash equivalents and restricted cash	**3,334**	**(9,278)**	**960**	**138**
Net increase/(decrease) in cash, cash equivalents and restricted cash	**871,090**	**904,824**	**(1,603,765)**	**(229,891)**

UXIN LIMITED

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2017, 2018 AND 2019 (CONTINUED)
(All amounts in thousands, except for share and per share data, unless otherwise noted)

	2017	2018	2019	
	RMB	RMB	RMB	US$
Cash, cash equivalents and restricted cash recorded in held for sale assets at beginning of the year	—	179,202	1,001,325	143,534
Cash, cash equivalents and restricted cash at beginning of the year	1,038,113	1,730,001	1,812,702	259,841
Cash, cash equivalents and restricted cash recorded in held for sale assets at end of the year	179,202	1,001,325	25,074	3,594
Cash, cash equivalents and restricted cash at end of the year	**1,730,001**	**1,812,702**	**1,185,188**	**169,890**
Supplemental disclosure of cash flow information				
- Cash paid for income tax	6,429	4,575	7,754	1,111
- Cash paid for interest	6,386	32,113	77,924	11,170
Supplemental schedule of non-cash investing and financing activities				
- Accretion on redeemable preferred shares	555,824	318,951	—	—
- Deemed dividend to preferred shareholders	587,564	544,773	—	—
- Deemed dividend from preferred shareholders	92,779	—	—	—
- Repurchase of the surrender shares	—	746,253	—	—

	December 31,			
	2017	2018	2019	
	RMB	RMB	RMB	US$
Cash and cash equivalents	291,973	800,997	478,200	68,547
Restricted cash	1,438,028	1,011,705	706,988	101,343
Cash, cash equivalents and restricted cash reclassified as held for sale assets	179,202	1,001,325	25,074	3,594
Total cash, cash equivalents and restricted cash	**1,909,203**	**2,814,027**	**1,210,262**	**173,484**

The accompanying notes are an integral part of these consolidated financial statements.

UXIN LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(All amounts in thousands, except for share and per share data, unless otherwise noted)

1. PRINCIPAL ACTIVITIES AND ORGANIZATION

The accompanying consolidated financial statements include the financial statements of Uxin Limited (the "Company" or "Uxin"), its subsidiaries and variable interest entities ("VIEs"). The Company, its subsidiaries and the consolidated VIEs are collectively referred to as the "Group".

The Company was incorporated under the law of the Cayman Islands as the exempted limited liability company on December 8, 2011. The Company serves as an investment holding company and currently has no operations of its own.

In 2016, the Group spun off its 2B business through a transfer of the equity interest of Youxinpai (Beijing) Information Technology Co., Ltd.("Youxinpai"), a subsidiary of the Company, to a series of shareholders, which represented the same offshore shareholders of the Company, i.e. same shareholders with their respective onshore and offshore entities. In 2017, the Company made its strategic decision for the existing shareholders of Youxinpai to transfer 100% equity interest in Youxinpai to the Company (referred to as "the Reorganization").

On June 27, 2018, the Company completed its IPO on NASDAQ Global Select Market under the symbol "UXIN". The Company offered 25,000,000 American Depositary Shares ("ADS"). Each ADS represents three ordinary share and was sold to the public at US$9.00 per ADS. Also, the Company entered into Convertible Note Purchase Agreements with CNCB (Hong Kong) Investment Limited (the "CNCB (Hong Kong)") and Golden Fortune Company Limited (the "Golden Fortune") concurrently with the closing of IPO. Net proceeds raised by the Company from the IPO and private placement in total amounted to approximately US$382.1 million (equivalent to RMB 2.6 billion) after deducting underwriting discounts commissions and other offering expenses.

The Group's principal operation and geographic market is in the People's Republic of China ("PRC"). In order to devote all resources towards developing and scaling up its online used car business and to relieve its future growth from additional guarantee obligations or credit risks, the Group made a series of strategic divestiture transactions (the "Divestiture Transactions") that occurred during 2019 and subsequent period in 2020. Prior to these Divestiture Transactions disclosed in below paragraphs, the Group was primarily engaged in operating used car e-commerce platforms through its mobile applications (Uxin Used Car / Uxin Auction) and websites (www.xin.com / www.youxinpai.com), facilitating used car transaction services (2B / 2C) and facilitating financing solutions offered by third-party financing partners to buyers for their used car purchases (2C).

Divestiture Transactions

On January 16, 2020, the Company entered into definitive agreements with Beijing Hengtai Boche Auction Co. Ltd. ("Boche") to divest its salvage car related business in exchange for a total cash consideration of RMB330 million. The transaction contemplated under the definitive agreements was closed in January 2020.

On March 24, 2020, the Company entered into definitive agreements with 58.com to sell its 2B online used car auction business in exchange for a total cash consideration of US$105 million. The transaction contemplated under the definitive agreements was closed in April 2020.

On July 12, 2019 and September 30, 2019, the Company entered into a binding term sheet and definitive agreements, respectively, with Golden Pacer relating to the divestiture of its entire 2C intra-regional business and loan facilitation related service. On April 23, 2020, the Company entered into supplemental agreements with Golden Pacer to modify and supplement certain terms and conditions in connection with the divestiture. Pursuant to the series of agreements, the Company has divested its entire 2C intra-regional business to Golden Pacer and ceased to provide loan facilitation related guarantee starting from the fourth quarter of 2019. The transaction contemplated under the definitive and supplemental agreements was closed upon the signing of the supplemental agreements.

After the Divestiture Transactions, the Group will primarily operate its cross-regional online used car transaction business (2C).

UXIN LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(All amounts in thousands, except for share and per share data, unless otherwise noted)

1. PRINCIPAL ACTIVITIES AND ORGANIZATION (CONTINUED)

As of December 31, 2019, the Company's principal subsidiaries and consolidated VIEs are as follows:

Subsidiaries	Place of incorporation	Date of incorporation or acquisition	Percentage of direct or indirect	Principal activities
Youxinpai (Beijing) Information Technology Co., Ltd.	Beijing	June 15, 2012	100%	Used car auction
Youhan (Shanghai) Information Technology Co., Ltd.	Shanghai	December 25, 2015	100%	Used car auction
Kai Feng Finance Lease (Hangzhou) Co., Ltd.	Hangzhou	March 25, 2013	100%	Loan facilitation
Bo Yu Finance Lease (Tianjin) Co., Ltd.	Tianjin	March 6, 2015	100%	Loan facilitation
Yougu (Shanghai) Information Technology Co., Ltd.	Shanghai	March 13, 2015	100%	Transaction service
Youzhen (Beijing) Business Consulting Co., Ltd.	Beijing	March 28, 2016	100%	Transaction service
Youxin (Shanghai) Second Hand Car Business Co., Ltd.	Shanghai	January 26, 2016	100%	Transaction service
Beijing Youxin Fengshun Lubao Vehicle Auction Co., Ltd.	Beijing	March 13, 2015	94.94%	Salvage car auction
Youxin (Shanxi) Technology Information Co., Ltd.	Xi'an	April 27, 2018	100%	Transaction service
Youyuan (Beijing) Information Technology Co., Ltd.	Beijing	October 21, 2016	100%	Transaction service
Youfang (Beijing) Information Technology Co., Ltd.	Beijing	March 25, 2016	100%	Transaction service

As of December 31, 2019, the Company's principal subsidiaries and consolidated VIEs are as follows:

VIEs	Place of incorporation	Date of incorporation or acquisition	Percentage of direct or indirect	Principal activities
Youxin Internet (Beijing) Information Technology Co., Ltd.	Beijing	August 11, 2011	99.99%	Auction platform
Beijing Fengshun Lubao Automotive Auction Co., Ltd.	Beijing	June 10, 2011	94.94%	Salvage car auction
Youxin Yishouche (Beijing) Information Technology Co., Ltd.	Beijing	March 12, 2015	99.99%	Transaction service

UXIN LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(All amounts in thousands, except for share and per share data, unless otherwise noted)

1. PRINCIPAL ACTIVITIES AND ORGANIZATION (CONTINUED)

Liquidity

The Company has incurred net incurring losses from operations since inception. The Company incurred net losses from continuing operations of RMB1,268.8 million, RMB1,351.8 million and RMB1,327.7 million for the years ended December 31, 2017, 2018 and 2019, respectively. Accumulated deficit amounted to RMB10,680.5 million and RMB12,669.2 million as of December 31, 2018 and 2019, respectively.

As of the issuance date of the annual consolidated financial statements for the year ended December 31, 2019, the Company expects that its cash and cash equivalents, and cash consideration received from its recent Divestiture Transactions would be sufficient to fund its operating expenses, capital requirements and other contractual obligations for at least the next 12 months. The Company is entitled to receive a total cash consideration of RMB330 million and US$105 million from the divestiture of its salvage car related business and 2B business, respectively, of which RMB165 million was received in January 2020 and US$75 million was received in April 2020, and the remaining considerations will be received before the end of the first half of 2020. In addition, as the Company no longer provides any loan facilitation related guarantee services as a result of the divestiture of its loan facilitation related business, the Company is no longer obligated to incur any additional guarantee liabilities that would require any cash outflows going forward. The consolidated financial statements of the Company have been prepared on a going concern basis, which assumes that the Company will continue in operation for the foreseeable future and, accordingly, will be able to realize its assets and discharge its liabilities in the normal course of operations as they come due.

UXIN LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(All amounts in thousands, except for share and per share data, unless otherwise noted)

2. PRINCIPAL ACCOUNTING POLICIES

2.1 Basis of presentation

The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("US GAAP").

Significant accounting policies followed by the Group in the preparation of its accompanying consolidated financial statements are summarized below.

2.2 Discontinued operations

A component of a reporting entity or a group of components of a reporting entity that are disposed or meet all of the criteria to be classified as held for sale in accordance with ASC 205-20-45-1E Initial Criteria for Classification of Held for Sale, such as the management, having the authority to approve the action, commits to a plan to sell the disposal group, should be reported in discontinued operations if the disposal represents a strategic shift that has (or will have) a major effect on an entity's operations and financial results. Discontinued operations are reported when a component of an entity comprising operations and cash flows that can be clearly distinguished, operationally and for financial reporting purposes, from the rest of the entity is classified as held for disposal or has been disposed of, if the component either (1) represents a strategic shift or (2) have a major impact on an entity's financial results and operations. Examples include a disposal of a major geographical location, line of business, or other significant part of the entity, or disposal of a major equity method investment.

Non-current assets or disposal groups are classified as assets held for sale when the carrying amount is to be recovered principally through a sale transaction rather than through continuing use. For this to be the case, the asset or disposal group must be available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset.

Once a disposed business meets the criteria of held for sales and be reported as a discontinued operation, According to ASC 205-20-45-10, in the period(s) that a discontinued operation is classified as held for sale and for all prior periods presented, the assets and liabilities of the discontinued operation shall be presented separately in the asset and liability sections, respectively, of the Consolidated Balance Sheet.

In the Consolidated statement of comprehensive loss, result from discontinued operations is reported separately from the income and expenses from continuing operations and prior periods are presented on a comparative basis. Cash flows for discontinuing operations are presented separately (Note 3).

The following accounting policies support the basis of presentation of the Divestiture Transactions disclosed in Note 1.

Divestiture of 2C intra-regional business and loan-facilitation related service

On July 12, 2019 and September 30, 2019, the Company entered into a binding term sheet and definitive agreements with Golden Pacer relating to the divestiture of its entire 2C intra-regional business and loan facilitation related service, respectively. On April 23, 2020, the Company entered into supplemental agreements with Golden Pacer to modify and supplement certain terms and conditions in connection with the divestiture. Pursuant to the series of agreements, the Company has divested its entire 2C intra-regional business to Golden Pacer and ceased to provide loan facilitation related guarantee starting from the fourth quarter of 2019.

Assets and liabilities related to the divestiture of 2C intra-regional business and loan facilitation related service were reclassified as assets/liabilities held for sale as of December 31, 2019, while results of operations related to discontinued operations were recorded in loss from discontinued operations in the Consolidated Statements of Comprehensive Loss.

UXIN LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(All amounts in thousands, except for share and per share data, unless otherwise noted)

2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

2.2 Discontinued operations (continued)

Divestiture of 2B business

On March 24, 2020, the Company entered into definitive agreements with 58.com to sell its 2B online used car auction business.

Assets and liabilities related to the divestiture of 2B online used car auction business were reclassified as assets/liabilities held for sale as of December 31, 2019, while results of operations related to discontinued operations were recorded in loss from discontinued operations in the Consolidated Statements of Comprehensive Loss.

Divestiture of salvage car related business

On January 16, 2020, the Company entered into definitive agreements with Boche to divest its salvage car related business.

Assets and liabilities related to the divestiture of salvage car business were reclassified as assets held for sale of RMB230.1 million and liabilities held for sale of RMB199.1 million as of December 31, 2019. The divestiture of the Company's salvage car business did not meet the criteria of discontinued operations and the results of operations were not presented as discontinued operations.

2.3 Basis of consolidation

The consolidated financial statements include the financial statements of the Company, its subsidiaries, VIEs and VIEs' subsidiaries.

A subsidiary is an entity in which the Company, directly or indirectly, controls more than one half of the voting power; has the power to appoint or remove the majority of the members of the board of directors; to cast a majority of votes at the meeting of the board of directors or to govern the financial and operating policies of the investee under a statute or agreement among the shareholders or equity holders.

The Company applies the guidance codified in Accounting Standard Codification 810, Consolidations ("ASC 810") on accounting for VIEs and their respective subsidiaries, which requires certain variable interest entities to be consolidated by the primary beneficiary of the entity in which it has a controlling financial interest. A VIE is an entity with one or more of the following characteristics: (a) the total equity investment at risk is not sufficient to permit the entity to finance its activities without additional financial support; (b) as a group, the holders of the equity investment at risk lack the ability to make certain decisions, the obligation to absorb expected losses or the right to receive expected residual returns, or (c) an equity investor has voting rights that are disproportionate to its economic interest and substantially all of the entity's activities are on behalf of the investor.

All transactions and balances between the Company, its subsidiaries, VIEs and VIEs' subsidiaries have been eliminated upon consolidation.

UXIN LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(All amounts in thousands, except for share and per share data, unless otherwise noted)

2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

2.3 Basis of consolidation (continued)

Variable interest entities

In order to comply with PRC regulatory requirements restricting foreign ownership of internet information services under value-added telecommunications services and certain other businesses in China, the Company operates online platforms that provide internet information services and engages in other foreign-ownership-restricted businesses through certain PRC domestic companies, whose equity interests are held by certain management members of the Company ("Nominee Shareholders"). The Company obtained control over these PRC domestic companies by entering into a series of Contractual Arrangements with these PRC domestic companies and their respective Nominee Shareholders. These contractual agreements cannot be terminated by the Nominee Shareholders or the PRC domestic companies. As a result, the Company which maintains the ability to control these PRC domestic companies is entitled to substantially all of the economic benefits from these PRC domestic companies and is obligated to absorb expected losses of these PRC domestic companies. Management concluded that these PRC domestic companies are VIEs of the Company, of which the Company is the ultimate primary beneficiary. As such, the Group consolidated financial results of these PRC domestic companies and their subsidiaries. The principal terms of the agreements entered into amongst the VIEs, their respective shareholders and the Group's subsidiaries ("Primary Beneficiaries") are further described below.

Prior to the Divestiture Transactions, the Company primarily operated 2B and 2C online platforms through one of the VIEs, Youxin Hulian via the contractual agreements. In January 2015, the MIIT eliminates the restrictions on foreign ownership in the SHFTZ Notice for enterprises in Shanghai Pilot Free Trade Zone that provide online data processing and transaction processing services (operating E-commerce) under value-added telecommunications services. Certain of our eligible WFOE and subsidiary of WFOE, Yougu and Youhan applied for and obtained the VATS Licenses to conduct E-commerce in 2015 and 2016, and they have been operating our 2B and 2C online platforms since then. After the Divestiture Transactions, the continued operations will still be primarily operated by the Company's subsidiaries.

Currently, Youxin Hulian, Yishouche and Fengshun Lubao hold the VATS Licenses for internet information services to operate other online platforms of the Company and they may hold equity interests of subsidiaries conducting business that are restricted with foreign ownership.

Loan Agreements

Pursuant to the relevant loan agreements, the Group's relevant PRC subsidiary has granted interest-free loans to the relevant Nominee Shareholders of the relevant VIE with the sole purpose of providing funds necessary for the capital injection to the relevant VIEs. Only the Group's relevant PRC subsidiary can require the Nominee Shareholder to settle the loan amount with the equity interests of relevant VIEs, subject to any applicable PRC laws, rules and regulations. And both parties have agreed that any proceeds from sale of the Nominee Shareholder's equity interest in relevant VIE should be repaid to the Group's relevant PRC subsidiary. The terms of the loan agreements are ten years and can be extended with the written consent of both parties before its expiration.

UXIN LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(All amounts in thousands, except for share and per share data, unless otherwise noted)

2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

2.3 Basis of consolidation (continued)

Exclusive option agreements

The Nominee Shareholders of the VIEs have granted the Group's relevant PRC subsidiaries the exclusive and irrevocable right to purchase or to designate one or more person(s) at their discretion to purchase part or all of the equity interests in the VIEs from the Nominee Shareholders for a purchase price at any time, subject to the lowest price permitted by PRC laws and regulations. The VIEs and their Nominee Shareholders have agreed that without prior written consent of the Group's relevant PRC subsidiaries, their respective Nominee Shareholders cannot sell, transfer, pledge or dispose their equity interests, and the VIEs cannot sell, transfer, pledge or dispose, but not limit to the equity interest, significant assets, significant revenue and significant business. Also as agreed, the VIEs cannot declare any dividend or change capitalization structure of the VIEs and cannot enter into any loan or investment agreements. Furthermore, the Nominee Shareholders have agreed that any proceeds but not limited to the sales of the Nominee Shareholders' equity interest in relevant VIEs should be gratuitously paid to the Group's relevant PRC subsidiaries or one or more person(s) at their discretion.

Power of attorney

Pursuant to the irrevocable power of attorney, each of the Nominee Shareholders appointed the Group's relevant PRC subsidiaries as their attorney-in-fact to exercise all shareholder rights under PRC law and the relevant articles of association, including but not limited to, attending shareholders meetings, voting on their behalf on all matters requiring shareholder approval, including but not limited to sale, transfer, pledge, or disposition of all or part of the Nominee Shareholders' equity interests, and designation and appointing the legal representative, directors, supervisors, chief executive officer and other senior management members of the VIEs. Each power of attorney will remain in force during the period when the Nominee Shareholders continue to be shareholders of the VIEs. Each Nominee Shareholder has waived all the rights which have been authorized to the person designated by the Group's relevant PRC subsidiaries under each power of attorney.

Exclusive business cooperation agreement

Pursuant to the exclusive business cooperation agreement, the Group's relevant PRC subsidiaries have agreed to provide to the VIEs services, including, but not limited to, development, maintenance and update software, design, installation, daily management, maintenance and updating of the network system, hardware and database design, marketing. The VIEs shall pay to the Group's relevant PRC subsidiaries service fees determined based on the complexity and difficulty of the services, title of and time consumed by employees, contents and value of the services, operation conditions and market price of the service provided. The agreement shall remain in full force and effect unless terminated in accordance with the provisions of this Agreement or terminated in writing by the Group's relevant PRC subsidiaries.

Equity pledge agreements

Pursuant to the relevant equity pledge agreements, the Nominee Shareholders of the VIEs have pledged all of their equity interests in relevant VIEs to the Group's relevant PRC subsidiaries as collateral for all of their to direct, indirect and derivate losses and anticipated profits of the PRC subsidiaries incurred in the event of default and to secure their obligations under the above agreements. The relevant PRC subsidiaries are entitled to have any dividends based on the pledged equity interest in relevant VIEs. The Nominee Shareholders may not transfer or assign the equity interests, the rights and obligations in the equity pledge agreements and may not create or permit to create any pledges which may have an adverse effect on the rights or benefits of the Group's relevant PRC subsidiaries without the Group's relevant PRC subsidiaries' pre-approval. In addition, the Group's relevant PRC subsidiaries are entitled to purchase at a discount, auction or sell the equity interests pledged and have priority to obtain the proceeds from above auctions or sales, if an event of default happens. The equity pledge agreements will expire only when the Nominee Shareholders have completed all their obligations under the above agreements.

UXIN LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(All amounts in thousands, except for share and per share data, unless otherwise noted)

2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

2.3 Basis of consolidation (continued)

Risks in relation to the VIE structure

In the opinion of the Company's legal counsel, (i) the ownership structure relating to the VIEs of the Company is in compliance with existing PRC laws and regulations; and (ii) the contractual arrangements with the VIEs and their Nominee Shareholders are valid, binding and enforceable, and will not result in any violation of PRC laws or regulations currently in effect.

However, uncertainties in the interpretation and application of current and future PRC laws, regulations and rules could cause the Company's current ownership structure to be found in violation of any existing or future PRC laws or regulations and could limit the Company's ability, through the Primary Beneficiaries, to enforce its rights under these contractual arrangements. Furthermore, Nominee Shareholders of the VIEs may have interests that are different with those of the Company, which could potentially increase the risk that they would seek to act in contrary to the terms of the aforementioned agreements.

In addition, if the current structure or any of the contractual arrangements were found to be in violation of any existing or future PRC law, the Company may be subject to penalties, which may include but not be limited to, the cancellation or revocation of the Company's business and operating licenses, being required to restructure the Company's operations or discontinue the Company's operating activities. The imposition of any of these or other penalties may result in a material and adverse effect on the Company's ability to conduct its operations. In such case, the Company may not be able to operate or control the VIEs, which may result in deconsolidation of the VIEs.

There are, however, substantial uncertainties regarding the interpretation and application of current or future PRC laws and regulations. Accordingly, the Company cannot be assured that the PRC government authorities will not ultimately take a view that is contrary to the Company's belief and the opinion of its PRC legal counsel. In March 2019, the draft Foreign Investment Law was submitted to the National People's Congress for review and was approved on March 15, 2019, which will come into effect from January 1, 2020. The approved Foreign Investment Law does not touch upon the relevant concepts and regulatory regimes that were historically suggested for the regulation of VIE structures, and thus this regulatory topic remains unclear under the Foreign Investment Law. Since the Foreign Investment Law is new, there are substantial uncertainties exist with respect to its implementation and interpretation and the possibility that such entities will be deemed as foreign-invested enterprise and subject to relevant restrictions in the future shall not be excluded. If the contractual arrangements establishing the Company's VIE structure are found to be in violation of any existing law and regulations or future PRC laws and regulations, the relevant PRC government authorities will have broad discretion in dealing with such violation, including, without limitation, levying fines, confiscating income or the income of affiliated Chinese entities, revoking business licenses or the business licenses of affiliated Chinese entities, requiring affiliated Chinese entities to restructure ownership structure or operations and requiring affiliated Chinese entities to discontinue any portion or all of value-added telecommunications, E-commerce and internet information services. Any of these actions could cause significant disruption to the Company's business operations, and have a severe adverse impact on the Company's cash flows, financial position and operating performance. If the imposing of these penalties cause the Company to lose its rights to direct the activities of and receive economic benefits from its VIEs, which in turn may restrict the Company's ability to consolidate and reflect in its financial statements the financial position and results of operations of its VIEs.

Pursuant to the contractual arrangements with the VIEs, the Company has the power to direct activities of the VIEs, and can have assets transferred freely out of the VIEs without any restrictions. Therefore, the Company considers there to be no assets of a consolidated VIE that can be used only to settle obligations of the VIE, except for registered capital of the VIEs amounting to a total of RMB144.2 million as of December 31, 2018 and 2019. As all the consolidated 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 for any of the liabilities of the consolidated VIEs.

UXIN LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(All amounts in thousands, except for share and per share data, unless otherwise noted)

2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

2.3 Basis of consolidation (continued)

The following table sets forth the assets, liabilities and results of operations and cash flows of the VIEs and their subsidiaries taken as a whole, which are included in the Group's consolidated financial statements. Transactions between the VIEs and their subsidiaries are eliminated in the balances presented below:

	December 31, 2018 RMB	December 31, 2019 RMB
Cash and cash equivalents	67,940	913
Amounts due from related parties	165,940	201,303
Accounts receivable	6,957	7,073
Other receivables, net	95,297	74,283
Inventory	2,120	2,120
Prepaid expense and other current assets	22,364	2,600
Assets held for sale	—	150,767
Long-term investments	27,427	30,028
Property, equipment and software, net	12,436	4,398
Intangible assets, net	17,295	11,085
Goodwill	38,246	—
Total assets	456,022	484,570
Accounts payable	7,379	3
Amounts due to related parties	914,109	880,079
Current portion of long-term borrowings	281	—
Liabilities held for sale	—	176,902
Deferred tax liability	3,725	2,667
Other payables and accruals	249,841	191,902
Total liabilities	1,175,335	1,251,553

	2017 RMB	2018 RMB	2019 RMB
Total revenues	244,830	416,578	160,626
Cost of revenues	(130,099)	(156,093)	(46,670)
Net loss	(603,030)	(85,882)	(47,672)
Net cash used in operating activities	(584,072)	(51,713)	(45,393)
Net cash (used in)/generated from investing activities	(5,529)	(67,516)	3,071
Net cash generated from financing activities	604,314	81,489	319
Net increase/(decrease) in cash and cash equivalents	14,713	(37,740)	(42,003)
Cash and cash equivalents at beginning of the year	90,967	105,680	67,940
Cash and cash equivalents reclassified as held for sale assets	—	—	25,024
Cash and cash equivalents at end of the year	105,680	67,940	913

UXIN LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(All amounts in thousands, except for share and per share data, unless otherwise noted)

2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

2.4 Use of estimates

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets, long-lived assets and liabilities at the dates of the financial statements and the reported amount of revenues and expenses during the reporting periods. Actual results could differ from those estimates. On an ongoing basis, the Company's management reviews these estimates based on information that is currently available. Changes in facts and circumstances may cause the Company to revise its estimates. Significant accounting estimates reflected in the Group's consolidated financial statements include, but are not limited to, the allowance for loan recognized as a result of payment under the guarantee, guarantee liabilities and forfeiture rate of share-based compensation.

2.5 Fair value measurements

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 — Quoted prices (unadjusted) for identical assets or liabilities in active markets

Level 2 — Observable inputs (other than Level 1 quoted prices), such as quoted prices in active markets for similar assets or liabilities, quoted prices in markets that are not active for identical or similar assets or liabilities, or other inputs that are observable or can be corroborated by observable market data

Level 3 — Unobservable inputs which are supported by little or no market activity

Financial instruments of the Company primarily comprise of cash equivalents, short-term investment, accounts receivable, loan recognized as a result of payment under the guarantee, finance lease receivables, short-term borrowings, accounts payable, guarantee liabilities and deposit of interests collected from customers and payable to financing partners. As of December 31, 2018 and 2019, their carrying values approximated their fair values because of their generally short maturities. The fair value of the guarantee liabilities recorded at the inception of the loan was estimated based on the third-party appraisal's report.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(All amounts in thousands, except for share and per share data, unless otherwise noted)

2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

2.6 Foreign currencies

The Group uses Renminbi ("RMB") as its reporting currency. The USD ("US$") is the functional currency of the Group's entities incorporated in Cayman Islands, British Virgin Islands and Hong Kong, and the RMB is the functional currency of the Group's PRC subsidiaries.

Transactions denominated in other than the functional currencies are translated into the functional currency of the entity at the exchange rates prevailing on the transaction dates. Assets and liabilities denominated in other than the functional currency are translated at the balance sheet date exchange rate. The resulting exchange differences are recorded in the Consolidated Statements of Comprehensive Loss.

The financial statements of the Group are translated from the functional currency to the reporting currency, RMB. Assets and liabilities of the subsidiaries are translated into RMB using the exchange rate in effect at each balance sheet date. Income and expenses are translated at the average exchange rates prevailing for the year. Foreign currency translation adjustments arising from these are reflected in the accumulated other comprehensive income. The exchange rates used for translation on at the end of the year of 2018 and 2019 were US$1.00=RMB 6.8632 and RMB 6.9762, respectively, representing the index rates stipulated by the People's Bank of China.

Transactions of the Consolidated Balance Sheets, the Consolidated Statements of Comprehensive Loss and the Consolidated Statements of Cash Flows from RMB into US$ as of and for the year ended December 31, 2019 are solely for the convenience of the readers and were calculated at the rate of US$1.00=RMB 6. 9762, representing the index rates stipulated by the People's Bank of China. No representation is made that the RMB amounts could have been, or could be, converted, realized or settled into US$ at that rate on December 31, 2019, or at any other rate.

2.7 Cash and cash equivalents

Cash includes currency on hand and deposits held by financial institutions that can be added to or withdrawn without limitation. Cash equivalents represent short-term, highly liquid investments that are readily convertible to known amount of cash and with original maturities from the date of purchase of generally three months or less.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

2.8 Restricted cash and short-term investment

Cash restricted as to withdrawal or for use or pledged as security is reported separately on the face of the Consolidated Balance Sheets. In the ordinary course of business, the third-party financing partners offer financing solutions to buyers (the "Borrowers") and the Company is required to provide a guarantee (Note 2.12 guarantee liabilities). As a result, the Company, as the guarantor, is required to maintain a separate guarantee fund, held as an escrow account with the third-party financing partners. This guarantee fund is required to be maintained at a fixed percentage of the balance of all loans outstanding. Beginning in the fourth quarter of 2019, the Group no longer provides loan facilitation related services through its online platform.

As of December 31, 2018 and 2019, the restricted cash in relation to guarantee represented 7.5% and 4.4% of the outstanding facilitated loan balance, respectively.

Short-term investments are mainly comprised of time deposits and investment products placed with banks with original maturities longer than three months but less than one year.

2.9 Inventory

Inventories consist of GPS devices, auto check equipments and others. Inventories are valued at the lower of cost or market. Cost of inventories is determined by the weighted-average method. Adjustments are recorded to write down the carrying amount of any obsolete and excess inventory to its estimated net realizable value. The Group continually evaluates the recoverability based on assumptions about future customer demand and market conditions. The evaluation may take into consideration inventory aging, expected demand, anticipated sales price, and other factors. The write-down is equal to the difference between the cost of inventory and the estimated market value based upon assumptions about future customer demand and market conditions. As of December 31, 2018, inventories mainly included GPS devices and auto check equipments of RMB8.1 million and RMB1.4 million, respectively. As of December 31, 2019, inventories mainly included GPS devices and auto check equipments of RMB11.1 million and RMB1.4 million, respectively.

2.10 Accounts receivable

Accounts receivable are recorded at the invoiced amount and do not bear interest. The Group makes credit assessments of customers to assess the collectability of contract amounts prior to entering into contracts. The Group makes specific allowance for doubtful accounts when facts and circumstances indicate that the receivable is unlikely to be collected. The allowance of accounts receivable was nil as of December 31, 2018 and 2019.

2.11 Advance to consumers on behalf of financing partners

Before the fourth quarter of 2019, the Group facilitates loans extended by third-party financing partners to consumers through its online platform. The Group started to cooperate with third-party financing partners beginning September 2015. From September 2015, the third-party financing partners provided all the funds for the consumer loans, while the Group provides services to facilitate such financing transactions. Pursuant to the cooperation agreements entered into with third-party financing partners, for the purpose of registering the collaterals over the cars purchased by consumers with relevant government authorities, the Group advances the funds needed to purchase the car to the consumer on financing partners' behalf to the applicable car dealers directly. The balance represents a legal claim of the Group from third-party financing partners. The third-party financing partners shall pay the corresponding amount to the Group as agreed in the corporation agreements. The Group no longer provides loan facilitation related services through its online platform since the fourth quarter of 2019. As of December 31, 2018 and 2019, the advances to consumers on behalf of financing partners were RMB521.9 million and RMB2.1 million, respectively.

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2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

2.12 Financial lease receivables

Financial lease receivables include dealer inventory financing receivables and receivables generated from finance lease arrangements.

The Group provides short-term inventory financing to certain selected car dealers. Those car dealers can apply and obtain loans through the Easy Loan program. The Group provides funding to the dealer and may in turn obtain financing from one of our financing partners to fund the Easy Loan program. In order to fund the Easy Loan program, the Group and a third-party financing partner enter into a financing business cooperation agreement, which establishes that loans provided to dealers are made with direct connection to the financial lease contracts entered into between the Group and the dealers for the underlying cars. Accordingly, the Group is considered as the primary obligor in the lending relationship and therefore records the liabilities to the third-party financing partner on its Consolidated Balance Sheets. Consequently, the Group considers that the financial lease receivables generated from financial lease contracts with car dealers are not settled or extinguished. Therefore, the Group continues to account for the financial lease receivables on its Consolidated Balance Sheets.

The Group started to cooperate with third-party financing partners from September 2015. Before September 2015, the Group entered into finance lease arrangements with consumers who needed financing for car purchases. In the third quarter of 2018, the Group started to provide funds in the form of financial lease agreements to selected Borrowers in addition to the financing facilitated by the Group for the purchase of the cars.

Financial lease receivables are measured at amortized cost and reported on the Consolidated Balance Sheets at outstanding principal adjusted for the allowance for credit losses. Allowance for financial lease receivables is provided when the Group has determined the balance is impaired.

2.13 Guarantee liabilities

Before the fourth quarter of 2019, the third-party financing partners offered financing solutions to the Borrowers and the Company was required to provide a guarantee in the event of default.

The financial guarantee is within the scope of ASC Topic 460, Guarantees. The portion of the contract consideration that relates to ASC 460 must first be allocated to the guarantee, with the residual portion of the transaction price being recorded under ASC Topic 606, “Revenue from Contracts with Customers”. The liability is recognized at fair value at the inception of the guarantee.

Subsequent to the initial recognition of the guarantee liabilities, the Company’s guarantee obligations are measured in a combination of two components: (i) ASC 460 component and (ii) ASC 450 component. The liability recorded based on ASC 460 is determined on a contract-by-contract basis and is reduced as the Company is released from the underlying risk, meaning as the loan is repaid by the Borrower or when the financing partners are compensated in the event of a default. The liability is reduced only as the Company is released from the underlying risk. This component is a stand ready obligation which is not subject to the probable threshold used to record a contingent obligation. The other component is a contingent liability determined using historical experience of borrower defaults, representing the obligation to make future payments, measured using the guidance per ASC 450, Contingencies. Subsequent to the initial recognition, the guarantee obligation is measured at the greater of the amount determined per ASC 460 (guarantee liability) and the amount determined based on ASC 450 (contingent liability). As stated in ASC 460-10-35-1, the guarantee liability should generally be reduced by recording a credit to net income as the guarantor is released from the guaranteed risk. Accordingly, the guarantee liabilities are recognized in “gains/(losses) from guarantee liabilities” in the statements of comprehensive loss by a systematic and rational amortization method, e.g. over the term of the loan.

As of December 31, 2018 and 2019, the amount of maximum potential future payment that the Group could be required to make under the guarantee for the underlying facilitated loan balance was RMB27.6 billion and RMB15.5 billion, respectively. Based on management assessment, the estimated value of collateral approximated amounts of maximum potential future payments.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

2.14 Property, equipment and software, net

Property, equipment and software are stated at cost less accumulated depreciation and amortization. Depreciation and amortization is computed using the straight-line method over the following estimated useful lives, taking into account any estimated residual value:

Electronic equipment	3 years
Furniture	5 years
Vehicles and motors	4 years
Software	5 years
Leasehold improvement	lesser of the term of the lease or the estimated useful lives of the assets

The Company recognized the gain or loss on the disposal of property, equipment and software in the Consolidated Statements of Comprehensive Loss.

2.15 Intangible assets, net

Intangible assets represent software copyright and supplier relationship acquired. These intangible assets are carried at acquisition cost less accumulated amortization and amortized on a straight line basis over their estimated useful lives of the respective assets, which is usually 5 years.

Separately identifiable intangible assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable.

2.16 Goodwill

In accordance with ASC 805 Business Combination, goodwill represents the excess of the purchase consideration over the fair value of assets and liabilities of businesses acquired.

Goodwill is not amortized but is tested for impairment at the reporting unit level at least annually, or more frequently if events or changes in circumstances indicate that it might be impaired based on the requirements of ASC 350-20. In accordance with the FASB guidance on “Testing of Goodwill for Impairment,” we have elected to perform a qualitative assessment to determine whether the two-step impairment testing of goodwill is necessary. In this assessment, we consider primary factors such as industry and market considerations, overall financial performance of the reporting unit, and other specific information related to the operations. Based on the qualitative assessment, if it is more likely than not that the fair value of each reporting unit is less than the carrying amount, the quantitative impairment test is performed. Otherwise, no further testing is required. Recoverability of goodwill is evaluated using a two-step process. In the first step, the fair value of a reporting unit is compared to its carrying value. If the fair value of a reporting unit exceeds the carrying value of the net assets assigned to a reporting unit, goodwill is considered not impaired and no further testing is required. If the carrying value of the net assets assigned to a reporting unit exceeds the fair value of a reporting unit, the second step of the impairment test is performed in order to determine the implied fair value of a reporting unit’s goodwill. Determining the implied fair value of goodwill requires valuation of a reporting unit’s tangible and intangible assets and liabilities in a manner similar to the allocation of purchase price in a business combination. If the carrying value of a reporting unit’s goodwill exceeds its implied fair value, goodwill is deemed impaired and is written down to the extent of the difference. The Company estimates total fair value of the reporting unit using discounted cash flow analysis, and makes assumptions regarding future revenue, gross margins, working capital levels, tax and cash flows of the reporting unit. As of December 31, 2019, there was no event or any circumstance that the Company identified, which indicate that the fair value of the Company’s reporting unit was substantially lower than the respective carrying value.

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2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

2.16 Goodwill (continued)

As of December 31, 2019, RMB100.9 million of the goodwill balance was reclassified as assets held for sale due to the Company's divestiture of salvage car related business.

2.17 Long-term investments

In accordance with ASC 323 Investment—Equity Method and Joint Ventures, the Company accounts for an equity investment over which it has significant influence but does not own a majority of the equity interest or otherwise controls and the investments are either common stock or in substance common stock using the equity method. The Company's share of the investee's profit and loss is recognized in the earnings of the period.

Equity securities without readily determinable fair values are measured and recorded using a measurement alternative that measures the securities at cost minus impairment, if any, plus or minus changes resulting from qualifying observable price changes. Prior to fiscal 2018, these securities were accounted for using the cost method of accounting, measured at cost less other-than-temporary impairment.

The Group also invests in convertible redeemable securities. These securities are reported at fair value, classified and accounted for as available-for-sale debt securities in investment securities. The treatment of a decline in the fair value of an individual security is based on whether the decline is other-than-temporary. The Group assesses its available-for-sale debt securities for other-than-temporary impairment by considering factors including, but not limited to, its ability and intent to hold the individual security, severity of the impairment, expected duration of the impairment and forecasted recovery of fair value. Investments classified as available-for-sale debt securities are reported at fair value with unrealized gains or losses, if any, recorded in accumulated other comprehensive income as a component of shareholders' equity. If the Group determines a decline in fair value is other-than-temporary, the cost basis of the individual security is written down to fair value as a new cost basis and the amount of the write-down is accounted for as a realized loss charged in others, net in the Consolidated Statements of Comprehensive Loss. The fair value of the investment would not be adjusted for subsequent recoveries for increases in fair value.

2.18 Impairment of long-lived assets and intangible assets with definite lives

Long-lived assets including intangible assets with definite lives are assessed for impairment, whenever events or changes in circumstances indicate the carrying value of an asset may not be recoverable in accordance with ASC 360, Property, Plant and Equipment. The Company measures the carrying amount of long-lived assets against the estimated undiscounted future cash flows associated with it. The impairment exists when the estimated undiscounted future cash flows are less than the carrying value of the asset being evaluated. Impairment loss is calculated as the amount by which the carrying value of the asset exceeds its fair value. No impairment of long-lived assets was recognized for the years ended December 31, 2018 and 2019.

2.19 Deferred revenue

Deferred revenue mainly represents warranty program provided by the Company and the share of fee revenue earned by the appointed depositary of the Company. The warranty program includes a 6-month or 10,000 kilometer and 1-year or 20,000 kilometer warranty, covering both maintenance and all major structural components. As of December 31, 2018 and 2019, the deferred revenue was RMB115.2 million and RMB54.3 million, respectively.

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2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

2.20 Revenue recognition

Prior to the Divestiture Transactions occurred during 2019 and subsequent period in 2020 disclosed in Note 1, the Group used to primarily engage in operating used car e-commerce platforms through its mobile applications (Uxin Used Car / Uxin Auction) and websites (www.xin.com / www.youxinpai.com), facilitating used car transaction services (2B / 2C) and facilitating financing solutions offered by third-party financing partners to buyers for their used car purchases (2C). Revenues generated from these businesses were presented as three revenue streams as Transaction facilitation revenue and Loan facilitation revenue to consumers (2C), and Transaction facilitation revenue to business (2B). Meanwhile, the Group has been focusing more on the 2C cross-regional service business since second half of 2018. The cross-regional transactions mean transactions completed on the Company's platform where the buyer completes the purchase of a car without having physically inspected the car on-site, which primarily comprise transactions where the buyer is located in a different city from which the car purchased. Whereas the 2C intra-regional transactions mainly include similar transactions when the consumers are located in the same city as where the cars are located.

Starting from the third quarter of 2019, given the divestiture of 2C intra-regional business and loan facilitation service to Golden Pacer (Note 1), the Group modified its existing/surviving cross-regional service contract and no longer provides loan guarantee service. Therefore, 2C cross-regional business is renamed as Online used car transaction to consumers. Accordingly, the revenues generated from the Online used car transaction are renamed as 2C - Commission revenue, and value-added service revenue starting in the third quarter of 2019 and beyond. For the divestiture of 2C business, the Group presented the results as discontinued operations for the year of 2019 and all the prior comparable periods (Note 3).

Besides these two main revenue streams, the Group always has Other revenue generated from the other services and businesses throughout all periods.

The Group adopted ASC Topic 606, "Revenue from Contracts with Customers" for all periods presented. Consistent with the criteria of Topic 606, the Group recognizes revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to receive in exchange for those goods or services. To achieve that core principle, an entity should apply five steps defined under Topic 606. The Group assesses its revenue arrangements against specific criteria in order to determine if it is acting as principal or agent. Revenue arrangements with multiple performance obligations are divided into separate units of accounting. The Company considered appropriate method to allocate the transaction price to each performance obligations, based on the relative standalone selling prices of the services provided. In estimating the standalone selling price for the services that are not directly observable, the Company considered the suitable methods included in ASC 606-10-21-34, and determined the adjusted market assessment approach is the most appropriate method. When estimating the relative standalone selling prices, the Group considers selling prices of similar services. Revenue is recognized upon transfer of control of these promised services to a customer.

The Group, from time to time, provides incentives to consumers. These incentives are given in the form of discount coupon to consumers. As these incentives were provided without any distinct good or service in return, these incentives have been recorded as reduction of revenue, pursuant to the guidance under ASC 606.

Revenue is recorded net off cash incentives and value-added-tax collected from customers.

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2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

2.20 Revenue recognition (continued)

Online used car transaction services

The Company's online platform and offline infrastructure enable consumers to buy used cars online via online used car transaction services. The online used car transaction services help individual consumers complete their purchases of cars without having the consumers physically inspect the cars on-site, which primarily apply for the transactions when the consumers are located in different cities from where the cars are located. The Company's offline infrastructure provides consumers with payment and settlement, delivery and fulfilment services (including logistics and delivery, title transfer and vehicle registration), and warranty services. The Company uses www.xin.com as its 2C online platform, which assists in publishing the used cars of car dealers (the "B", the "Dealer" or the "Seller") for consumers (the "C", the "Consumer", or the "Buyer"). The online used car business mainly includes three services as follows:

- **Broker transaction (or commission-related servic**e): The Company provides used car purchase assistance, used car inspection services, title transfer and title registration service, as well as logistics service during the purchase process. The Company charges the Consumer the commission fees based on agreed percentage of final car sales price;

- **Value-added service:** For the Consumers that have financing needs, the Company provides additional services to Consumers based on agreed amount or agreed percentages, including but not limited to the following:

  1. Channel service:
     · Uxin provides advice on financial solutions and refer Consumers to financing platforms
     · Uxin helps check the documents in relation to application of financial products prepared by Consumers

  2. Safety-guaranteed service:
     · Uxin provides GPS purchase and installation service
     · Uxin provides other assistances to Consumers if necessary, such as sharing the GPS trajectory when there is a car theft, etc.

  3. Mortgage service:
     · Uxin assists in mortgage registration process if needed
     · Uxin assists on the purchase of insurance policy offered by insurance company

- **Warranty service:** is provided for selected cars sold with Uxin's authentication, e.g. for cars sold with "Uxin golden authentication", the Group provides the Buyer with 30-day return due to significant issues that existed prior to deal close & 1-year or 20,000-kilemeter warranty service for qualified issues up to the car price; For cars sold with "Uxin silver authentication", the Group provides the Buyer with 30-day return due to issues that existed prior to deal close & 6-month or 10,000-kilemeter warranty service for qualified issues up to RMB 20,000.

The Company determined the Consumer as customer of the online used car business in accordance with ASC 606, the Company collects the fees for both of the Broker transaction service and Value-added service from the Consumer, only. The Company may sell the Broker transaction service alone, but does not sell the Value-added service or warranty service individually or separately. These two services are sold together with the Commission-related service either separately or collectively. Each of these services is identified as one performance obligation. The Company allocates the transaction price to each of these performance obligations on a relative standalone selling price basis or market price, based on different type of the contract or combined contracts.

The Company recognizes both the Commission revenue from the Broker transaction service and the Value-added services upon the closing of car sale; For warranty service (6-month and 1-year types only), since the Consumer receives, consumes and benefits the warranty service simultaneously when the Company performs the service, therefore the Company recognizes the warranty revenue over the warranty period, i.e. 6-month or 1-year period. Revenue derives from value-added service and warranty service were collectively reported as Value-added service revenue on the Company's Consolidated Statement of Comprehensive Loss.

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2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

2.20 Revenue recognition (continued)

Others

Other revenue is mainly comprised of sales of commission of salvage cars sales, interest income of financial lease, etc.

In the third quarter in 2018, the Group started to provide funds in the form of financial lease agreements to selected Borrowers in addition to the financing facilitated by the Group for the purchase of the cars. In these arrangements, the Group is considered the originator of the financing and held such creditor's rights. The Group generates interest income from these arrangements. Interest income is recognized over the financial lease period, taking into account of the principal outstanding and the effective interest rate over the period to maturity.

2C

Given the divestiture of the Group's 2C intra-regional business and loan-facilitation related service, the Group presented the results of the these business as discontinued operation for the year of 2019 and all the prior comparable periods (Note 3) based on the following recognition policy:

The Company's online platform and offline infrastructure facilitates used car dealers to list and sell its used cars to individual consumers via cross-regional service and intra-regional service. The Company started its cross-regional transaction facilitation service in the first quarter of 2018. The cross-regional transaction facilitation services help individual consumers complete their purchases of cars without having the consumers physically inspect the cars on-site, which primarily apply for the transactions when the consumers are located in different cities from where the cars are located; whereas intra-regional transaction facilitation services cater to local individual consumers. For each used car sold through intra-regional 2C business with financing solutions and each used car sold through cross-regional 2C business with or without financing solutions, the Company charges a transaction facilitation service fee to the consumer that equals the higher of a certain percentage of the price of the car and a minimum fee. The Company used to charge transaction facilitation service fees to car dealers for each used car sold through its intra-regional 2C business without financing solutions. Starting in the second half of 2018, to further facilitate market expansion, the Company gradually discontinued charging car dealers transaction facilitation service fees in intra-regional transactions without financing solutions. The transaction facilitation service fee is for services provided through its platform in connecting consumers with used car sellers, facilitating car sales to consumers and providing after-sale warranty. The Company's offline infrastructure provides consumers with vehicle inspection, payment and settlement, delivery and fulfilment services, and warranty services. The Company has identified two performance obligations for these transactions—warranty services and other transaction facilitation services. The revenue relating to warranty services is deferred and recognized over the warranty period as the Company stands ready to perform during that period. Other than the warranty services provided, the transaction facilitation revenue is recognized at a point in time when the service is rendered, which occurs upon the completion of the successful transaction.

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2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

2.20 Revenue recognition (continued)

2B

Given the divestiture of the Group's entire 2B online used car auction business occurred in the first quarter of 2020, the Group presented the results of the 2B business as discontinued operation for the year of 2019 and all the prior comparable periods (Note 3) based on the following revenue recognition policy:

Launched in 2011, the Company's 2B business, Uxin Auction ("优信拍"), caters to business buyers with a comprehensive suite of solutions, connecting businesses with one another across China, helping them source vehicles, optimizing their turnover and facilitating cross-regional transactions. Business sellers include used car dealers, 4S dealership, which are dealerships that are authorized to sell the products of a single brand of automobiles and provide key automobile-related services, car rental companies, auto manufactures and large corporation that may need to dispose of large fleets of used cars. Cars are sold through Uxin Auction through online auctions. The Group earns transaction facilitation income upon each successful close of an auction from buyers. Transaction facilitation income, which is a certain percentage of the selling price of the underlying car or a minimum amount is recognized at a point in time following the transfer of control of such services to the customer, which occurs upon the completion of a successful transaction. As the Company does not assume inventory risk for the used cars, it is considered to be an agent in accordance with ASC 606. Accordingly, the Company recognizes the transaction facilitation income when the performance obligation is satisfied.

Remaining performance obligations

Revenue allocated to remaining performance obligations represents that portion of the overall transaction price that has been received (or for which the Group has an unconditional right to payment) allocated to performance obligations that the Group has not yet fulfilled, which is presented as deferred revenue that has not yet been recognized. As of December 31, 2019, the aggregate amount of the transaction price allocated to remaining performance obligations was RMB31.3 million, reflecting the Group's remaining obligations. The Group expects to recognize approximately 100% of the revenue over the next 12 months.

2.21 Value-added-tax ("VAT") and surcharges

The Company's subsidiaries and VIEs are subject to value-added tax and related surcharges on the revenues earned for services provided in the PRC. The applicable value-added-tax rate for general VAT payers is set out in the following table.

Type of service	Applicable VAT rate (%)
Commission	6%
Value-added service	6%
Other services	6%

The surcharges (i.e. urban construction and maintenance tax, educational surtax, local educational surtax), vary from 5% to 12% of the value-added-tax depending on the tax payer's location. The surcharges are recorded in the cost of revenue in the Consolidated Statements of Comprehensive Loss.

2.22 Cost of revenues

Cost of revenues primarily consists of salaries and benefits expenses, cost of title transfer and registration, delivery and logistics cost, rental for transaction centers, platform maintenance cost, GPS tracking device costs, cost of warranty services provided, etc. Cost of revenues in relation to 2C intra-regional and loan facilitation related business and 2B related business was reclassified as discontinued operations.

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2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

2.23 Sales and marketing expenses

Sales and marketing expenses primarily consist of salaries and benefits expenses for sales and marketing personnel, and advertising and promotion expenses. Advertising and promotion expenses primarily include branding advertisements, online traffic acquisition costs and costs incurred in other marketing activities. Advertising costs are expensed as incurred and the total amounts charged to the Consolidated Statements of Comprehensive Loss amounted to approximately RMB27.6 million, RMB889.0 million and RMB443.6 million for the years ended December 31, 2017, 2018 and 2019, respectively.

2.24 Research and development expenses

Research and development expenses primarily consist of salaries and benefits expenses, fees for outsourced technical services and depreciation of servers and computers relating to research and development.

All research and development costs are expensed as incurred. Software development costs required to be capitalized under ASC 350-40, Internal-Use Software, were not material to our consolidated financial statements.

2.25 General and administrative expenses

General and administrative expenses primarily consist of salaries and benefits and share-based compensation for employees engaged in management and administration positions or involved in general corporate functions, office rental, professional service fees and depreciation.

2.26 Share-based compensation

The Company follows ASC 718 to determine whether a share option or a restricted share unit should be classified and accounted for as a liability award or equity award. All grants of share-based awards to employees and directors classified as equity awards are recognized in the financial statements based on their grant date fair values which are calculated using an option pricing model. The Company classifies the share-based awards granted to employees as equity award, and has elected to recognize compensation expense on share-based awards with service condition on a graded vesting basis over the requisite service period, which is generally the vesting period.

Under ASC 718, the Company applies the Binominal option pricing model in determining the fair value of options granted.

ASC 718 requires forfeiture rates to be estimated at the time of grant and revised, if necessary, in subsequent periods if actual forfeitures differ from initial estimates. Share-based compensation expense is recorded net of estimated forfeitures such that expense is recorded only for those share-based awards that are expected to vest.

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2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

2.27 Taxation

Current income taxes are provided on the basis of net income for financial reporting purposes, adjusted for income and expense items which are not assessable or deductible for income tax purposes, in accordance with the regulations of the relevant tax jurisdictions.

Deferred income taxes are recognized for temporary differences between the tax bases of assets and liabilities and their reported amounts in the consolidated financial statements, net operating loss carries forwards and credits. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized. Current income taxes are provided in accordance with the laws of the relevant taxing authorities. Deferred tax assets and liabilities are measured using enacted rates expected to apply to taxable income in which temporary differences are expected to be received or settled. The effect on deferred tax assets and liabilities of changes in tax rates is recognized in the statement of comprehensive loss in the period of the enactment of the change.

The Group considers positive and negative evidence when determining whether a portion or all of its deferred tax assets will more likely than not be realized. This assessment considers, among other matters, the nature, frequency and severity of current and cumulative losses, forecasts of future profitability, the duration of statutory carry-forward periods, its experience with tax attributes expiring unused, and its tax planning strategies. The ultimate realization of deferred tax assets is dependent upon its ability to generate sufficient future taxable income within the carry-forward periods provided for in the tax law and during the periods in which the temporary differences become deductible. When assessing the realization of deferred tax assets, the Group has considered possible sources of taxable income including (i) future reversals of existing taxable temporary differences, (ii) future taxable income exclusive of reversing temporary differences and carry-forwards, (iii) future taxable income arising from implementing tax planning strategies, and (iv) specific known trend of profits expected to be reflected within the industry.

The Group recognizes a tax benefit associated with an uncertain tax position when, in its judgment, it is more likely than not that the position will be sustained upon examination by a taxing authority. For a tax position that meets the-more-likely-than-not recognition threshold, the Group initially and subsequently measures the tax benefit as the largest amount that the Group judges to have a greater than 50% likelihood of being realized upon ultimate settlement with a taxing authority. The Group’s liability associated with unrecognized tax benefits is adjusted periodically due to changing circumstances, such as the progress of tax audits, case law developments and new or emerging legislation. Such adjustments are recognized entirely in the period in which they are identified. The Group’s effective tax rate includes the net impact of changes in the liability for unrecognized tax benefits and subsequent adjustments as considered appropriate by management. The Group classifies interest and penalties recognized on the liability for unrecognized tax benefits as income tax expense.

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2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

2.28 Business combinations and non-controlling interests

The Company accounts for its business combinations using the acquisition method of accounting in accordance with ASC 805 “Business Combinations.” The cost of an acquisition is measured as the aggregate of the acquisition date fair values of the assets transferred and liabilities incurred by the Company to the sellers and equity instruments issued. Transaction costs directly attributable to the acquisition are expensed as incurred. Identifiable assets and liabilities acquired or assumed are measured separately at their fair values as of the acquisition date, irrespective of the extent of any non-controlling interests. The excess of (i) the total costs of acquisition, fair value of the non-controlling interests and acquisition date fair value of any previously held equity interest in the acquiree over (ii) the fair value of the identifiable net assets of the acquiree is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognized directly in the Consolidated Statements of Comprehensive Loss. During the measurement period, which can be up to one year from the acquisition date, the Company may record adjustments to the assets acquired and liabilities assumed with the corresponding offset to goodwill. Upon the conclusion of the measurement period or final determination of the values of assets acquired or liabilities assumed, whichever comes first, any subsequent adjustments are recorded to the Consolidated Statements of Comprehensive Loss.

In a business combination achieved in stages, the Company remeasures the previously held equity interest in the acquire immediately before obtaining control at its acquisition date fair value and the remeasurement gain or loss, if any, is recognized in the Consolidated Statements of Comprehensive Loss.

For the Company’s majority owned subsidiaries and consolidated VIEs, a non-controlling interest is recognized to reflect the portion of their equity which is not attributable, directly or indirectly, to the Company. When the non-controlling interest is contingently redeemable upon the occurrence of a conditional event, which is not solely within the control of the Company, the non-controlling interest is classified as mezzanine equity. Consolidated net loss on the Consolidated Statements of Comprehensive Loss includes net loss attributable to non-controlling interests when applicable.

2.29 Loss per share

Basic loss per share is computed by dividing net loss attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period using the two-class method. Under the two-class method, the net loss is allocated between ordinary shares and other participating securities based on their participating rights. 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 shares issuable upon the conversion of the preferred shares using the if-converted method, and shares issuable upon the exercise of 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.

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2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

2.30 Operating leases

The Company applied ASC 842, Leases, on January 1, 2019 on modified retrospective basis and has elected not to recast comparative periods. The Company has elected the package of practical expedients on the adoption date, which allows the Company not to reassess (1) whether any expired or existing contracts as of the adoption date are or contain a lease, (2) lease classification for any expired or existing leases as of the adoption date and (3) initial direct costs for any expired or existing leases. The Company determines if an arrangement is or contains a lease at inception. Operating leases are primarily for offices and stores and are included in Right-of-use assets, net, Operating lease liabilities, current and Operating lease liabilities, non-current on its Consolidated Balance Sheet. Right-of-use assets represent the Company's right to use an underlying asset for the lease term and Operating lease liabilities represent obligation to make lease payment arising from the lease. The operating lease right of use assets and liabilities are recognized at lease commencement date based on the present value of lease payment over the lease term. As most of the Company's leases do not provide an implicit rate, the Company uses its incremental borrowing rate based on the information available at lease commencement date in determining the present value of lease payments. The right of use assets also includes any lease payments made. The Company's lease term may include options to extend or terminate the lease. Renewal options are considered within the operating lease right of use assets and liabilities when it is reasonably certain that the Company will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

For operating lease with a term of one year or less, the Company has elected to not recognize a lease liability or lease right of use asset on its Consolidated Balance Sheet. Instead, it recognizes the lease payment as expense on a straight-line basis over the lease term. Short-term lease costs are immaterial to its Consolidated Statements of Comprehensive Loss. The Company has operating lease agreements with insignificant non-lease components and has elected the practical expedient to combine and account for lease and non-lease components as a single lease component.

Upon the adoption of the new lease standard, on January 1, 2019, the Company recognized operating lease assets of RMB271.9 million and total operating lease liabilities of RMB257.5 million (including current liabilities of RMB55.1 million) on the Consolidated Balance Sheet. There was no impact to accumulated deficit at adoption.

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2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

2.31 Recent Accounting Pronouncements

In June 2016, the FASB issued ASU 2016-13, Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments, which requires financial assets measured at amortized cost basis to be presented at the net amount expected to be collected. The amortized cost basis of financial assets should be reduced by expected credit losses to present the net carrying value in the financial statements at the amount expected to be collected. The measurement of expected credit losses is based on past events, historical experience, current conditions and forecasts that affect the collectability of the financial assets. Additionally, credit losses relating to available-for-sale debt securities should be recorded through an allowance for credit losses. For public business entities that are U.S. Securities and Exchange Commission (SEC) filers, the amendments in this Update are effective for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years. For all other public business entities, the amendments in this Update are effective for fiscal years beginning after December 15, 2020, including interim periods within those fiscal years. For all other entities, including not-for-profit entities and employee benefit plans within the scope of Topics 960 through 965 on plan accounting, the amendments in this Update are effective for fiscal years beginning after December 15, 2020, and interim periods within fiscal years beginning after December 15, 2021. All entities may adopt the amendments in this Update earlier as of fiscal year beginning after December 15, 2018, including interim periods within these fiscal years. The Company will adopt this new guidance on January 1, 2020 using the modified retrospective transition approach. The guidance replaces the incurred loss impairment methodology with an expected credit loss model, which would mainly have impact on credit losses in connection with loans recognized as a result of payment under the guarantee liabilities and guarantee liabilities. In 2019, the FASB subsequently issued ASU 2019-04, ASU 2019-05, and ASU 2019-11, respectively, which contained updates to ASU 2016-13. The cumulative effect on the opening balance of accumulated deficit upon adoption of ASC326 would not be greater than RMB350.0 million.

In January 2017, the FASB issued ASU No. 2017-04 Intangibles—Goodwill and Other (Topic 350). Under the amendments in this Update, an entity should perform its annual, or interim, goodwill impairment test by comparing the fair value of a reporting unit with its carrying amount. An entity should recognize an impairment charge for the amount by which the carrying amount exceeds the reporting unit's fair value; however, the loss recognized should not exceed the total amount of goodwill allocated to that reporting unit. Additionally, an entity should consider income tax effects from any tax deductible goodwill on the carrying amount of the reporting unit when measuring the goodwill impairment loss, if applicable. The Board also eliminated the requirements for any reporting unit with a zero or negative carrying amount to perform a qualitative assessment and, if it fails that qualitative test, to perform Step 2 of the goodwill impairment test. A public business entity that is a U.S. Securities and Exchange Commission (SEC) filer, other than smaller reporting companies (SRCs), should adopt the amendments in this Update for its annual or any interim goodwill impairment tests in fiscal years beginning after December 15, 2019. All other entities, including not-for-profit entities, that are adopting the amendments in this Update should do so for their annual or any interim goodwill impairment tests in fiscal years beginning after December 15, 2021. Early adoption is permitted for interim or annual goodwill impairment tests performed on testing dates after January 1, 2017. The Company will adopt this new guidance on January 1, 2020 and will apply the revised impairment model for all goodwill impairment tests within that fiscal year. The Company has determined that the impact of this new guidance on its consolidated financial statements is not expected to be material.

In August 2018, the FASB issued ASU 2018-13 Fair Value Measurement (Topic 820): Disclosure Framework — Changes to the Disclosure Requirement for Fair Value Measurement, which eliminates, adds and modifies certain disclosure requirements for fair value measurements as part of the FASB's disclosure framework project. The new guidance is effective for the fiscal years and interim reporting periods within those fiscal years, beginning after December 15, 2019. Early adoption is permitted for the adoption of either the entire ASU or only the provisions that eliminate or modify the requirements. The Company has determined that the impact of this new guidance on its consolidated financial statements is not expected to be material.

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2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

2.31 Recent Accounting Pronouncements (continued)

In December 2019, the FASB issued ASU 2019-12 - Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes. This ASU provides an exception to the general methodology for calculating income taxes in an interim period when a year-to-date loss exceeds the anticipated loss for the year. This update also (1) requires an entity to recognize a franchise tax (or similar tax) that is partially based on income as an income-based tax and account for any incremental amount incurred as a non-income-based tax, (2) requires an entity to evaluate when a step-up in the tax basis of goodwill should be considered part of the business combination in which goodwill was originally recognized for accounting purposes and when it should be considered a separate transaction, and (3) requires that an entity reflect the effect of an enacted change in tax laws or rates in the annual effective tax rate computation in the interim period that includes the enactment date. The standard is effective for the Company for fiscal years beginning after December 15, 2020, with early adoption permitted. The Company is currently evaluating the impact.

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3. DISCONTINUED OPERATIONS

Divestiture of 2C intra-regional business and loan-facilitation related service

On July 12, 2019 and September 30, 2019, the Company entered into a binding term sheet and definitive agreements with Golden Pacer relating to the divestiture of its entire 2C intra-regional business and loan facilitation related service, respectively. On April 23, 2020, the Company entered into supplemental agreements with Golden Pacer to modify and supplement certain terms and conditions in connection with the divestiture. Pursuant to the series of agreements, the Company has divested its entire 2C intra-regional business to Golden Pacer and ceased to provide loan facilitation related guarantee starting from the fourth quarter of 2019.

Results of the discontinued operations of 2C intra-regional business and loan facilitation related service were as follows:

	2017 RMB	2018 RMB	2019 RMB
Revenues			
To consumers (“2C”)			
Transaction facilitation revenue	230,250	481,055	391,447
Loan facilitation revenue	944,406	1,568,705	1,141,981
Total revenues	**1,174,656**	**2,049,760**	**1,533,428**
Cost of revenues	(478,137)	(427,548)	(296,347)
Gross profit	**696,519**	**1,622,212**	**1,237,081**
Operating expenses			
Sales and marketing	(1,758,892)	(1,010,446)	(1,018,483)
Research and development	(201,082)	(185,488)	(155,168)
General and administrative	(99,361)	(504,066)	(486,098)
Gains/(losses) from guarantee liabilities	444	2,483	(168,212)
Total operating expenses	**(2,058,891)**	**(1,697,517)**	**(1,827,961)**
Loss from operations	**(1,362,372)**	**(75,305)**	**(590,880)**
Interest income, net	(32,218)	(81,128)	(14,355)
Other expenses, net	(12,552)	(14,965)	(4,468)
Foreign exchange gain	1,104	—	534
Loss from discontinued operations before income tax expense	**(1,406,038)**	**(171,398)**	**(609,169)**
Income tax expense	(359)	(12,941)	(2,992)
Net loss from discontinued operations	**(1,406,397)**	**(184,339)**	**(612,161)**

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3. DISCONTINUED OPERATIONS (CONTINUED)

Divestiture of 2C intra-regional business and loan-facilitation related service (continued)

In the fourth quarter of 2019, the Company transferred the legal titles of assets and liabilities in relation to the historically-facilitated loans for XW bank to Golden Pacer as one of the pre-closing conditions with no consideration exchanged. The transaction contemplated under the definitive and supplemental agreements was closed upon the signing of the supplemental agreements on April 23, 2020. Due to the legal titles of the assets and liabilities being transferred prior to year-end of 2019 while the transaction was not closed yet, these pre-transferred assets and liabilities were reclassified on a net basis under the name of "Net asset transferred" as of December 31, 2019.

The related assets and liabilities classified as held for sale of 2C intra-regional business and loan facilitation related service as of December 31, 2018 were as follows:

	December 31, 2018 RMB
Asset	
Restricted cash	1,001,325
Total asset held for sale	**1,001,325**
Liabilities	
Guarantee liabilities	174,828
Deposit for interest collected from consumers and payable to financing partners - current	168,596
Total current liabilities	**343,424**
Deposit for interest collected from consumers and payable to financing partners - non-current	10,386
Total non-current liabilities	**10,386**
Total liabilities held for sale	**353,810**

The cash flow summary of the discontinued operations of 2C intra-regional business and loan facilitation related service were as follows:

	2017 RMB	2018 RMB	2019 RMB
Net cash used in operating activities	(1,526,122)	(808,893)	(821,185)
Net cash used in investing activities	(2,491)	(4,642)	(187)

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3. DISCONTINUED OPERATIONS (CONTINUED)

Divestiture of 2B business

On March 24, 2020, the Company entered into definitive agreements with 58.com to sell its 2B online used car auction business.

Results of the discontinued operations of 2B business were as follows:

	2017 RMB	2018 RMB	2019 RMB
Transaction Facilitation Revenue	467,583	606,599	283,711
Cost of revenues	(176,916)	(292,595)	(157,653)
Gross profit	**290,667**	**314,004**	**126,058**
Operating expenses			
Sales and marketing	(264,919)	(187,811)	(120,082)
Research and development	(24,928)	(19,429)	(13,629)
General and administrative	(73,397)	(108,949)	(42,636)
Total operating expenses	**(363,244)**	**(316,189)**	**(176,347)**
Net loss from discontinued operations	**(72,577)**	**(2,185)**	**(50,289)**

Assets and liabilities classified as held for sale of 2B business were as follows:

	December 31, 2018 RMB	December 31, 2019 RMB
Advance from buyers collected on behalf of sellers	105,456	50,396
Other payables and accruals	69,232	60,525
Total liabilities held for sale	**174,688**	**110,921**

The condensed cash flows of the discontinued operations of 2B business were as follows:

	2017 RMB	2018 RMB	2019 RMB
Net cash used generated from/(used in) operating activities	27,897	(20,699)	2,338
Net cash (used in)/generated from investing activities	(17,206)	(40,180)	1,159

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4. BUSINESS COMBINATION

During the periods presented, the Company completed several transactions to acquire controlling shares to enrich its products and to expand its business. The Company makes estimates and judgments in determining the fair value of the acquired assets and liabilities, based in part on independent appraisal reports as well as its experience with purchasing similar assets and liabilities in similar industries. The amount excess of the purchase price over the fair value of the identifiable assets and liabilities acquired is recorded as goodwill. The major acquisitions during the periods presented are as follows:

Acquisition of Beijing Youxin Chefang Automotive Technical Service Co., Ltd. ("Chefang")

Chefang is a company that engages in services related to car maintenance. In order to enhance the service quality to consumers, on October 8, 2015, the Company acquired 26% ordinary equity interests in Chefang with the consideration of RMB10 million. On September 28, 2016, the Company paid RMB10 million with which the acquired ordinary equity interests in Chefang increased to 40.96%. On May 31, 2017, the Company acquired further 10.04% ordinary equity interest in Chefang with the consideration of RMB3 million in cash and obtained the power to control Chefang with the accumulated acquired ordinary equity interests stepped up to 51%. These investments were accounted for under equity method due to significant influence the Group has over Chefang until the control was obtained and the investments were in the form of ordinary shares. The goodwill recognized for the acquisition was RMB7.8 million. The Group also recognized a gain of RMB3.9 million upon the acquisition of the remeasurement of previously held equity interests. In the fourth quarter of 2018, the Company acquired further 49% ordinary equity interest in Chefang with the consideration of RMB 2.0 million in cash and controlled Chefang with the accumulated acquired ordinary equity interests stepped up to 100%. RMB3.7 million goodwill impairment was recorded for the year ended December 31, 2018.

Acquisition of Baogu Vehicle Technology Service (Beijing) Co., Ltd. ("Baogu")

In order to enhance the service quality to consumers, in June 2015, the Company acquired 30% ordinary shares of Baogu, a vehicle warranty service provider, and accounted for the investment using equity method. The purchase consideration was RMB12.2 million. In August 2017, the Company acquired the remaining 70% ordinary shares of Baogu with consideration of RMB4 million in cash and obtained the power to control Baogu. The investment in the first 30% of ordinary shares of Baogu was accounted for under equity method due to significant influence the Group had over Baogu until the Group obtained control of Baogu. The goodwill recognized from the acquisition was RMB4.2 million. The Group also recognized a gain of RMB1.3 million upon the acquisition of the remeasurement of previously held equity interests.

The results of the acquired entities' operations have been included in continuing operation in the Company's consolidated financial statements since their respective dates of acquisition.

Acquisition of Zhejiang Dongwang Internet Technology Co., Ltd. ("Dongwang") and Fairlubo Auction Company Limited ("Fairlubo")

In addition to the above mentioned business transactions, the Company acquired Fairlubo in 2015 and Dongwang in 2018, both of which engage in salvage car related business. Dongwang and Fairlubo along with goodwill of RMB100.9 million resulted from their acquisition will be divested in 2020 (Note 1) and reclassified as held for sale assets as of December 31, 2019 in the Company's consolidated financial statements.

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5. ADVANCE TO CONSUMERS ON BEHALF OF FINANCING PARTNERS

	December 31, 2018 RMB	December 31, 2019 RMB
Advance to consumers on behalf of financing partners	521,908	2,135

The Group facilitated loans extended by third-party financing partners to consumers through their online platform before the fourth quarter of 2019. The third-party financing partners provided all the funds for the consumer loans, while the Group provided services to facilitate such financing transactions. Pursuant to the cooperation agreements entered into with third-party financing partners, for the purpose of registering the collateral over the car purchased by consumers with relevant government authorities, the Group advanced the funds needed to purchase the car to the consumer on financing partners' behalf to the applicable car dealers directly. The third-party financing partners paid the corresponding amounts to the Group as agreed in the corporation agreements. Since the fourth quarter of 2019, the Company ceased to provide loan facilitation related services and no longer advanced funds to consumers on behalf of financing partners.

The balance of RMB2.1million as of December 31, 2019 have been subsequently paid by financing partners.

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6. LOAN RECOGNIZED AS A RESULT OF PAYMENT UNDER THE GUARANTEE

The third-party financing partners offer financing solutions to the Borrowers and the Group is required to provide a guarantee. In the event of a payment default from the Borrower, the Group is required to repay the monthly installment or full amount of outstanding loan to the financing partner as the guarantor. As such, the Group recognized loan receivables as a result of payment under the guarantee deducted by an allowance to its expected recoverable amounts in the consolidated balance sheets.

	December 31, 2018 RMB	December 31, 2019 RMB
Loan recognized as a result of payment under the guarantee	810,327	2,343,586
Less: allowance for doubtful accounts	(256,639)	(763,122)
	553,688	1,580,464

The movement of allowance for doubtful accounts for the years ended December 31, 2017, 2018 and 2019 was as follows:

	2017 RMB	2018 RMB	2019 RMB
Beginning of the year	(7,222)	(189,305)	(256,639)
Addition	(184,586)	(257,953)	(398,167)
Provision for credit losses (i)	(36,474)	(37,961)	(255,105)
Write-off	15,606	37,757	—
Bought out by certain non-bank financing institutions without recourse	—	85,560	—
Payments from the borrowers or other recoveries	23,371	105,263	146,789
Ending of the year	**(189,305)**	**(256,639)**	**(763,122)**

(i) Due to the impact of a series of regulations governing lending and debt collection promulgated by relevant authorities in the fourth quarter of 2019, the performance of the loan recognized as a result of payment under the guarantee has been adversely affected, and significant provision for additional credit losses was incurred in the fourth quarter of 2019, taking into the consideration of credit grades, vehicle collateral repossession and residual value of vehicle collateral.

(All amounts in thousands, except for share and per share data, unless otherwise noted)

6. LOAN RECOGNIZED AS A RESULT OF PAYMENT UNDER THE GUARANTEE (CONTINUED)

The Company relies on the consumers' credit history, loan-to-value ratio and other certain application information to evaluate and rank their risk on an ongoing basis. The credit grades represent the relative likelihood of repayment. Customers assigned a grade of "Normal" are determined to have the highest probability of repayment, customers assigned a grade of "Attention" are determined to have a lower probability of repayment, and customers assigned a grade of "Secondary" are determined to have a lowest probability of repayment. Loan performance is reviewed on a recurring basis to identify whether the assigned grades adequately reflect the customers' likelihood of repayment.

The balance of loan recognized as result of payment under the guarantee by grade of monitored credit risk quality indicator as of December 31, 2018 and 2019 were listed as below:

	December 31, 2018 RMB	December 31, 2019 RMB
Normal	286,644	807,023
Attention	229,474	1,156,067
Secondary	294,209	380,496
	810,327	2,343,586

Loan recognized as a result of payment under the guarantee of RMB 435.3 million was pledged as collateral for long-term borrowings of RMB8.0 million and current portion of long-term borrowings of RMB152.3 million (Note 14).

7. ADVANCE TO SELLERS

	December 31, 2018 RMB	December 31, 2019 RMB
Advance to sellers	692,714	288,550

When facilitating used car transaction, the Group connects the sellers and buyers and provides service in relation to the cash flow remittance, for example, the Group collects the cash from buyers and remits to sellers. The balance represents the prepayments to sellers by the Group. No allowance of advance to sellers was provided at December 31, 2018 and 2019, since no collection issues occurred in the past.

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8. OTHER RECEIVABLES, NET

	December 31, 2018 RMB	December 31, 2019 RMB
Deposits in non-bank financing partners (i)	502,550	294,763
Rental and other deposits	77,902	89,761
Staff advance	55,652	28,080
Receivables from third-party payment settlement platform	34,787	7,143
Others	42,970	26,428
	713,861	446,175
Less: allowance for doubtful accounts	(6,457)	(6,119)
	707,404	440,056

(i) In relation with the Company's historically-facilitated loans for non-banking financial institutions, which were not transferred to Golden Pacer during the divestiture of loan facilitation related business (Note 3), the Company, as the guarantor, is required to deposit a separate guarantee fund with those financial institutions.

The movement of allowance for doubtful accounts for the years ended December 31, 2017, 2018 and 2019 was as follows:

	2017 RMB	2018 RMB	2019 RMB
At the beginning of year	(269)	(272)	(6,457)
Addition	(3)	(23,608)	(1,411)
Write-off	—	17,423	—
Reclassified as assets held for sale	—	—	1,749
At the ending of year	(272)	(6,457)	(6,119)

9. PREPAID EXPENSES AND OTHER CURRENT ASSETS

	December 31, 2018 RMB	December 31, 2019 RMB
VAT-input deductible	64,237	74,746
Prepaid non-banking financing partners service fees	26,295	21,335
Prepaid rental expense	46,581	16,560
Prepaid consulting and professional service fees	37,236	13,124
Prepaid marketing expense	218,145	12,627
Others	24,820	20,516
	417,314	158,908

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10. FINANCIAL LEASE RECEIVABLES

Financial lease receivables include dealer inventory financing receivables and receivables generated from finance lease arrangements entered into with consumers.

The following table presents financial lease receivables as of December 31, 2018 and 2019, respectively.

	December 31, 2018 RMB	December 31, 2019 RMB
Financial lease receivables due from car dealers	239,854	130,631
Less: allowance for doubtful accounts	—	(16,390)
	239,854	114,241
Financial lease receivables due from consumers	61,547	14,346
Less: allowance for doubtful accounts	(6,890)	(6,767)
	54,657	7,579
Financial lease receivables, net	294,511	121,820

The following present the aging of past-due financial lease receivables as of December 31, 2018:

	1-90 days RMB	Above 90 days RMB	Total past due RMB	Current RMB	Total RMB
Financial lease receivables due from car dealers	—	—	—	239,854	239,854
Financial lease receivables from consumers	—	7,748	7,748	53,799	61,547
	—	7,748	7,748	293,653	301,401

The following presents the aging of past-due financial lease receivables as of December 31, 2019:

	1-90 days RMB	Above 90 days RMB	Total past due RMB	Current RMB	Total RMB
Financial lease receivables due from car dealers	1,510	14,628	16,138	114,493	130,631
Financial lease receivables due from consumers	—	6,767	6,767	7,579	14,346
	1,510	21,395	22,905	122,072	144,977

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10. FINANCIAL LEASE RECEIVABLES (CONTINUED)

The movement of allowance for doubtful accounts for the years ended December 31, 2017, 2018 and 2019 was as follows:

	2017 RMB	2018 RMB	2019 RMB
At the beginning of year	(2,624)	(4,225)	(6,890)
Provision for credit losses	(1,601)	(2,665)	(16,267)
At the ending of year	(4,225)	(6,890)	(23,157)

The following lists the components of the net investment in financial lease receivables due from car dealers and consumers as of December 31, 2018 and 2019.

	December 31, 2018 RMB	December 31, 2019 RMB
Total minimum lease payments to be received	303,273	146,006
Less: allowance for uncollectibles	(6,890)	(23,157)
Net minimum lease payments receivable	296,383	122,849
Less: unearned income	(1,872)	(1,029)
Net investment	294,511	121,820

11. PROPERTY, EQUIPMENT AND SOFTWARE, NET

Property, equipment and software, net, consist of the following:

	December 31, 2018 RMB	December 31, 2019 RMB
Cost		
Leasehold improvement	147,704	155,548
Computer equipment	194,513	155,419
Software	23,500	26,031
Furniture	19,611	23,491
Vehicle and motor	12,220	6,553
Construction in progress	13,629	4,763
Total property, equipment and software	411,177	371,805
Less: accumulated depreciation and amortization		
Leasehold improvement	(100,269)	(142,774)
Computer equipment	(90,134)	(99,358)
Software	(6,523)	(8,453)
Furniture	(8,037)	(8,311)
Vehicle and motor	(6,943)	(2,795)
Total accumulated depreciation and amortization	(211,906)	(261,691)
Net book value	199,271	110,114

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11. PROPERTY, EQUIPMENT AND SOFTWARE, NET (CONTINUED)

The total amounts charged to the Consolidated Statements of Comprehensive Loss for depreciation and amortization expenses amounted to approximately RMB68.2 million, RMB88.8 million and RMB88.9 million for the year ended December 31, 2017, 2018 and 2019, respectively.

12. INTANGIBLE ASSETS, NET

Acquired intangible assets, net, consist of the following:

	December 31, 2018 RMB	December 31, 2019 RMB
Supplier relationship	18,200	—
Software copyright	7,000	—
Others	10,002	3,490
Total intangible assets	35,202	3,490
Less: amortization	(14,023)	(3,300)
Net book value	21,179	190

A total net book value of RMB12.3 million intangible assets related with salvage car business, mainly including supplier relationship, software copyright, was reclassified to assets held for sale as of December 31, 2019. The total amounts charged to the Consolidated Statements of Comprehensive Loss for amortization expenses amounted to approximately RMB3.7 million, RMB5.6 million and RMB6.9 million for the year ended December 31, 2017, 2018 and 2019, respectively.

The annual estimated amortization expense for intangible assets subject to amortization for the remaining two years is as follows:

	December 31, 2019 RMB
2020	154
2021	36
	190

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13. LONG-TERM INVESTMENTS

The Group's long-term investments consist of the following:

	December 31, 2018 RMB	December 31, 2019 RMB
Available-for-sales debt security investment		
Orange Inc.	41,179	41,857
Less: impairment	—	(37,775)
Foreign currency translation adjustment	—	(968)
	41,179	3,114
Equity method investments		
Jincheng Consumer Finance (Sichuan) Co., Ltd. ("Jincheng")	236,642	263,792
Beijing Gangjian Shoubao Cultural Media Center LLP	—	4,500
Weiche Information Technology Co., Ltd. ("Weiche")	2,006	1,530
	238,648	269,822
Measurement alternative method investments		
ClearVue Pony Holdings Limited. ("ClearVue Pony")	68,632	—
Bai'an Online Property Insurance Co., Ltd. ("Bai'an")	1,423	—
	70,055	—
Total long-term investments	349,882	272,936

Major investments of the Company during the year ended December 31, 2018 and 2019 are summarized as follows:

Investment accounted for as available-for-sale debt security investment

Investment in Orange Inc.

In June 2017, the Group subscribed convertible preferred shares of Orange Inc., a technology company, for a consideration of US$6 million. The Group's investment represented 10.26% of the equity interests, on an if-converted basis. The preferred shares were not considered in-substance ordinary shares as they provide substantive redemption rights, liquidation rights and fixed dividends to the Group, which are not available to ordinary shareholders. Thus the investment was classified as an available-for-sale investment in debt securities. As Orange Inc. incurred continuous losses starting from 2019 and began to liquidate the business in June 2019, the Company recorded other-than-temporary impairment of US$ 5.6 million (equivalent to RMB 38.7 million) as of December 31, 2019.

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13. LONG-TERM INVESMENTS (CONTINUED)

Investments accounted for using equity method

Investment in Jincheng

In September 2017, the Company invested in Jincheng, a professional consumer financial service company. The Company acquired 19% ordinary equity interest with a total consideration of RMB 233.0 million. The Company exercises significant influence in Jincheng and therefore accounts for this as a long-term investment using equity method. In 2019, dividends of RMB 4.4 million was received from Jincheng.

Investment in Beijing Gangjian Shoubao Cultural Media Center LLP

In April 2019, the Company invested in Beijing Gangjian Shoubao Cultural Media Center LLP, focusing on advertising and media business. The Company is one of the limited partners and does not have control of the partnership. The investee has not started to operate yet.

Investment in Weiche

In May 2018, the Company invested in Weiche, a professional information technology company focusing on technology development and technology consulting service. The Company acquired 40% ordinary equity interest with a total consideration of RMB 3 million. The Company exercises significant influence in Weiche and therefore accounts for this as a long-term investment using equity method.

Investments accounted for using a measurement alternative

The Group does not have significant influence over these equity investments which do not have readily determinable market value, and therefore accounted for these investments using a measurement alternative.

Investment in ClearVue Pony

The Company’s wholly-owned subsidiary Xin Limited entered into an agreement with ClearVue Partner II, L.P to establish ClearVue Pony to invest in Pony AI, a technology company focusing on automobiles pilotless system. After the transaction, the Company held 23.8% ownership with a consideration of US$10 million. Since the Company did not appoint Board member in ClearVue Pony and could not exercise significant influence, this investment accounted for as long-term investment using measurement alternative. In April 2019, the Company disposed the investment for a total cash consideration of US$16 million, with a net investment gain of US$4.3 million (equivalent to RMB29.5 million) recorded in gains from disposal of long-term investment, net on the Consolidated Statement of Comprehensive Loss.

Investment in Bai’an

In April 2019, the Company disposed the investment in Bai’an for a total cash consideration of RMB0.2 million, with the investment loss of RMB1.2 million recorded in gain from disposal of long-term investment, net on the Consolidated Statement of Comprehensive Loss.

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14. SHORT-TERM AND LONG-TERM BORROWINGS

The following table presents short-term and long-term borrowings from commercial banks or other institutions as of December 31, 2018 and 2019. Short-term borrowings include borrowings with maturity terms shorter than one year and the current portion of the long-term borrowings.

Funding Partners	Fixed annual interest rate	Term	December 31, 2018 RMB	December 31, 2019 RMB
Short-term borrowings	8.2%	within 12 months	325,715	111,122
Current portion of long-term borrowings	5.9%-9.8%	mature in 2020	298,873	152,303
Long-term borrowings	5.0%-6.7%	2 - 4 years	481,801	241,026
			1,106,389	504,451

Long-term borrowings of RMB8.0 million and current portion of long-term borrowings of RMB152.3 million were secured by loan recognized as a result of payment under the guarantee of RMB435.3 million as at December 31, 2019 (Note 6).

Short-term borrowings of RMB 111.1 million were secured by financial lease receivable — car dealers of RMB 130.6 million (Note 10).

The weighted average interest rate for the outstanding borrowings was approximately 6.5% and 6.1% as of December 31, 2018 and 2019, respectively.

15. GUARANTEE LIABILITIES

The movement of guarantee liabilities was as follows:

	2017 RMB	2018 RMB	2019 RMB
Balance at the beginning of the year	76,325	173,907	321,255
Fair value of guarantee liabilities upon the inception of new guarantees	284,452	403,370	405,084
Guarantee settled	(184,586)	(257,953)	(398,167)
(Gains)/losses from guarantee liabilities	(2,284)	1,931	362,597
Reclassified as liabilities held for sale (Note 3)	(33,802)	(174,828)	—
Net assets transferred (Note 3)	—	—	(302,462)
Balance at the end of the year	140,105	146,427	388,307

Pursuant to the series of agreements with Golden Pacer, the Company ceased to provide loan facilitation related business starting from the fourth quarter of 2019. The remaining balances of guarantee liabilities as of December 31, 2019 are related to the guarantee obligations associated with the portion of the Company's historically-facilitated loans which were not transferred to Golden Pacer during the divestiture of the Company's loan facilitation related business (Note 3). The Company is also actively seeking appropriate solutions to properly settle and relieve itself from the remaining guarantee obligations to mitigate any relevant compliance risk associated with the newly promulgated laws and regulations, including the most recent Financing Guarantee Circular 37 promulgated in October 2019.

The terms of the guarantee range from 2 years to 4 years, as of December 31, 2019.

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16. DEPOSIT OF INTERESTS FROM CONSUMERS AND PAYABLE TO FINANCING PARTNERS

	December 31, 2018 RMB	December 31, 2019 RMB
Deposit of interests from consumers and payable to financing partners	333,587	42,464
Less: current portion	(314,231)	(42,199)
Non-current portion	19,356	265

The Group facilitates loans extended by third-party financing partners to consumers through online platform. The third-party financing partners provide all the funds for the consumer loans, while the Group provides services to facilitate such financing transactions, including collection of interest deposits from the consumers at inception. The interest deposit approximates all the interest throughout the life of the loan. The balance represents the interest deposits from the consumers and subsequently payable to the financing partners. Since the second quarter of 2018, the Group ceased the practice of collecting interest on behalf of the financing partners, and the down payments made by the consumers no longer include deposits of interest.

As part of the transaction with Golden Pacer, the legal title of deposit of interest from consumers and payable to financing partners related with XW bank was transferred to Golden Pacer in the fourth quarter of 2019 (Note 3). Total amount was RMB45.7 million. The remaining balance as of December 31, 2019 represents the interest deposits payable to the remaining financing partners that were not part of the Golden Pacer transaction.

17. ADVANCE FROM BUYERS COLLECTED ON BEHALF OF SELLERS

	December 31, 2018 RMB	December 31, 2019 RMB
Advance from buyers collected on behalf of sellers	270,347	147,923

When facilitating used car transaction, the Group connects sellers and buyers and provides service in relation to the cash flow remittance, for example, the Group collects the cash from buyers and remits to sellers. The balance represents the advance payments collected from buyers, which are subsequently paid to sellers in a short period of time.

18. OTHER PAYABLES AND ACCRUALS

	December 31, 2018 RMB	December 31, 2019 RMB
Accrued advertising expenses	407,557	373,563
Accrued service fee for transaction support	14,151	233,970
Accrued salaries and benefits	185,597	150,465
Installments collected on behalf of financing partners	46,445	138,080
Tax payables	102,324	104,496
Accrued service fee for IT and office support	101,833	98,371
Deposits	137,844	77,709
Contract liabilities	9,704	27,025
Interest payable	61,434	25,447
Others	61,179	73,166
	1,128,068	1,302,292

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19. CONVERTIBLE NOTES

	December 31, 2018 RMB	December 31, 2019 RMB
2019 Notes	1,201,060	—
2020 Notes	—	330,934
2021 Notes	—	34,998
2024 Notes	—	1,638,485
Less: debt issuance cost	(12,868)	(6,977)
	1,188,192	1,997,440

Description of 2019 Notes

On June 9, 2018, the Company entered into a Convertible Note Purchase Agreement with CNCB (Hong Kong) Investment Limited (the "CNCB (Hong Kong)"), a company incorporated under the laws of Hong Kong. CNCB (Hong Kong) agreed to purchase convertible notes from the Company in the total principal amount of US$100 million (equivalent to RMB 686.3 million) bearing interest rate of 6% per annum. On June 12, 2018, the Company entered into the other Convertible Note Purchase Agreement with Golden Fortune Company Limited (the "Golden Fortune"), a company incorporated under the laws of the Cayman Islands and whose investment manager is ICBC Asset Management (Global) Company Limited. Golden Fortune agreed to purchase convertible notes from the Company in the total principal amount of US$75 million (equivalent to RMB 514.7 million) bearing interest rate of 6.5% per annum. Both of convertible notes (the "Notes") would mature in 363 days since the offering date. CNCB (Hong Kong) and Golden Fortune may elect to convert their respective Notes into Class A ordinary shares from the 181st day after June 27, 2018 with conversion price per ordinary shares equal to 109.5% and 108% of IPO price per ordinary share, respectively. These two notes are together called 2019 Notes. The Company repaid the 2019 Notes shortly before due at the end of June 2019.

The Company has accounted for the 2019 Notes as a single instrument. The value of the 2019 Notes is measured by the cash received. The Company recorded the interest expenses according to its annual interest rate. There was no BCF attribute to the 2019 Notes as the set conversion price for each of the Notes was greater than the fair value of the ordinary share at the date of the issuance.

19. CONVERTIBLE NOTES (CONTINUED)

Description of 2020 Notes

On July 12, 2019, the Company entered into a convertible note purchase agreement with PacificBridget Diamond CB Fund 1 with an aggregate principal amount of US$ 6.2 million bearing interest rate of 10% per annum due on July 12, 2020 and US$ 14.4 million bearing interest rate of 11% per annum due on October 12, 2020. Debt issuance cost was US$ 0.4 million. The Company also entered into a convertible note purchase agreement with PacificBridget Diamond CB Fund 2 on the same day with an aggregate principal amount of US$ 1.5 million bearing interest rate of 10% per annum due on July 12, 2020 and US$ 2.7 million bearing interest rate of 11% per annum due on October 12, 2020. Debt issuance cost was US$ 0.1 million and is being amortized to interest expense. The Notes may be converted, at an initial conversion rate of 200.4 ADSs per US$1,000 principal amount of the Notes (which represents an initial conversion price of US$4.99 per ADS) upon maturity.

On August 16, 2019, the Company entered into a convertible note purchase agreement with PacificBridget Inner Circle Mezzanine 1 with an aggregate principal amount of US$ 6.58 million bearing interest rate of 10% per annum due on August 16, 2020. Debt issuance cost was US$ 0.1 million. The Company also entered into a convertible note purchase agreement with PacificBridget TMT Mezzanine 1 on the same day with an aggregate principal amount of US$ 7.93 million bearing interest rate of 11% per annum due on November 12, 2020. Debt issuance cost was US$ 0.2 million and is being amortized to interest expense. The Notes may be converted, at an initial conversion rate of 198.06 ADSs per US$1,000 principal amount of the Notes (which represents an initial conversion price of US$5.05 per ADS) upon maturity.

On October 10, 2019, the Company entered into a convertible note purchase agreement with PacificBridget Global Mezzanine 1 with an aggregate principal amount of US$ 5.77 million bearing interest rate of 10% per annum due on October 9, 2020. Debt issuance cost was US$ 0.1 million and is being amortized to interest expense. The Notes may be converted, at an initial conversion rate of 196.08 ADSs per US$1,000 principal amount of the Notes (which represents an initial conversion price of US$5.10 per ADS) upon maturity.

Above convertible notes together are called 2020 Notes.

Description of 2021 Notes

On November 18, 2019, the Company entered into a convertible note purchase agreement with PacificBridge Overseas Pionner 1 with an aggregate principal amount of US$ 4.92 million bearing interest rate of 11% per annum due on February 7, 2021. Debt issuance cost was US$ 0.1 million and is being amortized to interest expense. 2021 Notes may be converted, at an initial conversion rate of 196.1 ADSs per US$1,000 principal amount of the 2020 Notes (which represents an initial conversion price of US$5.10 per ADS) upon maturity.

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19. CONVERTIBLE NOTES (CONTINUED)

Description of 2024 Notes

The Company entered into a convertible note purchase agreement with affiliates of 58.com, Warburg Pincus, TPG and certain other investors on May 28, 2019, pursuant to which the Company issued and sold convertible notes in an aggregate principal amount of US$230 million on June 10, 2019 bearing 3.75% interest rate per annum due on June 9, 2024 (“2024 Notes”). Early redemption is permitted if requested by holders in advance in writing three years after June 9, 2019. 2024 Notes may be converted, at an initial conversion rate of 323.6246 ADSs per US$1,000 principal amount of the 2020 Notes (which represents an initial conversion price of US$3.09 per ADS) upon maturity.

The Company has accounted for the 2020 Notes, 2021 Notes and 2024 Notes as a single instrument each. The value of the 2020 Notes, 2021 Notes and 2024 Notes are measured by the cash received. The debt issuance cost was recorded as a reduction to the long-term debts and are amortized as interest expenses using the effective interest method.

20. OTHER OPERATING INCOME

	2017 RMB	2018 RMB	2019 RMB
VAT in super deduction	—	—	1,925

From 2019, in accordance with “the Notice of Regulations on Deepening the Reform of Value-Added Tax Reform” and relevant government policies announced by the Ministry of Finance, the State Administration of Taxation and the General Administration of Customs of China, several subsidiaries of the Company, is allowed to enjoy additional 10% VAT-in deduction for any services it purchased (“VAT-in super deduction”) from April 1, 2019 to December 31, 2021. The VAT-in super deduction is considered as operating given that all VAT-in were derived from the purchases for that subsidiaries’ daily operations in nature, and therefore is presented in Other operating income in the Consolidation Statements of Comprehensive Loss.

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21. OPERATING LEASE

The Company has operating leases primarily for office and operation space. The Company's operating lease arrangements have remaining terms of one year to nine years.

Supplemental consolidated balance sheet information related to leases were as follows:

	December 31, 2019 RMB
Right-of-use assets	**45,446**
Operating lease liabilities - current	32,892
Operating lease liabilities — non-current	10,075
Total lease liabilities	**42,967**
Weighted average remaining lease term	1.75
Weighted average discount rate	6.14%

Total operating lease costs were RMB161.3 million for the year ended December 31, 2019, including RMB58.7 million recorded from continuing business and RMB102.6 million from discontinued operations. Total short-term lease cost were RMB75.3 million for the year ended December 31, 2019, including RMB10.6 million recorded from continuing business and RMB64.7 million from discontinued operations.

Supplemental cash flow information related to leases in both continuing and discontinued operations were as follows:

	2019 RMB
Cash paid for amounts included in the measurement of lease liabilities	134,071
Right-of-use assets obtained in exchange for operating lease liabilities	87,350

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21. OPERATING LEASE (CONTINUED)

Maturities of lease liabilities are as follows:

	December 31, 2019 RMB
2020	34,236
2021	8,668
2022	334
2023	334
2024	334
Thereafter	712
Total operating lease payments	44,618
Less: imputed interest	(1,651)
Total lease liabilities	42,967

At December 31, 2018, minimum lease payments for operating leases under the previous lease standard ("ASC 840") were as follows:

	December 31, 2018 RMB
2019	102,057
2020	51,969
2021	30,392
2022	26,913
2023	23,203
Thereafter	110,980
Total operating lease payments	345,514

For the years ended December 31, 2017 and 2018, the Company recognized lease expense of RMB137.2 million and RMB201.8 million, respectively.

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22. RELATED PARTY BALANCES AND TRANSACTIONS

The table below sets forth the major related parties and their relationships with the Group as of December 31, 2019:

Name of related parties	Relationship with the Group
Baidu (Hong Kong) Limited ("Baidu")	Preferred Shareholder of the Company before June 27, 2018 and Class A ordinary shareholder of the Company after June 27, 2018
Baogu	An associate of the Group before August 31, 2017
Shanghai Xiao Qing Information Technology Co., Ltd. ("Xiao Qing")	An associate of the Group
58.com	2024 Notes holder who appointed one of the Board members of the Company

Details of related party balances as of December 31, 2018 and 2019 and transactions for the year ended December 31, 2017, 2018 and 2019 were as follows:

Amounts due from related parties

	December 31, 2018 RMB	December 31, 2019 RMB
Prepaid advertising expenses		
58.com	—	51,590

Transactions with related parties

	2017 RMB	2018 RMB	2019 RMB
Service provided by the related parties			
58.com	—	—	47,054
Baidu	780	1,391	—
Baogu	10,747	—	—
Xiao Qing	1,503	—	—
	13,030	1,391	47,054

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23. INCOME TAX EXPENSE

Cayman Islands

Under the current laws of the Cayman Islands, the Company and its subsidiaries incorporated in the Cayman Islands are not subject to tax on income or capital gain. Additionally, the Cayman Islands does not impose a withholding tax on payments of dividends to shareholders.

British Virgin Islands

Under the current laws of the British Virgin Islands, entities incorporated in the British Virgin Islands are not subject to tax on their income or capital gains.

Hong Kong

Under the current Hong Kong Inland Revenue Ordinance, the Group's subsidiaries in Hong Kong are subject to 16.5% Hong Kong profit 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.

China

On March 16, 2007, the National People's Congress of PRC enacted a new Corporate Income Tax Law ("new CIT law"), under which Foreign Investment Enterprises ("FIEs") and domestic companies would be subject to corporate income tax at a uniform rate of 25%. The new CIT law became effective on January 1, 2008. Under the new CIT law, preferential tax treatments will continue to be granted to entities which conduct businesses in certain encouraged sectors and to entities otherwise classified as "High and New Technology Enterprises" or "Software Enterprises".

Youxinpai (Beijing) Information Technology Co., Ltd. and Youfang (Beijing) Information Technology Co., Ltd. have been qualified as "high and new technology enterprise" and enjoys a preferential income tax rate of 15% from 2019 to 2021. Youxin Internet (Beijing) Information Technology Co., Ltd. has been qualified as "Software Enterprises" and enjoys the preferential period for preferential tax treatments shall be calculated from the profit-making year, and the enterprise was exempted from CIT in 2016 and 2017, and will be allowed a 50% tax reduction at a statutory rate of 25% in 2018, 2019 and 2020.

Tax holiday had no impact as there is no taxable profit for Youxinpai (Beijing) Information Technology Co., Ltd. , Youxin Internet (Beijing) Information Technology Co., Ltd. and Youfang (Beijing) Information Technology Co. for the year ended December 31, 2018 and 2019.

The Group's other PRC subsidiaries, VIEs and VIEs' subsidiaries are subject to the statutory income tax rate of 25%.

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23. INCOME TAX EXPENSE (CONTINUED)

Withholding tax on undistributed dividends

The new CIT Law also provides that an enterprise established under the laws of a foreign country or region but whose "actual management body" is located in the PRC be treated as a resident enterprise for PRC tax purposes and consequently be subject to the PRC income tax at the rate of 25% for its global income. The Implementing Rules of the EIT Law merely define the location of the "actual management body" as "the place where the exercising, in substance, of the overall management and control of the production and business operation, personnel, accounting, property, etc., of a non-PRC company is located." Based on a review of surrounding facts and circumstances, the Group does not believe that it is likely that its operations outside of the PRC should be considered a resident enterprise for PRC tax purposes.

The new CIT law also imposes a withholding income tax of 10% on dividends distributed by an FIE to its immediate holding company outside of China, if such immediate holding company is considered as a non-resident enterprise without any establishment or place within China or if the received dividends have no connection with the establishment or place of such immediate holding company within China, unless such immediate holding company's jurisdiction of incorporation has a tax treaty with China that provides for a different withholding arrangement. According to the arrangement between Mainland China and Hong Kong Special Administrative Region on the Avoidance of Double Taxation and Prevention of Fiscal Evasion in August 2006, dividends paid by an FIE in China to its immediate holding company in Hong Kong will be subject to withholding tax at a rate of no more than 5% (if the foreign investor owns directly at least 25% of the shares of the FIE). The Company did not record any dividend withholding tax, as it has no retained earnings for any of the periods presented.

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23. INCOME TAX EXPENSE (CONTINUED)

Composition of income tax expense

The current and deferred portions of income tax expense included in the Consolidated Statements of Comprehensive Loss during the year ended December 31, 2017, 2018 and 2019 are as follows:

	2017 RMB	2018 RMB	2019 RMB
Continuing operations:			
- Current income tax (expense)/credit	(831)	(2,751)	876
- Deferred income tax credit	620	1,107	1,678
	(211)	(1,644)	2,554
Discontinued operations:			
- Current income tax expense	(359)	(12,941)	(2,992)
Total income tax expense	(570)	(14,585)	(438)

Reconciliation of the differences between statutory tax rate and the effective tax rate

Reconciliation of the differences between the statutory EIT rate applicable to losses of the consolidated entities and the income tax expenses of the Company:

	2017 RMB	2018 RMB	2019 RMB
Loss before tax from continuing operations	(1,272,210)	(1,352,748)	(1,360,463)
Loss before tax from discontinued operations	(1,478,615)	(173,583)	(659,458)
Loss before tax	(2,750,825)	(1,526,331)	(2,019,921)
Income tax computed at PRC statutory tax rate	(687,706)	(381,583)	(504,980)
Effect of different tax rate	6,709	(21,369)	42,085
Non-deductible expense	241,114	93,925	180,699
Change of valuation allowance	439,313	294,442	281,758
	(570)	(14,585)	(438)

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23. INCOME TAX EXPENSE (CONTINUED)

Deferred tax assets and deferred tax liabilities

The following table sets forth the significant components of the deferred tax assets:

	December 31, 2018 RMB	December 31, 2019 RMB
Deferred tax assets		
Net accumulated losses-carry forward	636,440	780,265
Deductible advertising expense	540,627	617,918
Provision for credit losses	—	67,843
Accruals	68,271	67,067
Allowance	6,915	918
Less: valuation allowance	(1,252,253)	(1,534,011)
Net deferred tax assets	—	—

	December 31, 2018 RMB	December 31, 2019 RMB
Deferred tax liabilities		
Intangible assets arisen from business combinations	4,759	3,081
Reclassified to liabilities held for sale	—	(3,081)
Net deferred tax liabilities	4,759	—

Movement of valuation allowance

	2017 RMB	2018 RMB	2019 RMB
Balance at beginning of the year	(518,498)	(957,811)	(1,252,253)
Changes of valuation allowance	(439,313)	(294,442)	(281,758)
Balance at end of the year	(957,811)	(1,252,253)	(1,534,011)

As of December 31, 2019, the Group had net operating loss carries forwards of approximately RMB4,035.9 million which arose from the subsidiaries, VIEs and VIEs' subsidiaries established in the PRC. For Youxinpai (Beijing) Information Technology Co., Ltd and Youfang (Beijing) Information Technology Co., Ltd. which have been qualified as "high and technology enterprise", its loss carries forwards will expire from 2020 to 2029 according to newly issued Caishui 2018[78]. For all other remaining subsidiaries in China, the loss carries forwards will expire from 2020 to 2023.

A valuation allowance is provided to reduce the amount of deferred tax assets if it is considered more likely than not that amount of the deferred tax assets will not be realized. In making such determination, the Group evaluates a variety of factors including the Group's operating history, accumulated deficit, the existence of taxable temporary differences and reversal periods.

The Group has incurred net accumulated operating losses for income tax purposes since its inception. The Group believes that it is more likely than not that these net accumulated operating losses and other deferred tax assets will not be utilized in the future. Therefore, the Group has provided full valuation allowances for the deferred tax assets as of December 31, 2018 and 2019.

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24. ORDINARY SHARES

As of December 31, 2018 and 2019, 10,000,000,000 ordinary shares had been authorized respectively. A total of 887,617,391 ordinary shares, par value US$0.0001 per share, consists of 846,807,530 Class A ordinary shares and 40,809,861 Class B ordinary shares, had been issued and outstanding as of December 31, 2019. A total of 880,659,899 ordinary shares, par value US$0.0001 per share, consists of 839,850,038 Class A ordinary shares and 40,809,861 Class B ordinary shares, had been issued and outstanding as of December 31, 2018. 40,809,861 ordinary shares were redesignated to Class B ordinary shares with super voting power (one share with ten votes) granted to Mr. Kun Dai, Founder and CEO of the Group, upon the completion of the IPO.

The Company issued and granted 17,742,890 restricted shares to Mr. Kun Dai on May 14, 2018. The restricted shares were vested immediately upon consummation of the IPO. On May 25, 2018, one of the Company's executive officers exercised his vested stock options to acquire 3,333,330 ordinary shares of the Company. In addition, the Company also offered vesting acceleration to that executive officer's 1,666,670 unvested stock options on May 25, 2018 and the executive officer also exercised such stock options to acquire 1,666,670 ordinary shares of the Company. Besides of which, certain option holders exercised their stock options and acquired 3,479,505 ordinary shares.

Immediately prior to the completion of the IPO, all classes of preferred shares of the Company were converted and redesignated as 743,343,820 Class A ordinary shares on a one-for-one basis, all ordinary shares of the Company were redesignated as Class B ordinary share. Mr. Kun Dai, founder, chairman and chief executive officer of the Company, will be deemed to beneficially own all of our issued Class B ordinary shares

On June 27, 2018, the Company completed its IPO on NASDAQ Global Select Market. The Company offered 75,000,000 Class A ordinary shares which represented 25,000,000 ADS.

Pursuant to an agreement entered into by the Company with Mr. Kun Dai and Xin Gao Group on May 28, 2018, Mr. Kun Dai and Xin Gao Group agreed to surrender and deliver 37,990,839 shares held by Xin Gao Group to the Company, and the Company agreed to accept these surrendered shares to settle all the outstanding principal and interest accrued of the loan due from Xin Gao Group, Mr. Kun Dai and Gao Li Group.

Fairlubo Share Swap represents the issuance of 13,026,713 Class A ordinary shares upon the conversion of Fairlubo shares held by certain Fairlubo shareholders upon completion of this offering, at an initial public offering price of US$9.00 per ADS.

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25. SHARE-BASED COMPENSATION

On March 26, 2013, the Company adopted the 2013 Stock Incentive Plan ("2013 Plan").

Under the 2013 Plan, the Company's Board of Directors has approved that a maximum aggregate number of shares that may be issued pursuant to all awards granted under the 2013 Plan shall be 34,275,990 shares. On November 13, 2015, the Company increased the maximum number of shares available for grants of awards to 40,942,650. On April 20, 2016, the Company increased the maximum number of shares available to 65,000,000.

On February 14, 2018, the Company adopted the 2018 Amended and Restated Share Incentive Plan ("2018 Plan") and replaced 2013 Plan. Under the 2018 Plan, the Company increased the maximum number of shares available to 87,742,890.

On November 19, 2018, the Company amended and restated the 2018 Plan, and renamed it 2018 Second Amended and Restated Incentive Plan ("2018 Second Plan"). Under the 2018 Second Plan, the Company increased the maximum number of shares available to 102,040,053.

Stock options granted to an employee under the 2018 Second Plan are generally be exercisable upon the Company completes a Qualified IPO or a defined Corporate Transaction (i.e. change of control, etc.) and the employee renders service to the Company in accordance with a stipulated service schedule. Employees are generally subject to a four-year service schedule, under which an employee earns an entitlement to vest in 25% of his option grants at the end of each year of completed service.

For the Company's key management grantee, the vested stock options granted could be retained and be exercised until the earlier of (i) any day commencing from the day that is six (6) months prior to the anticipated consummation of an IPO, or (ii) the day immediately prior to the consummation of a Corporate Transaction before March 26, 2023. For the Company's employee grantee, prior to the Company completes a Qualified IPO or Corporate Transaction, the stock options granted to the employee shall be forfeited three months after termination of employment of the employee. The Company's key management, management and employee grantees are collectively hereafter referred to as "Grantees".

The Company accounted for the share based compensation costs using an acceleration method over the requisite service period for the award based on the fair value on their respectively grant date.

Option modification

On September 22, 2019, the Company's board of directors approved a reduction in the exercise price for all outstanding options previously granted by the Company with any exercise prices which were higher than US$1.03 per ordinary share, up to US$3.00 per ordinary share, to US$1.03 per ordinary share, provided that any participating option holder agrees to amendment in the number of shares subject to his or her option as determined by the plan administrator. The Company accounted for this reduction as a share option modification which required the remeasurement of these share options at the time of the modification. The total incremental cost as a result of the modification was US$4.1 million. The incremental cost related to vested options amounted to US$2.1 million and was recorded in the Consolidated Statements of Comprehensive Loss in the year ended December 31, 2019. The incremental cost related to unvested options amounted to US$2.0 million and will be recorded over the remaining service period.

The Company granted 12,819,330, 25,224,000 and 4,247,500 stock options to Grantees for the years ended December 31, 2017, 2018 and 2019, respectively.

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25. SHARE-BASED COMPENSATION (CONTINUED)

The following table sets forth the stock options activity for the years ended December 31, 2017, 2018 and 2019:

	Number of shares	Weighted-average exercise price US$	Weighted average remaining contractual term	Aggregate intrinsic value 000'US$	Weighted average fair value of options US$
Outstanding as of January 1, 2017	31,572,960	0.45	8.02	57,467.59	0.85
Granted	12,819,330	2.13	—	—	1.72
Forfeited	(3,146,130)	1.31	—	—	1.06
Outstanding as of December 31, 2017	41,246,160	0.90	7.53	147,427.66	1.10
Granted	25,224,000	2.90	—	—	3.32
Forfeited	(2,822,511)	2.39	—	—	2.32
Exercised	(8,452,649)	0.20	—	—	1.23
Outstanding as of December 31, 2018	55,195,000	1.85	7.74	27,773.18	2.03
Granted	4,247,500	1.36	—	—	0.02
Forfeited	(11,454,468)	2.36	—	—	2.65
Exercised	(6,772,504)	0.03	—	—	0.54
Modified	(5,873,482)	2.82	—	—	2.95
Outstanding as of December 31, 2019	35,342,046	1.81	8.33	31,391.17	1.72

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25. SHARE-BASED COMPENSATION (CONTINUED)

The aggregate intrinsic value is calculated as the difference between the exercise price of the underlying awards and the estimated fair value of the underlying stock at each reporting date.

Prior to our initial public offering, in determining the grant date fair value of our ordinary shares for purposes of recording share-based compensation in connection with employee stock options, we, with the assistance of independent appraisers, performed retrospective valuations instead of contemporaneous valuations because, at the time of the valuation dates, our financial and limited human resources were principally focused on business development efforts. This approach is consistent with the guidance prescribed by the AICPA Audit and Accounting Practice Aid, Valuation of Privately-Held-Company Equity Securities Issued as Compensation, or the Practice Aid. Specifically, the ‘‘Level B’’ recommendation in paragraph 16 of the Practice Aid sets forth the preferred types of valuation that should be used.

We, with the assistance of an independent valuation firm, evaluated the use of three generally accepted valuation approaches: market, cost and income approaches to estimate our enterprise value. We and our appraisers considered the market and cost approaches as inappropriate for valuing our ordinary shares because no exactly comparable market transaction could be found for the market valuation approach and the cost approach does not directly incorporate information about the economic benefits contributed by our business operations. Consequently, we and our appraisers relied solely on the income approach in determining the fair value of our ordinary shares. This method eliminates the discrepancy in the time value of money by using a discount rate to reflect all business risks including intrinsic and extrinsic uncertainties in relation to our company.

The income approach involves applying discounted cash flow analysis based on our projected cash flow using management’s best estimate as of the valuation dates. Estimating future cash flow requires us to analyze projected revenue growth, gross margins, operating expense levels, effective tax rates, capital expenditures, working capital requirements, and discount rates. Our projected revenues were based on expected annual growth rates derived from a combination of our historical experience and the general trend in this industry. The revenue and cost assumptions we used are consistent with our long-term business plan and market conditions in this industry. We also have to make complex and subjective judgments regarding our unique business risks, our limited operating history, and future prospects at the time of grant. Other assumptions we used in deriving the fair value of our equity include:

· no material changes will occur in the applicable future periods in the existing political, legal, fiscal or economic conditions in China;

· no material changes will occur in the current taxation law in China and the applicable tax rates will remain consistent;

· we have the ability to retain competent management and key personnel to support our ongoing operations; and

· industry trends and market conditions for the used car e-commerce businesses will not deviate significantly from current forecasts.

After our initial public offering in June 2018, the fair value of ordinary shares is determined by the closing market price of the ordinary shares on the relevant grant dates.

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25. SHARE-BASED COMPENSATION (CONTINUED)

Options granted to Grantees were measured at fair value on the dates of grant using the Binomial Option Pricing Model with the following assumptions:

	Year ended December 31, 2017	Year ended December 31, 2018	Year ended December 31, 2019
Expected volatility	43%-51%	42%-47%	44%~45%
Risk-free interest rate (per annum)	2.08%-2.32%	2.49%~2.69%	1.6%~1.9%
Exercise multiple	2.8/2.2	2.8/2.2	2.8/2.2
Expected dividend yield	0%	0%	0%
Contractual term (in years)	10	10	10

The expected volatility was estimated based on the historical volatility of comparable peer public companies with a time horizon close to the expected term of the Company's options. The risk-free interest rate was estimated based on the yield to maturity of U.S. treasury bonds denominated in US$ for a term consistent with the expected term of the Company's options in effect at the option valuation date. The exercise multiple is estimated as the ratio of fair value of underlying shares over the exercise price as at the time the option is exercised, based on a consideration of empirical studies on the actual exercise behavior of employees. The expected dividend yield is zero as the Company has never declared or paid any cash dividends on its shares, and the Company does not anticipate any dividend payments in the foreseeable future. The expected term is the contract life of the option.

For the Company's stock options granted to Grantees, the completion of an IPO or the Corporate Transaction is considered to be a performance condition of the awards. An IPO or the Corporate Transaction, is not considered to be probable until it is completed. Under ASC 718, compensation cost should be accrued if it is probable that the performance condition will be achieved. As a result, no compensation expense will be recognized related to these options until the completion of an IPO or the Corporate Transaction. In case when it is considered probable that a Qualified IPO will be completed, the compensation cost should be recognized earlier for the key management grantees, at six (6) months prior to the anticipated consummation of the IPO, based on this special term offered to the key management grantees. All the options granted to key management are fully vested as at December 31, 2017, and a share-based compensation expense of US$ 4.2 million (equivalent to RMB 28.2 million) was recognized for the vested options offered to key management grantees for the year ended December 31, 2017, given the Qualified IPO is expected to be consumed within 6 months. A total of US$ 36.7 million (equivalent to RMB 242.9 million) share compensation expense was recognized immediately upon the completion of IPO on June 27, 2018. A total of US$21.7 million (equivalent to RMB 150.9 million) share-based compensation expense was recognized for the vested options offered to management and employees.

The Company granted 160,190 and 151,655 restricted shares to Grantees for the year ended December 31, 2018 and 2019, respectively.

(All amounts in thousands, except for share and per share data, unless otherwise noted)

25. SHARE-BASED COMPENSATION (CONTINUED)

The following table sets forth the restricted shares activity for the year ended December 31, 2019:

	Number of shares	Weighted average grant date fair value US$
Unvested as of December 31, 2017	—	—
Granted	160,190	1.95
Vested	(26,856)	0.39
Unvested as of December 31, 2018	133,334	2.26
Granted	151,655	1.41
Vested	(184,988)	0.75
Forfeited	(66,667)	2.26
Unvested as of December 31, 2019	33,334	2.26

Total share-based compensation cost for the restricted shares amounted to US$ 0.1 million and US$ 0.1 million (equivalent to RMB 0.7 million) for the years ended December 31, 2018 and 2019, respectively.

Other share-based compensation

The Company issued and granted 17,742,890 restricted shares to Mr. Kun Dai, Founder and CEO of the Group, on May 14, 2018. The restricted shares were vested immediately upon consummation of a successful IPO of the Company. In June 2018, the Company recorded share-based compensation expense of US$ 93.8 million (equivalent to RMB 620.4 million) in general and administrative expense.

On May 25, 2018, one of the Company's executive officers exercised his vested stock options to acquire 3,333,330 ordinary shares of the Company. In addition, the Company also offered vesting acceleration to that executive officer's 1,666,670 unvested stock options on May 25, 2018 and the executive officer also exercised such stock options to acquire 1,666,670 ordinary shares of the Company. Therefore, in May 2018, the Company recorded all remaining unrecognized compensation costs which were accelerated in the amount of US$ 4.8 million (equivalent to RMB 31.8 million) in general and administrative expense.

On June 27, 2018, US$ 0.8 million (equivalent to RMB 5.2 million) share-based compensation was recorded as the redesignation of the Company's ordinary shares and super voting power was granted to Class B beneficial owner, Mr. Kun Dai in general and administrative expense.

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25. SHARE-BASED COMPENSATION (CONTINUED)

Stock incentive plan adopted by Fairlubo

In 2017, Fairlubo Auction Company Limited, one of the Group's non-wholly owned subsidiaries adopted and started to operate its own share-based compensation plan. Their exercise prices of the share options, as well as the vesting periods of the share options and awarded shares are determined by the board of directors of this subsidiary at their sole discretion. The share options granted are normally vested over 4-year period, with ¼ of the total shares to be vested on each anniversary of the vesting commencement date, and the exercises of the awards of the Fairlubo are also subject to the completion of an IPO or immediately prior to a defined corporate transaction, which are considered to be a performance condition of the awards. An IPO or the defined corporate transaction is not considered to be probable until it is completed. Under ASC 718, compensation cost should be accrued if it is probable that the performance condition will be achieved. As a result, no compensation expense will be recognized related to the Fairlubo's stock options until the completion of an IPO or the corporate transaction, and hence no share-based compensation expense was recognized for the years ended December 31, 2017, 2018 and 2019, respectively. The salvage car related business was divested in January 2020 subsequently.

26. SEGMENT INFORMATION

Segments are business units that offer different services and are reviewed separately by the chief operating decision maker (the "CODM"), or the decision-making group, in deciding how to allocate resources and in assessing performance.

The CODM, who is responsible for allocating resources and assessing performance of the operating segment, has been identified as Uxin's Chief Executive Officer.

The Group operates as a single operating segment. The single operating segment is reported in a manner consistent with the internal reporting provided to the CODM.

The Group primarily generates its revenues in China, and assets of the Company are also primarily located in China Area. Accordingly, no geographical segments are presented.

27. FAIR VALUE MEASUREMENTS

Assets and liabilities disclosed at fair value

The Company measures its cash and cash equivalents, accounts receivables, loan recognized as a result of payment under the guarantee, financial lease receivables and short-term borrowing at amortized cost. The carrying value of accounts receivable and financial lease receivables approximate their fair value which are considered a level 3 measurement. The fair value was estimated by discounting the scheduled cash flows through to estimated maturity using estimated discount rates based on current offering rates of comparable institutions with similar services. The carrying value of the Company's debt obligations approximate fair value as the borrowing rates are similar to the market rates that are currently available to the Company for financing obligations with similar terms and credit risks and represent a level 2 measurement. The guarantee liabilities are presented as a level 3 measurement, with the fair value estimated by discounting expected future payouts, net loss rates, expected collection rates and a discount rate for time value.

Assets measured at fair value on a nonrecurring basis

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

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27. FAIR VALUE MEASUREMENTS (CONTINUED)

Assets and liabilities measured at fair value on a recurring basis

The Company measured its available-for-sale debt security investment, derivative liabilities, and guarantee liabilities at fair value on a recurring basis. As the Company's available-for-sale debt security investments, derivative liabilities and guarantee liabilities are not traded in an active market with readily observable prices, the Company uses significant unobservable inputs to measure the fair value of available-for-sale investment, derivatives liabilities and guarantee liabilities. These instruments are categorized in the Level 3 valuation hierarchy based on the significance of unobservable factors in the overall fair value measurement. The Company did not transfer any assets or liabilities in or out of level 3 during the year ended December 31, 2018 and 2019.

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

	December 31, 2018			
	Active market (Level 1)	Observable input (Level 2)	Non-observable input (Level 3)	Total
	RMB	RMB	RMB	RMB
Assets:				
Short-term investments	—	553,568	42,510	596,078
Available-for-sale debt security investment	—	—	41,179	41,179
	—	553,568	83,689	637,257
Liabilities:				
Guarantee liabilities	—	—	146,427	146,427

	December 31, 2019			
	Active market (Level 1)	Observable input (Level 2)	Non-observable input (Level 3)	Total
	RMB	RMB	RMB	RMB
Assets:				
Available-for-sale debt security investment	—	—	3,114	3,114
Liabilities:				
Guarantee liabilities	—	—	388,307	388,307

Refer to Note 13 and 15 for additional information about Level 3 available-for-sale debt security investment and guarantee liabilities measured at fair value on a recurring basis for the year ended December 31, 2018 and 2019.

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27. FAIR VALUE MEASUREMENTS (CONTINUED)

The roll forward of major Level 3 investments are as followings:

	Total RMB
Fair value of Level 3 investments as of December 31, 2017	—
New addition	237,510
Disposal of investments	(195,000)
Effect of exchange rate change	—
Fair value of Level 3 investments as of December 31, 2018	42,510
Maturity of investments	(42,510)
Fair value of Level 3 investments as of December 31, 2019	—

Valuation Techniques

a. Short-term investment

Short-term investment primarily including term deposits and investment products placed with banks with original maturities longer than three months but less than one year.

b. Available-for-sale debt security investment

Available-for-sale financial assets represent investment of redeemable preferred shares, and fair value of which is determined with reference to the issuance price of latest round of financing.

c. Guarantee liabilities

The fair value of the guarantee liabilities at loan inception is estimated by applying several different statistical methods allowing for the different features of loan products. The assumptions used are based on historical data and supplemented by market benchmarking. The time value of the estimated guarantee liabilities is recognized through discounting which considers the duration of the future payment pattern. The selected discount rate is based on the one year benchmark interest rate published by The People’s Bank of China.

27. FAIR VALUE MEASUREMENTS (CONTINUED)

c. Guarantee liabilities (continued)

Valuation Methodology

· Paid Chain-ladder Development (“PCD”) method

The PCD method projects ultimate guarantee liabilities by using historical development patterns of cumulative loan default payments. The historical pattern is shown as the ratios of quarterly increases in cumulative payments by loan origination quarter. The methodology implicitly allows for future inflation as past inflation is included in the observed factors.

The methodology implies that the past payment history is a good estimate for the future pattern of guarantee liabilities development, assuming stable pricing and claim pattern, and no significant changes in external factors.

· Expected Delinquent Ratio (“EDR”) method

The EDR method estimates the ultimate guarantee liabilities by applying the expected delinquent ratio to the total loan amount (total risk exposure). This is done for different product types and by different loan origination quarter.

This method largely relies on the expected delinquent ratios used where the ratios are selected based on historical loss experiences of similar products in the market, future loss trends and etc.

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27. FAIR VALUE MEASUREMENTS (CONTINUED)

· Paid Bornhuetter-Ferguson (“PBF”) method

The PBF method is normally used in situations where the claims data is scarce and/or the loan origination quarters are less matured. The method assumes each loan origination quarter has an expected delinquent ratio at the outset with an expected pattern of the emergence of loan default payments.

There are two major assumptions for this method:

(a) The initial expected delinquent ratios which are selected following the same logic of the EDR method;

(b) The expected portion of the ultimate yet to be paid which is derived from loan default payment patterns used in PCD method.

The estimated ultimate guarantee liabilities from PBF method are then the sum of the following two:

(a) Expected ultimate guarantee liabilities that have not been paid as at the valuation date: the product of initial expected ultimate guarantee liabilities, which are the product of the total loan amount and the selected initial expected ultimate delinquent ratio for each loan origination quarter, multiplied by the expected portion of the ultimate yet to be paid as at the valuation date; and

(b) Actual paid claim amount as at the valuation date.

· Life Cycle (“LC”) method

The LC method first categorizes each loan by its maturity (the difference between the total loan periods and the remaining loan periods). By analyzing the historical claim data, we got the actual delinquent ratios for each loan maturity. The cumulative product of the actual delinquent ratios of each maturity is then the estimated ultimate delinquent ratio.

The development to ultimate pattern of each loan maturity is just the following:

The actual delinquent ratio at that maturity / The estimated ultimate delinquent ratio

Using the above implied pattern, we simulate the development to ultimate pattern for each loan origination month. We then apply the corresponding development pattern to the specific loan origination month to derive the ultimate guarantee liabilities for that month

Assumptions

· Selected Payment Pattern for PCD and PBF Methods

Payment patterns are selected for different product groups due to different risk factors. The largest development factor is observed in the second quarter where the amount of payment at end of first quarter tends to be 65 times more when reaching the end of second quarter on average. The development factors for payment matured two quarters and more are in the range of 3.11 to 1.01.

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27. FAIR VALUE MEASUREMENTS (CONTINUED)

· Initial Expected Delinquent Ratios for EDR and PBF Methods

The initial expected delinquent ratios used in the EDR and PBF methods are the same and are selected based on the historical experiences and supplemented with industry benchmark. The range of initial expected delinquent ratios are generally between 9% and 12%. If there are any abnormal loss events, the initial expected delinquent ratio will be set at a higher level incorporating the actual abnormal loss experiences.

· Discount Factors

The discount factors are in the range of 0.95 to 1 for guarantee liabilities with different maturities.

· Final Selection of Ultimate Delinquent Ratios

The selected final ultimate delinquent ratios are weighted average of the estimated delinquent ratios from each valuation method applied, where the weights are based on the applicability of each valuation method and the historical pattern observed from the historical data:

· Sufficient Historical Data

For more matured quarters, more weights are given to the PCD method and LC method while for less matured quarters, more weights are given to the PBF method. This is in line with the applicability of each method.

· Sparse Historical Data

More weights are given to the EDR method as the loss pattern from the historical data are much less credible. However, when data becomes more and more credible, more weights will be given to other methods.

· Collection Rate

The collection rate used is 57%, 68% and 66.4% for the years ended December 31, 2017, 2018 and 2019, which is based on the historical experience supplemented with market benchmark.

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28. NET LOSS PER SHARE

Basic and diluted net loss per share for each of the years presented are calculated as follows:

	2017 RMB	2018 RMB	2019 RMB
Numerator:			
Net loss from continuing operations	(1,268,824)	(1,351,761)	(1,327,678)
Net loss from discontinued operations	(1,478,974)	(186,524)	(662,450)
Total net loss	**(2,747,798)**	**(1,538,285)**	**(1,990,128)**
Net loss from continuing operations	(1,268,824)	(1,351,761)	(1,327,678)
Less: net loss from operations attributable to non-controlling interests shareholders	(25,202)	(15,771)	(1,452)
Net loss from continuing operations, attributable to UXIN Limited	(1,243,622)	(1,335,990)	(1,326,226)
Accretion on convertible redeemable Preferred Shares	(555,824)	(318,951)	—
Deemed dividend to Preferred Shareholders	(587,564)	(544,773)	—
Deemed dividend from Preferred Shareholders	92,779	—	—
Net loss attributable to ordinary shareholders from continuing operations	(2,294,231)	(2,199,714)	(1,326,226)
Net loss attributable to ordinary shareholders from discontinued operations	(1,478,974)	(186,524)	(662,450)
Denominator:			
Weighted average number of ordinary shares outstanding, basic and diluted	49,318,860	477,848,763	886,613,598
Net loss per share attributable to ordinary shareholders, basic			
- Continuing	(46.52)	(4.60)	(1.50)
- Discontinued	(29.99)	(0.39)	(0.75)
Net loss per share attributable to ordinary shareholders, diluted			
- Continuing	(46.52)	(4.60)	(1.50)
- Discontinued	(29.99)	(0.39)	(0.75)

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28. NET LOSS PER SHARE (CONTINUED)

As the Company incurred losses for the years ended December 31, 2017, 2018 and 2019, the potential ordinary shares were anti-dilutive and excluded from the calculation of diluted net loss per share of the Company, pursuant to ASC 260, "Earnings Per Share". The weighted-average numbers of Preferred Shares, convertible notes, Fairlubo Share Swap, non-vested restricted shares and options granted excluded from the calculation of diluted net loss per share of the Company of respective year were as follows:

	2017	2018	2019
Preferred Shares	541,283,717	367,859,970	—
Convertible notes	—	53,589,548	253,165,870
Fairlubo Share Swap	2,571,946	6,352,753	—
Non-vested restricted shares	—	133,328	33,331
Outstanding weighted average stock options	28,283,332	14,118,546	4,096,724
Total	572,138,995	442,054,145	257,295,925

29. EMPLOYEE BENEFIT

Full time employees of the Group in the PRC participate in a government mandated defined contribution plan, pursuant to which certain pension benefits, medical care, employee housing fund and other welfare benefits are provided to the employees. Chinese labor regulations require that the PRC subsidiaries, VIEs and VIEs' subsidiaries of the Group make contributions to the government for these benefits based on certain percentage of the employees' salaries, up to a maximum amount specified by the government. The Group has no legal obligation for the benefits beyond the contribution made.

The total amounts charged to the Consolidated Statements of Comprehensive Loss for such employee benefits amounted to approximately RMB28.7 million, RMB116.1 million and RMB169.8 million for the year ended December 31, 2017, 2018 and 2019.

30. COMMITMENTS AND CONTINGENCIES

Contingencies

In the ordinary course of business, the Group is from time to time involved in legal proceedings and litigations. During 2017, one competitor of the Group has filed lawsuits against the Group relating to disputes with respect to trademarks. In January and June 2019, two competitors of the Group has filed lawsuits against the Group relating to disputes with respect to unfair competition and infringement, respectively. During 2019, two putative securities class actions were brought on behalf of a class of persons who allegedly suffered damages as a result of alleged misstatements and omissions in certain disclosure documents in connection with the Company's initial public offering in June 2018. Based on currently available information, the Group does not believe that the ultimate outcome of any unresolved matter, individually and in aggregate, is reasonably possible to have a material adverse effect on the Group's consolidated financial statements. However, litigation is subject to inherent uncertainties and the Group's view of these matters may change in the future. The Group records a liability when it is both probable that a liability has been incurred and the amount of loss can be reasonable estimated. No accrual has been recorded by the Group as of December 31, 2018 and 2019 in respect of these cases.

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31. CONCENTRATION OF CREDIT RISK

Financial instruments that potentially subject the Group to the concentration of credit risks consist of cash and cash equivalents.

The Group deposits its cash and cash equivalents with financial institutions located in jurisdictions where the subsidiaries are located. The Company believes that no significant credit risk exists as these financial institutions and financing partners have high credit quality.

Substantially all revenue was derived from customers located in China. No single customer accounted for more than 10% of the Company's consolidated revenue in any of the periods presented.

32. SUBSEQUENT EVENTS

On January 16, 2020, the Company entered into definitive agreements with Boche to divest its salvage car related business in exchange for a total cash consideration of RMB330 million, of which RMB165 million was received in January 2020. The transaction with Boche was closed in January 2020.

On March 24, 2020, the Company entered into definitive agreements with 58.com to sell its 2B online used car auction business in exchange for a total cash consideration of US$105 million, of which US$75 million was received in April 2020. The transaction with 58.com was closed in April 2020.

Previously on July 12, 2019 and September 30, 2019, the Company entered into a binding term sheet and definitive agreements with Golden Pacer relating to the divestiture of its 2C intra-regional business and loan facilitation related service, respectively. On April 23, 2020, the Company entered into supplemental agreements with Golden Pacer to modify and supplement certain terms and conditions in connection with the divestiture. Pursuant to the series of agreements, the Company has divested its entire 2C intra-regional business to Golden Pacer and ceased to provide loan facilitation related guarantee starting from the fourth quarter of 2019. In exchange, upon Golden Pacer's achievement of certain profitability-related performance targets for both years of 2020 and 2021, the Company is entitled to purchase certain amount of preferred shares of Golden Pacer in 2020 and 2021, representing up to an aggregate of 18.4% of Golden Pacer's outstanding shares (assuming no further issue of new shares) on a fully diluted and as-converted basis for US$0.00001 per share. In addition, the Company will be entitled to receive 85% of net cash inflow generated by the divested and transferred assets and liabilities from Golden Pacer in relation to the historically-facilitated loans for XW Bank. The transaction contemplated under the definitive and supplemental agreements was closed upon the signing of the supplemental agreements.

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32. SUBSEQUENT EVENTS (CONTINUED)

COVID-19 Pandemic

Since early 2020, the epidemic of Coronavirus Disease 2019 (the "COVID-19 pandemic") has spread across China and other countries, and has adversely affected businesses and economic activities in the first quarter of 2020 and beyond. In response to that, the Company has assessed that the COVID-19 pandemic has the following related impacts on the Company's business and operations:

i. The outbreak of COVID-19 has severely affected the used car industry with disruptions impacting the industry's infrastructure and supply chains since January 2020. Throughout February and early March 2020, the majority of local used car markets and dealerships in China were closed and unable to resume operations. Logistics and delivery of used cars were also impacted by the closure of roads and highways in many regions across China. Title transfers were also hindered as local vehicle registration and management bureaus either remained closed or had yet to resume full operations. All of these measures created considerable barriers to used car purchase and fulfillment, therefore it has disrupted the Company's business and operations during the first quarter of 2020 and may continue to weigh on the Company's operation results throughout the second quarter of 2020.

ii. In addition, borrowers' abilities or willingness to repay their auto loans have been adversely affected by general economic downturns. Thus, additional provisions for both credit losses and additional guarantee liabilities are warranted in the first quarter of 2020, as the Company expects a higher delinquency ratio and a lower collection ratio for the historically-facilitated loans that were not divested. Up to the date of this report, the Company is still assessing the aforementioned additional provisions in accordance with the new accounting standard ASU 2016-13, Financial Instruments—Credit Losses (Topic 326) for credit loss effective January 1, 2020. The Company is still evaluating these provisions, which are expected to be material.

Change in Fiscal Year End to Adapt to Seasonality

On April 26, 2020, the Board of directors approved to change the Company's fiscal year end from December 31 to March 31 to ensure that the Company can allocate ample resources towards driving sales during peak season in the fourth quarter and focus on strategic planning for the new fiscal year during slow season in the first quarter.

The Company will file a transition report on the Form 20-F to cover the transition period from January 1, 2020 to March 31, 2020 in due course as required under the applicable regulations. The Company's earnings release for the three months ended March 31, 2020 will be announced concurrently with the filing of the transition report on the Form 20-F.

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33. STATUTORY RESERVES AND RESTRICTED NET ASSETS

Pursuant to laws applicable to entities incorporated in the PRC, the Group's subsidiaries in the PRC must make appropriations from after-tax profit to non-distributable reserve funds. These reserve funds include one or more of the following: (i) a general reserve, (ii) an enterprise expansion fund and (iii) a staff bonus and welfare fund. Subject to certain cumulative limits, the general reserve fund requires an annual appropriation of 10% of after tax profit (as determined under accounting principles generally accepted in the PRC at each year-end) until the accumulative amount of such reserve fund reaches 50% of a company's registered capital; the other fund appropriations are at the subsidiaries' discretion. These reserve funds can only be used for specific purposes of enterprise expansion and staff bonus and welfare and are not distributable as cash dividends. During the year ended December 31, 2017, 2018 and 2019, no appropriations to the statutory reserve, enterprise expansion fund and staff welfare and bonus fund have been made by the Group.

In addition, due to restrictions on the distribution of share capital from the Group's PRC subsidiaries and also as a result of these entities' unreserved accumulated losses, total restrictions placed on the distribution of the Group's PRC subsidiaries' net assets was RMB825.2.million, or 177.4% of the Group's total consolidated net assets as of December 31, 2019 (RMB978.2 million, or 41.1% as of December 31, 2018).

The Company performed a test on the restricted net assets of consolidated subsidiaries in accordance with Securities and Exchange Commission Regulation S-X Rule 4-08 (e) (3), "General Notes to Financial Statements" and concluded that it was applicable for the Company to disclose the financial statements for the parent company.

The subsidiaries did not pay any dividend to the Company for the periods presented. For the purpose of presenting parent only financial information, the Company records its investments in its subsidiaries under the equity method of accounting. Such investments are presented on the separate condensed balance sheets of the Company as "investments deficit in subsidiaries" and the loss of the subsidiaries is presented as "share of loss of subsidiaries". Certain information and footnote disclosures generally included in financial statements prepared in accordance with US GAAP have been condensed and omitted.

The Company did not have significant capital and other commitments, long-term obligations, or guarantees as of December 31, 2018 and 2019.

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34. CONDENSED FINANCIAL INFORMATION OF THE PARENT COMPANY

Balance sheets

	December 31, 2018 RMB	December 31, 2019 RMB
ASSETS		
Current assets:		
Cash and cash equivalents	10,288	3,341
Short-term investment	553,568	—
Prepaid expenses	23,100	1,047
Amounts due from related parties	9,318,188	9,140,957
Other receivables	18,015	6,984
Total assets	9,923,159	9,152,329
LIABILITIES AND EQUITY		
Current liabilities		
Other payables and accruals	10,584	93,821
Investment deficit in subsidiaries	6,195,553	8,194,449
Amounts due to related parties	90,251	12,937
Convertible notes, current	1,188,192	324,644
Other current liabilities	64,446	22,998
Non-current liabilities		
Convertible notes, non-current	—	34,312
Total liabilities	7,549,026	8,683,161
Shareholders' equity		
Ordinary shares (US$0.0001 par value, 10,000,000,000 shares authorized as of December 31, 2018 and 2019, respectively; 839,850,038 Class A ordinary shares and 40,809,861 Class B ordinary shares issued and outstanding as of December 31, 2018; 846,771,473 Class A ordinary shares and 40,809,861 Class B ordinary shares issued and outstanding as of December 31, 2019)	575	581
Additional paid-in capital	12,967,986	13,069,560
Accumulated other comprehensive income	86,061	68,192
Accumulated deficit	(10,680,489)	(12,669,165)
Total shareholders' equity	2,374,133	469,168
Total liabilities and shareholders' equity	9,923,159	9,152,329

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34. CONDENSED FINANCIAL INFORMATION OF THE PARENT COMPANY (CONTINUED)

Statements of comprehensive loss

	2017 RMB	2018 RMB	2019 RMB
Total revenues	—	4,497	—
Cost of revenues	—	(147)	—
Gross profit	—	4,350	—
Operation expense			
Sales and marketing	—	(34,591)	(24,622)
Research and development	—	(17,376)	(258)
General and administrative	(171,172)	(1,019,055)	(136,459)
Total operating expenses	(171,172)	(1,071,022)	(161,339)
Loss from operations	**(171,172)**	**(1,066,672)**	**(161,339)**
Share of loss of subsidiaries and VIEs	(1,703,491)	(1,641,754)	(1,818,665)
Interest income/(expense), net	17,849	(25,262)	(47,677)
Other (expense)/income, net	(14)	4,213	39,131
Foreign exchange gain	3,849	2,951	(126)
Fair value change of derivative liabilities	(869,617)	1,204,010	—
Net loss	(2,722,596)	(1,522,514)	(1,988,676)
Accretion on redeemable preferred shares to redemption value	(555,824)	(318,951)	—
Deemed dividend to Preferred Shareholders	(587,564)	(544,773)	—
Deemed dividend on Preferred Shareholders	92,779	—	—
Net loss attributable to ordinary shareholders	(3,773,205)	(2,386,238)	(1,988,676)
Net loss	(2,722,596)	(1,522,514)	(1,988,676)
Other comprehensive income/(loss)			
Foreign currency translation	46,065	11,406	(17,869)
Total comprehensive loss	(2,676,531)	(1,511,108)	(2,006,545)

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34. CONDENSED FINANCIAL INFORMATION OF THE PARENT COMPANY (CONTINUED)

Statements of cash flows

	2017 RMB	2018 RMB	2019 RMB
Net cash generated from/ (used in) operating activities	6,080	(55,088)	18,977
Net cash generated from/(used in) investing activities	102,577	(3,999,403)	755,553
Net cash (used in)/generated from financing activities	(29,042)	3,982,230	(781,527)
Effect of exchange rate changes on cash and cash equivalents	(2,592)	4,730	50
Net increase/(decrease) in cash and cash equivalents	77,023	(67,531)	(6,947)
Cash and cash equivalents at beginning of the year	796	77,819	10,288
Cash and cash equivalents at end of the year	77,819	10,288	3,341

Exhibit 3.1

Description of rights of each class of securities
registered under Section 12 of the Securities Exchange Act of 1934 (the "Exchange Act")

American Depositary Shares ("ADSs") each representing three Class A ordinary shares of Uxin Limited, (the "we," "our," "our company," or "us") are listed and traded on the Nasdaq Global Select Market and, in connection with this listing (but not for trading), the Class A ordinary shares are registered under Section 12(b) of the Exchange Act. This exhibit contains a description of the rights of (i) the holders of Class A ordinary shares and (ii) the holders of ADSs. Class A ordinary shares underlying the ADSs are held by the Bank of New York Mellon, as depositary, and holders of ADSs will not be treated as holders of the Class A ordinary shares.

Description of Class A Ordinary Shares

The following is a summary of material provisions of our currently effective amended and restated memorandum and articles of association (the "Memorandum and Articles of Association"), as well as the Companies Law (2020 Revision) of the Cayman Islands (the "Companies Law") insofar as they relate to the material terms of our ordinary shares. Notwithstanding this, because it is a summary, it may not contain all the information that you may otherwise deem important. For more complete information, you should read the entire Memorandum and Articles of Association, which has been filed with the SEC as an exhibit to our Registration Statement on Form F-1 (File No. 333-225266).

Type and Class of Securities (Item 9.A.5 of Form 20-F)

Each Class A ordinary share has US$0.0001 par value. The number of Class A ordinary shares that have been issued as of the last day of the financial year ended December 31, 2019 is provided on the cover of the annual report on Form 20-F filed on May 12, 2020 (the "2019 Form 20-F"). Our Class A ordinary shares may be held in either certificated or non-certificated form.

Preemptive Rights (Item 9.A.3 of Form 20-F)

Our shareholders do not have preemptive rights.

Limitations or Qualifications (Item 9.A.6 of Form 20-F)

We have a dual-class share structure such that our ordinary shares consist of Class A ordinary shares and Class B ordinary shares with disparate voting powers. Each Class A ordinary share shall entitle the holder thereof to one vote on all matters subject to the vote at general meetings of our company, and each Class B ordinary share shall entitle the holder thereof to ten votes on all matters subject to the vote at general meetings of our company. Due to the super voting power of holders of our Class B ordinary shares, the voting power of the holders of our Class A ordinary shares may be materially limited.

Rights of Other Types of Securities (Item 9.A.7 of Form 20-F)

Not applicable.

Rights of Class A Ordinary Shares (Item 10.B.3 of Form 20-F)

Classes of Ordinary Shares

Our ordinary shares are divided into Class A ordinary shares and Class B ordinary shares. Holders of our Class A ordinary shares and Class B ordinary shares will have the same rights except for voting and conversion rights. Our ordinary shares are issued in registered form and are issued when registered in our register of members (shareholders). We may not issue shares to bearer. Our shareholders who are non-residents of the Cayman Islands may freely hold and vote their shares.

Conversion

Each Class B ordinary share is convertible into one Class A ordinary share at any time by the holder thereof. Class A ordinary shares are not convertible into Class B ordinary shares under any circumstances. Upon (i) any direct or indirect sale, transfer, assignment or disposition of Class B ordinary shares by a holder thereof or the direct or indirect transfer or assignment of the voting power attached to such number of Class B ordinary shares through voting proxy or otherwise to any person or entity that is not an Affiliate (as defined in our memorandum and articles of association) of such holder, or (ii) the direct or indirect sale, transfer, assignment or disposition of a majority of the issued and outstanding voting securities of, or the direct or indirect transfer or assignment of the voting power attached to such voting securities through voting proxy or otherwise, or the direct or indirect transfer, sale, assignment or disposition of all or substantially all of the assets of a holder of Class B ordinary shares that is an entity to any person or entity that is not an Affiliate of such holder, such Class B ordinary shares will be automatically and immediately converted into an equal number of Class A ordinary shares.

Dividends

The holders of our ordinary shares are entitled to such dividends as may be declared by our board of directors, subject to our memorandum and articles of association. In addition, our shareholders may by ordinary resolution declare a dividend, but no dividend shall exceed the amount recommended by our directors. Under the laws of the Cayman Islands, our company may declare and pay a dividend only out of funds legally available, namely out of either our profit or share premium account, provided that in no circumstances may a dividend be paid if, immediately after this payment, this would result in our company being unable to pay its debts as they fall due in the ordinary course of business. Dividends received by each Class B ordinary share and Class A ordinary share in any dividend distribution shall be the same.

Voting Rights

Our Class A ordinary shares and Class B ordinary shares vote together as a single class on all matters submitted to a vote of our shareholders, except as may otherwise be required by law or provided for in our memorandum and articles of association. In respect of matters requiring shareholders' vote, each Class A ordinary share is entitled to one vote, and each Class B ordinary share is entitled to ten 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 which are present in person or by proxy at the meeting.

An ordinary resolution to be passed at a meeting by the shareholders requires the affirmative vote of a simple majority of the votes attaching 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 cast attaching to the outstanding ordinary shares cast by those shareholders entitled to vote who are present 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 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 memorandum and articles of association. Holders of the ordinary shares may, among other things, divide or combine their shares by ordinary resolution.

General Meetings of Shareholders

As a Cayman Islands exempted company, we are not obliged by the Companies Law to call shareholders' annual general meetings. Our 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 in which case we shall specify the meeting as such in the notices calling it, and the annual general meeting shall be held at such time and place as may be determined by our directors.

Shareholders' general meetings may be convened by a majority of our board of directors. Advance notice of at least seven (7) calendar days is required for the convening of our annual general shareholders' meeting (if any) and any other general meeting of our shareholders. A quorum required for any general meeting of shareholders consists of at least one shareholder present or by proxy, representing not less than one-third of all votes attaching to the issued and outstanding shares in our company entitled to vote at general meetings.

The Companies 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 memorandum and articles of association provide that upon the requisition of shareholders representing in aggregate not less than a majority of all votes attaching to the issued and outstanding shares of our company entitled to vote at general meetings, our board is obliged to call an extraordinary general meeting and put the resolutions so requisitioned to a vote at such meeting. However, our 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.

Transfer of Ordinary Shares

Subject to the restrictions in our memorandum and articles of association as 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 ordinary shares;
- the instrument of transfer is properly stamped, if required; and
- 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.
- a fee of such maximum sum as Nasdaq Stock Market LLC 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 Stock Market LLC, be suspended and our register of members 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 of members closed for more than 30 days in any year as our board may determine.

Liquidation Rights

On a return of capital or the winding up of our company, if the assets available for distribution amongst our shareholders 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 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, as nearly as may be, the losses are borne by our shareholders in proportion to the par value of the shares held by them.

Calls on Ordinary Shares and Forfeiture of Ordinary 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 of these shares, on such terms and in such manner as may be determined by our board of directors or by the shareholders by special resolution. Our Company may also repurchase any of our shares on such terms and in such manner as have been approved by our board of directors or by an ordinary resolution of our shareholders. 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 new 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 our 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 our company has commenced liquidation. In addition, our company may accept the surrender of any fully paid share for no consideration.

Requirements to Change the Rights of Holders of Class A Ordinary Shares (Item 10.B.4 of Form 20-F)

Variations of Rights of Shares

If at any time, our share capital is divided into different classes or series of shares, the rights attached to any class or series of shares (unless otherwise provided by the terms of issue of the shares of that class or series), whether or not our company is being wound-up, may only be materially adversely varied with the consent in writing of all the holders of the issued shares of that class or series or with the sanction of an ordinary resolution passed at a separate meeting of the holders of the shares of the class or series. The rights conferred upon the holders of the shares of any class issued 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 the creation, allotment or issue of further shares ranking pari passu with or subsequent to such existing class of shares, or the redemption or purchase of any shares of any class by our company. The rights of the holders of our 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.

Limitations on the Rights to Own Class A Ordinary Shares (Item 10.B.6 of Form 20-F)

There are no limitations under the laws of the Cayman Islands or under our memorandum and articles of association that limit the right of non-resident or foreign owners to hold or vote Class A ordinary shares.

Provisions Affecting Any Change of Control (Item 10.B.7 of Form 20-F)

Anti-Takeover Provisions

Some provisions of our 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 preference shares in one or more series and to designate the price, rights, preferences, privileges and restrictions of such preference 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 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.

Ownership Threshold (Item 10.B.8 of Form 20-F)

There are no provisions under the laws of the Cayman Islands applicable to our company or our memorandum and articles of that require our company to disclose shareholder ownership above any particular ownership threshold.

Differences Between the Law of Different Jurisdictions (Item 10.B.9 of Form 20-F)

The Companies Law is derived, to a large extent, from the older Companies Acts of England, but does not follow recent English 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 U.S. 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 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, (i) "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 (ii) a "consolidation" means the combination of two or more constituent companies into a consolidated 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 plan must be filed with the Registrar of Companies of the Cayman Islands 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. Court approval is not required for a merger or consolidation which is effected in compliance with these statutory procedures.

A merger between a Cayman parent company and its Cayman subsidiary or subsidiaries does not require authorization by a resolution of shareholders of that Cayman subsidiary if a copy of the plan of merger is given to every member of that Cayman subsidiary to be merged unless that member agrees otherwise. For this purpose a company is a "parent" of a subsidiary if it holds issued shares that together represent at least ninety percent (90%) of the votes at a general meeting of the subsidiary.

The consent of each holder of a fixed or floating security interest over a constituent company is required unless this requirement is waived by a court in the Cayman Islands.

Save in certain limited circumstances, a shareholder of a Cayman constituent company who dissents from the merger or consolidation is entitled to payment of the fair value of his shares (which, if not agreed between the parties, will be determined by the Cayman Islands court) upon dissenting to the merger or consolidation, provide the dissenting shareholder complies strictly with the procedures set out in the Companies Law. The exercise of dissenter rights will preclude the exercise by the dissenting shareholder of any other rights to which he or she might otherwise be entitled by virtue of holding shares, save for the right to seek relief on the grounds that the merger or consolidation is void or unlawful.

Separate from the statutory provisions relating to mergers and consolidations, the Companies Law also contains 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 and 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 90.0% 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 not be brought by a minority shareholder. However, based on English authorities, which would in all likelihood be of persuasive authority in the Cayman Islands, the Cayman Islands court can be expected to follow and apply the common law principles (namely the rule in Foss v. Harbottle and the exceptions thereto) which permit a minority shareholder to commence a class action against or derivative actions in the name of our company to challenge actions where:

- a company acts or proposes to act illegally or ultra vires;

- the act complained of, although not ultra vires, could only be effected duly if authorized by more than a simple majority vote that has not been obtained; and

- those who control our company are perpetrating a "fraud on the minority."

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 memorandum and articles of association provide that that we shall indemnify our officers and directors against all actions, proceedings, costs, charges, expenses, losses, damages or liabilities incurred or sustained by such directors or officer, other than by reason of such person's 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 director or officer 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. 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 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 our company and therefore it is considered that he owes the following duties to our company—a duty to act bona fide in the best interests of our company, a duty not to make a profit based on his position as director (unless our company permits him to do so), a duty not to put himself in a position where the interests of our 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 our 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. The Companies Law and our memorandum and articles of association provide that our 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.

The Companies 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 memorandum and articles of association allow our shareholders holding in aggregate not less than a majority of all 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 board is obliged to convene an extraordinary general meeting and to put the resolutions so requisitioned to a vote at such meeting. Other than this right to requisition a shareholders' meeting, our memorandum and articles of association do not provide our shareholders with any other right to put proposals before annual general meetings or extraordinary general meetings. As a Cayman Islands exempted 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 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 memorandum and articles of association, directors may be removed with or without cause, by an ordinary resolution of our shareholders. A director shall hold office until the expiration of his or her term or his or her successor shall have been elected and qualified, or until his or her office is otherwise vacated. In addition, a director's office shall be vacated if the director (i) becomes bankrupt or makes any arrangement or composition with his creditors; (ii) is found to be or becomes of unsound mind or dies; (iii) resigns his office by notice in writing to our company; (iv) without special leave of absence from our board of directors, is absent from three consecutive meetings of the board and the board resolves that his office be vacated; or (v) is removed from office pursuant to any other provisions of our memorandum and articles of association.

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 transaction are entered into bona fide in the best interests of our company, and are entered into for proper corporate 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, our company may be wound up by either an order of the courts of the Cayman Islands or by a special resolution of our members or, if our company is unable to pay its debts as they fall due, by an ordinary resolution of our 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.

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 our memorandum and articles of association, if our share capital is divided into more than one class of shares, we may only materially adversely vary the rights attached to any class with the written consent of the holders of all of the issued shares of that class or with the sanction of an ordinary resolution passed at a general 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 and our memorandum and articles of association, our 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 currently effective 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 memorandum and articles of association which require our company to disclose shareholder ownership above any particular ownership threshold.

Changes in Capital (Item 10.B.10 of Form 20-F)

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 cancelled.

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.

Debt Securities (Item 12.A of Form 20-F)

Not applicable.

Warrants and Rights (Item 12.B of Form 20-F)

Not applicable.

Other Securities (Item 12.C of Form 20-F)

Not applicable.

Description of American Depositary Shares (Items 12.D.1 and 12.D.2 of Form 20-F)

The Bank of New York Mellon, as depositary, will register and deliver American Depositary Shares, also referred to as ADSs. Each ADS will represent three Class A ordinary shares (or a right to receive three 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 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. The laws of the Cayman Islands govern shareholder rights. The depositary will be the holder of the 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 deposit agreement gives the depositary or an ADS holder asserting a claim against us the right to require us to submit that claim to binding arbitration in New York under the Rules of the American Arbitration Association, including any United Stated federal securities law claim. However, a claimant could also elect not to submit its claim to arbitration and instead bring its claim in any court having jurisdiction of it. The deposit agreement does not give us the right to require anyone to submit any claim to arbitration.

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.

Dividends and Other Distributions

How will you receive dividends and other distributions on the shares?

The depositary has agreed to pay or distribute to ADS holders the cash dividends or other distributions it or the custodian receives on 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 shares your ADSs represent.

Cash. The depositary will convert any cash dividend or other cash distribution we pay on the 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. The depositary 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 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 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 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 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, Class A ordinary 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 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 to the depositary for the purpose of withdrawal. 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 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. However, the depositary is not required to accept surrender of ADSs to the extent it would require delivery of a fraction of a deposited share or other security. 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 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.

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 30 days in advance of the meeting date.

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 practical 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 shares from an exchange on which they were listed and do not list the shares 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 or reverse previously accepted surrenders of that kind 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 to ADR Holders

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, and the depositary will not be a fiduciary or have any fiduciary duty to holders of ADSs;
- 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, or for any;
- 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;

· 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;.

· are not liable for the acts or omissions of any securities depository, clearing agency or settlement system; and

· the depositary has no duty to make any determination or provide any information as to our tax status, or any liability for any tax consequences that may be incurred by ADS holders as a result of owning or holding ADSs or be liable for the inability or failure of an ADS holder to obtain the benefit of a foreign tax credit, reduced rate of withholding or refund of amounts withheld in respect of tax or any other tax benefit.

In the deposit agreement, we and the depositary agree to indemnify each other under certain circumstances.

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.

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.

Exhibit 4.29

Execution Version

CONVERTIBLE NOTE PURCHASE AGREEMENT

by and between

UXIN LIMITED

and

PACIFICBRIDGE ASSET MANAGEMENT

Dated July 12, 2019

CERTAIN INFORMATION HAS BEEN EXCLUDED FROM THE EXHIBIT BECAUSE IT IS NOT MATERIAL AND WOULD LIKELY CAUSE COMPETITIVE HARM TO THE COMPANY IF PUBLICLY DISCLOSED.

[*] indicates the redacted confidential portions of this exhibit.

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CONVERTIBLE NOTE PURCHASE AGREEMENT

This CONVERTIBLE NOTE PURCHASE AGREEMENT (as amended, restated, supplemented or otherwise modified from time to time, this "Agreement"), dated July 12, 2019, is entered into by and between Uxin Limited, an exempted company with limited liability incorporated under the laws of the Cayman Islands (the "Company"), and PacificBridge Asset Management (the "Fund Manager") acting in its capacity as the fund manager of each of the Persons listed in Schedule 1 hereto (each, a "Purchaser").

W I T N E S S E T H:

WHEREAS, the Company desires to issue to each Purchaser, and the Fund Manager has agreed to cause each Purchaser to purchase from the Company, the applicable Notes (as defined below), subject to the terms and conditions set forth herein and in the applicable Notes.

NOW, THEREFORE, in consideration of the respective undertakings stated herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. DEFINITIONS. Whenever used herein, unless the context otherwise requires, the following words and phrases shall have the following meanings:

"10.0% Note" shall mean a promissory note, with a 10.0% coupon and a maturity date that is 12 months after the issuance date, to be issued by the Company to the applicable Purchaser pursuant to Article 2 below, in the form of Exhibit A.

"11.0% Note" shall mean a promissory note, with a 11.0% coupon and a maturity date that is 15 months after the issuance date, to be issued by the Company to the applicable Purchaser pursuant to Article 2 below, in the form of Exhibit B.

"ADSs" shall mean American Depositary Shares representing Class A Ordinary Shares.

"Adverse Person" shall mean any Person identified in Schedule 2 hereto, any additional Persons to be mutually agreed in writing by the Company and the Fund Manager from time to time, and any Controlled Affiliates of any of the foregoing.

"Affiliate" of any specified Person shall mean any other Person directly or indirectly Controlling or Controlled by or under direct or indirect common Control with such specified Person. For the avoidance of doubt, none of the Purchasers shall be considered as an Affiliate of the Company or the Company's Subsidiaries by reason of holding any Notes to be issued hereunder.

"Agreement" shall have the meaning specified in the preamble to this Agreement.

"Board" shall mean the board of directors of the Company.

"Business Day" shall mean any day that is not a Saturday, a Sunday or another day on which banking institutions in the State of New York, the PRC, Hong Kong, the Republic of Korea or the Cayman Islands are required by law to be closed.

"Claim Notice" shall have the meaning specified in Section 6.2(a) of this Agreement.

"Class A Ordinary Shares" shall mean the Class A ordinary shares of the Company of a par value of US$0.0001 each.

"Class B Ordinary Shares" shall mean the Class B ordinary shares of the Company of a par value of US$0.0001 each.

"Closing" shall have the meaning specified in Section 2.2 of this Agreement.

"Closing Date" shall have the meaning specified in Section 2.2 of this Agreement. "Company" shall have the meaning specified in the preamble to this Agreement.

"Company Securities" shall mean (a) Ordinary Shares or American Depositary Shares, depositary receipts or similar instruments issued in respect of Ordinary Shares, (b) securities convertible into, or exercisable or exchangeable for, any Ordinary Shares or other instruments described in clause (a), and (c) any options, warrants or other rights to acquire any of the foregoing Ordinary Shares, instruments or securities.

"Control" of a given Person shall mean the power or authority, whether exercised or not, to direct the business, management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; provided, that such power or authority shall conclusively be presumed to exist upon possession of beneficial ownership or power to direct the vote of more than fifty percent (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 a majority of the board of directors of such Person. The terms "Controlled" and "Controlling" have meanings correlative to the foregoing.

"Conversion Shares" shall mean the Class A Ordinary Shares issuable upon conversion of the Notes in accordance with the terms thereof.

"Dispute" shall have the meaning specified in Section 7.2 of this Agreement.

"Encumbrance" shall mean (a) any mortgage, charge, pledge, lien, hypothecation, deed of trust, title retention, title defect, security interest, encumbrance or other third-party rights of any kind securing or conferring any priority of payment in respect of any obligation of any Person, any other restriction or limitation; (b) any easement or covenant granting a right of use or occupancy to any Person; (c) any proxy, power of attorney, voting trust agreement, interest, option, right of first offer, right of pre-emptive negotiation, or refusal or transfer restriction in favor of any Person; and (d) any adverse claim as to title.

"Exchange Act" shall mean the United States Securities Exchange Act of 1934, as amended.

"Fund Manager" shall have the meaning specified in the preamble to this Agreement.

"Fundamental Company Representations" shall mean the representations and warranties by the Company contained in Sections 3.2, 3.3, 3.4, 3.5 and 3.6.

"Fundamental Purchaser Representations" shall mean the representations and warranties by the Fund Manager contained in Sections 4.1, 4.2, 4.3 and 4.4.

"Governmental Entity" shall mean any transnational or supranational, domestic or foreign federal, national, state, provincial, local or municipal governmental, regulatory, judicial

or administrative authority, department, court, arbitral body, agency or official, including any department, commission, board, agency, bureau, subdivision or instrumentality thereof or any stock exchange.

"Hong Kong" shall mean the Hong Kong Special Administrative Region of the PRC.

"Indemnified Party" shall have the meaning specified in Section 6.1(a) of this Agreement.

"Indemnifying Party" shall have the meaning specified in Section 6.1(a) of this Agreement.

"Indemnity Notice" shall have the meaning specified in Section 6.3 of this Agreement.

"Lock-Up Period" shall mean the period between the Closing Date and the date that is 180 days after the Closing Date (both dates inclusive).

"Loss Threshold" shall have the meaning specified in Section 6.1(c).

"Losses" shall have the meaning specified in Section 6.1(a) of this Agreement.

"Material Adverse Effect" shall mean any event, occurrence, fact, condition, change or development, individually or together with other events, occurrences, facts, conditions, changes or developments, that has had, has, or would reasonably be expected to have a material adverse effect on (a) the business of the Company as presently conducted, or the condition (financial or otherwise), affairs, properties, employees, liabilities, assets or results of operation of the Company and its Subsidiaries taken as a whole or (b) the ability of the Company to consummate the transactions contemplated by this Agreement and the Notes and to timely perform its material obligations hereunder and thereunder; provided, however, that in determining whether a Material Adverse Effect has occurred, there shall be excluded any effect on the business of the Company or the Company or any Subsidiary relating to or arising in connection with (i) any action required to be taken pursuant to the terms and conditions of this Agreement or taken at the written direction of the Fund Manager or any Purchaser, (ii) economic changes affecting the industry in which the Company and its Subsidiaries operate generally or the economy of the PRC or any other market where the Company and its Subsidiaries have material operations or sales generally (provided in each case that such changes do not have a unique and materially disproportionate impact on the business of the Company and its Subsidiaries compared to any other companies that operate in the industry or market in which the Company and its Subsidiaries operate), (iii) the execution, announcement or disclosure of this Agreement or the pendency or consummation of the transactions contemplated hereunder, (iv) actions or omissions of the Company and its Subsidiaries that have been consented by the Fund Manager or any Purchaser in writing or otherwise contemplated by this Agreement, (v) changes in generally accepted accounting principles that are generally applicable to comparable companies (provided that such changes do not have a unique and materially disproportionate impact on the business of the Company and its Subsidiaries compared to compared to any other companies that operate in the industry or market in which the Company and its Subsidiaries operate), (vi) changes in general legal, tax or regulatory conditions (provided that such changes do not have a unique or materially disproportionate impact on the business of the Company and its Subsidiaries compared to any other companies that operate in the industry or market in which the Company and its Subsidiaries operate), (vii) changes in national or international political or social conditions,

including any engagement in hostilities or the occurrence of any military or terrorist attack or civil unrest, or (viii) earthquakes, hurricanes, floods or other natural disasters.

"Note(s)" shall mean any of the 10.0% Note and the 11.0% Note, as applicable.

"Ordinary Shares" shall mean the Class A Ordinary Shares and the Class B Ordinary Shares.

"Person" shall mean any natural person, firm, corporation, limited liability company, partnership, joint venture, association, joint-stock company, trust, unincorporated organization, Governmental Entity or any other legal entity, including public bodies, whether acting in an individual, fiduciary or other capacity.

"PRC" shall mean the People's Republic of China, excluding, for the purpose of this Agreement, Hong Kong, the Macau Special Administrative Region and Taiwan.

"Principal Amount" with respect to a Purchaser and a Note shall mean the U.S. dollar amount set forth next to the name of the Purchaser in the column entitled "Principal Amount" in the applicable table in Schedule 1 hereto.

"Purchaser" shall have the meaning specified in the preamble to this Agreement.

"Purchaser Entities" shall mean, collectively, the Purchasers and the Fund Manager.

"Regulation S" shall have the meaning specified in Section 3.14 of this Agreement.

"SEC" shall mean the United States Securities and Exchange Commission.

"SEC Documents" shall mean all registration statements, proxy statements and other statements, reports, schedules, forms and other documents required to be filed or furnished by the Company with the SEC from time to time, and all exhibits included therein and financial statements, notes and schedules thereto and documents incorporated by reference therein.

"Securities Act" shall mean the United States Securities Act of 1933, as amended.

"Subsidiary" shall mean, with respect to any given Person, any other Person that is Controlled directly or indirectly by such given Person, which shall, for the avoidance of doubt, include any variable interest entity whose assets and financial results are consolidated with the assets and financial results of such given Person and are recorded on the financial statements of such given Person for financial reporting purposes in accordance with applicable accounting standards (each, a "VIE" and collectively, the "VIEs") and any Subsidiary of such VIEs.

"Third Party Claim" shall have the meaning specified in Section 6.2(a) of this Agreement.

"Transfer" shall mean directly or indirectly, offer, sell, contract to sell, pledge, transfer, assign, give, hypothecate, encumber, grant a security interest in, convey in trust, gift, devise or descent, or otherwise dispose of, or suffer to exist (whether by operation of law of otherwise) any Encumbrance on, any Company Securities or any right, title or interest therein or thereto, or enter into a transaction which would have the same effect, or enter into any swap, hedge or other arrangement that transfers, in whole or in part, any of the economic consequences of ownership of any Company Securities, whether any such aforementioned transaction is to be

settled by delivery of the Ordinary Shares, American Depositary Receipts or such other securities, in cash or otherwise, or publicly disclose the intention to make any such disposition or to enter into any such transaction, swap, hedge or other arrangement, including transfers pursuant to divorce or legal separation, transfers to receivers, levying creditors, trustees or receivers in bankruptcy proceedings or general assignees for the benefit of creditors, whether voluntary or by operation of law, directly or indirectly, of any Company Securities.

"US$" and "U.S. dollar" shall mean the lawful currency of the United States of America.

2. ISSUANCE OF THE NOTES.

2.1 Issuance of the Notes. Subject to the satisfaction of terms and conditions of this Agreement, at the Closing, the Company agrees to issue to each Purchaser, and the Fund Manager hereby agrees to cause each Purchaser to purchase from the Company, the 10.0% Note or the 11.0% Note, in the principal amount equal to the applicable Principal Amount.

2.2 Closing. The closing of the issuance and purchase of the Notes shall take place remotely via the exchange of documents and signatures after all closing conditions specified in Sections 2.4 and 2.5 hereof have been satisfied or waived (other than those conditions that by their nature are to be satisfied at the Closing, but subject to the satisfaction or waiver thereof at the Closing). The date of the Closing (the "Closing Date") will be July 12, 2019 or such other date as the Company and the Fund Manager may mutually agree in writing.

2.3 Payment and Delivery. At the Closing, the Fund Manager shall cause each Purchaser to pay and deliver the applicable Principal Amount to the Company in U.S. dollars by wire transfer, or by such other method as may be mutually agreed by the Company and the Fund Manager, of immediately available funds to such bank account of the Company designated in writing by the Company. Such payment shall be delivered and made available to such bank account on the Closing Date, and the Company shall deliver to each Purchaser the duly executed Note dated the Closing Date, free and clear of Encumbrances.

2.4 Conditions to the Fund Manager's Obligations to Effect the Closing. The obligation of the Fund Manager to cause each Purchaser to purchase the Note at the Closing is subject to the satisfaction, on or before the Closing Date, of the following conditions, any of which may be waived in writing by the Fund Manager in its sole and absolute discretion:

(a) All corporate and other actions required to be taken by the Company in connection with the issuance, sale and delivery of the applicable Note shall have been completed;

(b) The representations and warranties of the Company contained in Article 3 of this Agreement shall have been true and correct in all material respects on the date of this Agreement and true and correct as of the Closing Date, and the Company shall have performed and complied in all material respects with all, and not be in breach or default in any material respect under any, agreements, covenants, conditions and obligations contained in this Agreement that are required to be performed or complied with by it on or before the Closing Date;

(c) No Governmental Entity of competent jurisdiction shall have enacted, issued, promulgated, enforced or entered any law (whether temporary, preliminary or permanent) that is in effect and restrains, enjoins, prevents, prohibits or otherwise makes illegal

the consummation of the transactions contemplated by this Agreement, or imposes any damages or penalties in connection with the transactions contemplated by this Agreement with respect to that Purchaser that are substantial in relation to the Company and its Subsidiaries; and no action, suit, proceeding or investigation shall have been instituted by a Governmental Entity of competent jurisdiction or threatened that seeks to restrain, enjoin, prevent, prohibit or otherwise make illegal the consummation of the transactions contemplated by this Agreement with respect to that Purchaser, or imposes any damages or penalties in connection with the transactions contemplated by this Agreement with respect to that Purchaser that are substantial in relation to the Company and its Subsidiaries;

(d) No event, occurrence, development or state of circumstances that has or could reasonably be expected to have a Material Adverse Effect has occurred; and

(e) No event, occurrence, development or state of circumstances that would constitute an Event of Default (as defined in the applicable Note) shall have occurred.

2.5 Conditions to the Company's Obligations to Effect the Closing. The obligation of the Company to issue the Note to a Purchaser at the Closing is subject to the satisfaction, on or before the Closing Date, of the following conditions, any of which may be waived in writing by the Company in its sole discretion:

(a) All corporate and other actions required to be taken by that Purchaser and the Fund Manager in connection with the purchase of the applicable Note shall have been completed;

(b) The representations and warranties of the Fund Manager contained in Article 4 of this Agreement shall have been true and correct on the date of this Agreement and true and correct in all material respects as of the Closing Date, and the Fund Manager shall have performed and complied in all material respects with all, and not be in breach or default in any material respect under any, agreements, covenants, conditions and obligations contained in this Agreement that are required to be performed or complied with by it on or before the Closing Date; and

(c) No Governmental Entity of competent jurisdiction shall have enacted, issued, promulgated, enforced or entered any law (whether temporary, preliminary or permanent) that is in effect and restrains, enjoins, prevents, prohibits or otherwise makes illegal the consummation of the transactions contemplated by this Agreement, or imposes any damages or penalties in connection with the transactions contemplated by this Agreement with respect to the Company; and no action, suit, proceeding or investigation shall have been instituted by a Governmental Entity of competent jurisdiction or threatened that seeks to restrain, enjoin, prevent, prohibit or otherwise make illegal the consummation of the transactions contemplated by this Agreement, or imposes any damages or penalties in connection with the transactions contemplated by this Agreement with respect to the Company.

3. REPRESENTATIONS AND WARRANTIES OF THE COMPANY. Except as otherwise disclosed in the SEC Documents, the Company represents and warrants to the Fund Manager as of the date hereof and as of the Closing that:

3.1 Accuracy of Disclosure. The Company has filed or furnished, as applicable, on a timely basis, all SEC Documents. As of their respective effective dates (in the case of the SEC Documents that are registration statements filed pursuant to the requirements

of the Securities Act) and as of their respective SEC filing dates (in the case of all other SEC Documents), or in each case, if amended prior to the date hereof, as of the date of the last such amendment: (A) each of the SEC Documents complied in all material respects with the applicable requirements of the Securities Act, the Exchange Act and the Sarbanes-Oxley Act of 2002, as amended, and any rules and regulations promulgated thereunder applicable to the SEC Documents (as the case may be), and (B) none of the SEC Documents contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the material statements therein, in the light of the circumstances under which they were made, not misleading.

3.2 Existence and Qualification. The Company has been duly organized, is validly existing and in good standing under the laws of the Cayman Islands and has the requisite power and authority to own, lease and operate its property and to conduct its business as currently conducted and as described in the SEC Documents. Each of the Company and its Subsidiaries is duly qualified to transact business and is in good standing in each jurisdiction in which the conduct of its respective business or its respective ownership, leasing or operation of property requires such qualification, except to the extent that the failure to be so qualified or be in good standing would not, individually or in the aggregate, reasonably be expected have a Material Adverse Effect.

3.3 Capitalization; Issuance of Subscription Shares. The authorized share capital of the Company is $1,000,000 divided into 10,000,000,000 shares comprising of (i) 9,600,000,000 Class A Ordinary Shares, of which 839,868,944 Class A Ordinary Shares (excluding the 23,501,589 Class A Ordinary Shares issued to the Company's depositary bank for bulk issuance of American Depositary Shares reserved for future issuances upon the exercise or vesting of awards granted under the Company's share incentive plan) were issued and outstanding as of February 28, 2019, (ii) 100,000,000 Class B Ordinary Shares, of which 40,809,861 Class B Ordinary Shares were issued and outstanding as of February 28, 2019, and (iii) 300,000,000 shares of a par value of $0.0001 each of such class or classes (however designated) as the Board may determine in accordance with the Company's articles of association. All of the outstanding shares of capital stock of the Company are duly authorized, validly issued, fully paid and non-assessable, have been issued in compliance with all applicable securities laws, and none of such outstanding shares was issued in violation of any preemptive rights or similar rights to subscribe for or purchase securities. Except as set forth in the SEC Documents, the Company has no outstanding bonds, debentures, notes or other obligations, the holders of which have the right to vote (or which are convertible into or exercisable for securities having the right to vote) with the shareholders of the Company on any matter.

3.4 Valid Issuance of the Notes and the Conversion Shares. The Notes and the Conversion Shares to be issued, sold and delivered upon conversion of the Notes will be duly and validly issued, fully paid and non-assessable, free and clear of all Encumbrances except as imposed by applicable securities laws, and based in part upon the representations and warranties of the Fund Manager in this Agreement, will be issued in compliance with all applicable federal and state securities laws. Upon conversion of the Notes, each Purchaser will be entitled to all rights accorded to a holder of the Company's Class A Ordinary Shares and will be the record and beneficial owner of all such securities and have good and valid title to all such securities, free and clear of all Encumbrances except as imposed by applicable securities laws. The Conversion Shares will be freely transferable in compliance with Rule 144

under the Securities Act upon conversion of the Notes and no restrictive legend will be included in any certificate evidencing such shares.

3.5 Capacity, Authorization and Enforceability. The Company has the requisite power and authority to enter into and perform its obligations under this Agreement and consummate the transactions contemplated hereby. This Agreement has been duly authorized, executed and delivered by the Company, and assuming the due authorization, execution and delivery by the Fund Manager, this Agreement is a valid and binding agreement of the Company, enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency or similar laws affecting creditors' rights generally and general principles of equity.

3.6 Non-Contravention. Neither the execution and the delivery of this Agreement, nor the consummation of the transactions contemplated hereby, will (i) violate any provision of the memorandum and articles of association or other constitutional documents of the Company or (ii) violate any constitution, statute, regulation, rule, injunction, judgment, order, decree, ruling, charge, or other restriction of any Governmental Entity to which the Company or any of its Subsidiaries is subject, or (iii) conflict with, result in a breach of, constitute a default under, result in the acceleration of or creation of an Encumbrance under, create in any party the right to accelerate, terminate, modify, or cancel, or require any notice under, any agreement, contract, lease, license, instrument, or other arrangement to which the Company or any of its Subsidiaries is a party or by which the Company or any of its Subsidiaries is bound or to which the Company's or any of its Subsidiaries' assets are subject, except in the case of clauses (ii) or (iii) as would not have a Material Adverse Effect. There is no action, suit or proceeding, pending or, to the knowledge of the Company, threatened against the Company that questions the validity of this Agreement or the right of the Company to enter into this Agreement to consummate the transactions contemplated hereby.

3.7 Consents and Approvals. Assuming the accuracy of the representations and warranties of the Fund Manager under this Agreement, neither the execution and delivery by the Company of this Agreement, nor the consummation by the Company of any of the transactions contemplated hereby, nor the performance by the Company of this Agreement in accordance with its terms requires the consent, approval, order or authorization of, or registration with, or the giving notice to, any governmental or public body or authority or any third party, except such as have been or will have been obtained, made or given on or prior to the Closing and those filings required to be made with the SEC and the Nasdaq Stock Market (including, without limitation, a current report on Form 6-K).

3.8 Financial Statements. The financial statements (including any related notes) contained in the SEC Documents: (A) complied as to form in all material respects with applicable accounting requirements and the published rules and regulations of the SEC with respect thereto, (B) were prepared in accordance with United States generally accepted accounting principles ("GAAP") applied on a consistent basis throughout the periods covered thereby and (C) fairly present in all material respects the consolidated financial position of the Company and its Subsidiaries as of the respective dates thereof and the consolidated results of operations and cash flows of the Company and its Subsidiaries for the periods covered thereby, except as disclosed therein and as permitted under the Exchange Act.

3.9 Operating and non-GAAP financial Data. All operating data and non-GAAP financial data of the Company and its Subsidiaries disclosed in the SEC Documents, including but not limited to GMV, transaction volume, number of car listings and used car transaction facilitation service take rate, are true and accurate in all material respects.

3.10 Related Party Transactions. There are no material transactions between the Company or any of its Subsidiaries, on the one hand, and the Company's or any of its Subsidiaries' respective 5% or greater shareholders, Affiliates, directors or executive officers, or any Affiliates of such Persons, on the other hand, except as have been duly approved by the audit committee of the Board, or any other related party transactions required to be disclosed that are not disclosed in the SEC Documents.

3.11 Absence of Certain Changes. Except as set forth in the SEC Documents, since December 31, 2018, there has been no event, occurrence, development or state of circumstances that has or could reasonably be expected to have a Material Adverse Effect.

3.12 Litigation. Except as disclosed in the SEC Documents, there are no actions pending or may threatened against or involving the Company or its Subsidiaries or affecting the business or any of the assets of the Company or its Subsidiaries.

3.13 Compliance with Laws. Except as disclosed in the SEC Documents, the business of the Company or its Subsidiaries is not being conducted in violation of any applicable law or government order applicable to the Company or its Subsidiaries except for violations which do not and would not have a Material Adverse Effect.

3.14 Securities Laws. (a) No "directed selling efforts" into the United States (as defined in Rule 902 of Regulation S under the Securities Act ("Regulation S")) with respect to the Notes have been made by the Company, any of its Affiliates, or any Person acting on its behalf, and (b) none of the foregoing Persons has taken any actions that would result in the sale of the Notes to the Purchasers under this Agreement requiring registration under the Securities Act or any U.S. state securities laws. The Company is a "foreign issuer" (as defined in Regulation S).

3.15 No Registration. Assuming the accuracy of the Fund Manager's representations and warranties in Article 4, no registration under the Securities Act is required for the offer and sale of the Notes by the Company to that Purchaser as contemplated hereby.

3.16 Ranking of the Notes. The Notes rank senior in right of payment to any of the Company's other indebtedness that is expressly subordinated in right of payment to the Notes, *pari passu* in right of payment to any of the Company's other indebtedness and liabilities that are not so subordinated, junior in right of payment to any of the Company's secured indebtedness to the extent of the value of the assets securing such indebtedness, and structurally junior to all indebtedness and liabilities incurred by the Company's Subsidiaries.

3.17 Listing and Maintenance Requirements. The issuance and sale of the Notes under this Agreement and the transactions contemplated hereby do not contravene the rules and regulations of the Nasdaq Global Select Market.

3.18 Investment Company. The Company is not, and upon the sale of the Notes contemplated herein and the application of the net proceeds therefrom will not be, required to register as an "investment company" pursuant to the U.S. Investment Company Act of 1940, as amended.

3.19 Money Laundering Laws. The operations of the Company and its Subsidiaries have been and will be conducted at all times in compliance with the money laundering requirements of all applicable governmental authorities and any related or similar

rules, regulations or guidelines, issued administered or enforced by any Governmental Entity (collectively, the "Money Laundering Laws") and no action, suit or proceeding by or before any Governmental Entity involving the Company or its Subsidiaries, its Affiliates employees or agents with respect to the Money Laundering Laws is pending or threatened.

3.20 OFAC. (i) None of the Company, any of its Subsidiaries, or any director, officer or employee of any of the foregoing, or, to the Company's knowledge, any agent, Affiliate or representative of the Company, is a Person that is, or is owned 50% or more or controlled by one or more Persons that are (such Persons referred to as "Sanctioned Persons"): (a) the target of any sanctions administered or enforced by the U.S. government (including but not limited to the Office of Foreign Assets Control of the U.S. Department of the Treasury or the U.S. Department of State and including, without limitation, the designation as a "specially designated national" or "blocked person"), the United Nations Security Council, the European Union, Her Majesty's Treasury or any other relevant sanctions authority (collectively, "Sanctions"), including by being listed on any Sanctions related list of designated persons, or (b) located, organized or resident in, or a national, Governmental Entity. or agent of, a country, region or territory that is the subject or target Sanctions (as of the date hereof, including but not limited to, Cuba, Iran, North Korea, Syria and Crimea (each, a "Sanctioned Country")). (ii) The Company represents and covenants that the Company and its Significant Subsidiaries have not engaged in, are not now engaged in, and will not engage in, any dealings or transactions directly or indirectly with any Sanctioned Person, or in any country or territory, that at the time of the dealing or transaction is or was the subject or the target of Sanctions.

3.21 Foreign Corrupt Practices. Neither of the Company or its Subsidiaries, nor any Person acting on their behalf, has, directly or indirectly (i) used any funds or will use and proceeds from the sale of the Notes for unlawful contributions, gifts, entertainment or other unlawful expenses related to foreign or domestic political activity, (ii) made any unlawful payment to foreign or domestic government officials or employees or to any foreign or domestic political parties or campaigns from corporate funds, (iii) failed to disclose fully any contribution made by the Company or any of its Subsidiaries (or made by any Person acting on its behalf of which the Company or any of or its Subsidiaries is aware) which is in violation of any applicable law, or (iv) violated any provision of the Foreign Corrupt Practices Act of 1977, as amended, and the rules and regulations thereunder which was or is applicable to the Company or its Subsidiaries.

3.22 PFIC. Based on the Company's current income and asset and projections as to the value of its assets and market value of its ADSs, including the current and anticipated value of its assets, the Company believes that it was not and does not expect to be a "passive foreign investment company" as defined in Section 1297 of the United States Internal Revenue Code of 1986, as amended for the current taxable year or in foreseeable future.

3.23 Tax Matters. The Company and its Subsidiaries have filed all material tax returns required by applicable law to be filed by them, have paid all taxes due pursuant to such returns (including interest and penalties), and have paid all other material taxes, fees, assessments and other governmental charges owing by them or in respect of their respective property, income, profits and assets, except for such taxes (a) that are not yet delinquent or (b) that are being appropriately contested in good faith by appropriate proceedings, and against which adequate reserves are being maintained in accordance with GAAP (or the comparable accounting principles in the relevant jurisdiction). No material tax assessment has been imposed on (or threatened in writing to be imposed on) the Company and its Subsidiaries or any of their respective assets.

4. REPRESENTATIONS AND WARRANTIES OF THE FUND MANAGER. (i) The Fund Manager acting on behalf of each Purchaser represents and warrants to the Company as of the date hereof and as of the Closing Date that:

4.1 Existence. Each Purchaser Entity has been duly organized, is validly existing and is in good standing under the laws of its jurisdiction of organization.

4.2 Capacity. Each Purchaser Entity has the requisite power and authority to enter into and perform its respective obligations under this Agreement and consummate the transactions contemplated hereby. The Fund Manager is the general partner and sole fund manager of each Purchaser and has the capacity and authority to act on behalf of each Purchaser.

4.3 Authorization and Enforceability. This Agreement has been duly authorized, executed and delivered by the Fund Manager, and assuming the due authorization, execution and delivery by the Company, this Agreement is a valid and binding agreement of the Fund Manager, enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency or similar laws affecting creditors' rights generally and general principles of equity.

4.4 Non-Contravention. Neither the execution and the delivery of this Agreement, nor the consummation of the transactions contemplated hereby, will (i) violate any provision of the memorandum and articles of association or other constitutional documents of any Purchaser Entity or (ii) violate any constitution, statute, regulation, rule, injunction, judgment, order, decree, ruling, charge, or other restriction of any Governmental Entity to which any Purchaser Entity is subject, or (iii) conflict with, result in a breach of, constitute a default under, result in the acceleration of or creation of an Encumbrance under, create in any party the right to accelerate, terminate, modify, or cancel, or require any notice under, any agreement, contract, lease, license, instrument, or other arrangement to which any Purchaser Entity is a party or by which any Purchaser Entity is bound or to which any assets of any Purchaser Entity are subject. There is no action, suit or proceeding, pending or, to the knowledge of the Fund Manager, threatened against any Purchaser Entity that questions the validity of this Agreement or the right of any Purchaser Entity to enter into this Agreement to consummate the transactions contemplated hereby.

4.5 Consents and Approvals. Neither the execution and delivery by the Fund Manager of this Agreement, nor the consummation by any Purchaser Entity of any of the transactions contemplated hereby, nor the performance by any Purchaser Entity of this Agreement in accordance with its terms requires the consent, approval, order or authorization of, or registration with, or the giving notice to, any governmental or public body or authority or any third party, except such as have been or will have been obtained, made or given on or prior to the Closing.

4.6 Investment Intent. Each Purchaser is purchasing the Notes solely for its own account for investment, and not with a view to, or for sale in connection with, any distribution of the Notes or any portion thereof, and not with any present intention of selling, offering to sell, or otherwise disposing of or distributing the Notes or any portion thereof in any transaction. The entire legal and beneficial interest of the Notes is being purchased, and will be held, for each Purchaser's own account only, and neither in whole or in part for the account of any other Person.

4.7 Regulation S Eligibility; Restriction on Resale. The Fund Manager acknowledges that each Purchaser is acquiring the Notes in an "offshore transaction" (as

defined in Regulation S) in reliance upon the exemption from registration provided by Regulation S. Each Purchaser is not a U.S. person as defined in Rule 902 of Regulation S and is located outside of the United States. The Fund Manager understands that the Notes to be purchased by each Purchaser has not been registered under the Securities Act or any U.S. state law and may not be offered or sold within the United States or to, or for the account or benefit of, a U.S. person except pursuant to an exemption from, or in a transaction not subject to, the registration requirements under the Securities Act and applicable U.S. state law.

4.8 Investment Experience. Each Purchaser is a sophisticated purchaser with knowledge and experience in financial and business matters such that such Purchaser is capable of evaluating the merits and risks of the investment in the Notes and the Conversion Shares. Each Purchaser is able to bear the economic risks of an investment in the Notes and the Conversion Shares. The Fund Manager understands that securities prices are a function of a large number of variables and that there is no way for the Company to predict or otherwise gauge the market's reaction to the disclosure of any material information. The Fund Manager acknowledges and affirms that, with the assistance of its advisors, it has conducted and completed its own investigation, analysis and evaluation related to the investment in the Notes and the Conversion Shares. The Fund Manager understands and acknowledges that the Company has or may have information concerning the Company and its Affiliates including, but not limited to, the short term and long-term plans of the Company and its Affiliates. With full recognition of the foregoing, and after discussing these matters with its counsel and such other advisors as it deems appropriate, the Fund Manager wishes to cause each Purchaser to consummate the transactions contemplated under this Agreement on the terms set forth herein.

5. COVENANTS.

5.1 Further Assurances. From the date of this Agreement to the Closing Date, (i) the Company and the Fund Manager shall use their reasonable efforts to fulfill, or obtain the fulfillment of, all of the conditions precedent to the consummation of the transactions contemplated hereby, and (ii) the Fund Manager shall cause each Purchaser to take necessary and appropriate actions contemplated hereunder for the consummation of the transactions contemplated hereby.

5.2 Reservation of Shares. At all times for so long as any Note (or any portion thereof) remains outstanding, the Company shall take all actions necessary to have authorized, and reserved for the purpose of issuance, no less than one hundred percent (100%) of the aggregate number of Class A Ordinary Shares needed to provide for the complete issuance of the Conversion Shares underlying such Notes.

5.3 Lock-Up. Notwithstanding any other provisions of this Agreement or any other agreement by the Company and the Purchaser Entities, during the Lock-Up Period, the Fund Manager shall ensure that each Purchaser Entity will not, and will procure that none of its Subsidiaries will, without the prior written consent of the Company, directly or indirectly through one or a series of transactions, Transfer any Company Securities to any Person other than the Purchaser Entity's Subsidiaries. Any Transfer of Company Securities made in violation of this Section 5.3 shall be null and void *ab initio* and shall not be recorded on the books and records of the Company.

5.4 No Transfer to Adverse Persons. Notwithstanding any other provisions of this Agreement or any other agreement by the Company and the Purchaser Entities, the Fund Manager shall ensure that each Purchaser Entity will not directly or indirectly Transfer, and

will not permit any direct or indirect Transfer, through one or a series of transactions, of any Company Securities held by it directly or indirectly (including through any Affiliate) to any Adverse Person without the prior written consent of the Company. Any Transfer of any Company Securities made in violation of this Section 5.4 shall be null and void *ab initio* and shall not be recorded on the books and records of the Company.

5.5 Use of Proceeds. The Company shall use the proceeds from the issuance of the Notes for general corporate purposes, and shall not use the proceeds from the issuance of the Notes (a) to fund or facilitate any activities of or business with any Person that is the subject or the target of Sanctions, (b) to fund or facilitate any activities of or business in any country or territory that is subject of any Sanctions, (c) in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any Person in violation of any anti-corruption laws, or (d) in a way that that result in noncompliance with all applicable anti-money laundering or anti-terrorism statutes, the rules and regulations thereunder and any related or similar rules, regulations or guidelines, issued, administered or enforced by any applicable Governmental Entity.

5.6 Conversion to ADSs. To the extent permitted by applicable law, after the conversion of either Note (or any portion thereof) by any Purchaser into Conversion Shares, in the event that such Purchaser has delivered to the Company written notice specifying that such Purchaser irrevocably elects to convert the Conversion Shares into ADSs subject to the compliance of applicable conditions under Rule 144(b), the Company shall use its reasonable best efforts to effect (or cause to be effected) the conversion of such Conversion Shares into ADSs within seven (7) days after receiving such written notice.

6. INDEMNIFICATION.

6.1 Indemnification.

(a) Subject to the other provisions of this Article 6, each of the Company and the Fund Manager ("Indemnifying Party") shall indemnify and hold each other, such other party's respective Affiliates, and such other party's and their respective Affiliates' members, partners, managers, directors, officers, employees, advisors and agents (collectively, the "Indemnified Party") harmless from and against any losses, liabilities, damages, costs and expenses, including reasonable attorney's fees (collectively, "Losses") resulting from or arising out of: (i) any breach or violation of, or inaccuracy in, any representation or warranty made by the Indemnifying Party or its applicable Affiliates under this Agreement; or (ii) any breach or violation of, or failure to perform, any covenants or agreements made by or on behalf of, or to be performed by, the Indemnifying Party or its applicable Affiliates under this Agreement. The indemnity under this Article 6 shall not be prejudiced by or otherwise be subject to any disclosure and shall apply regardless of whether the Indemnifying Party has any actual or constructive knowledge with respect thereto.

(b) No Indemnifying Party shall be liable for any Loss consisting of punitive damages (except to the extent that such punitive damages are awarded to a third party against an Indemnified Party in connection with a Third Party Claim).

(c) The Fund Manager as the Indemnified Party shall not be entitled to recover any Losses, other than with respect to breaches of Fundamental Company Representations or Fundamental Purchaser Representations (as applicable), until such time as the aggregate amount of all such Losses that have been suffered or incurred by the Indemnified

Party exceeds two percent (2%) of the issued Principal Amount with respect to the Purchasers (the "Loss Threshold"), provided, however, that once the aggregate amount of all such Losses exceeds the Loss Threshold, the Indemnifying Party shall be liable for all such Losses (including the Losses up to the Loss Threshold).

(d) The maximum aggregate amount of Losses that the Indemnified Parties will be entitled to recover pursuant to this Article 6 shall be limited to one hundred percent (100%) of the issued aggregate Principal Amount of all Purchasers. Notwithstanding the foregoing or anything else to the contrary contained herein, the limitations on indemnification set forth in this Agreement (including, without limitation, the limitations set forth in this Section 6.1) shall not apply to any claim based on fraud, willful misrepresentation or willful misconduct of the Indemnifying Party or its Subsidiaries or Affiliates.

(e) An Indemnified Party shall not be entitled to recover from the Indemnifying Party under this Agreement more than once in respect of the same Losses suffered.

(f) Notwithstanding any other provision contained herein, the remedies contained in this Article 6 shall be the sole and exclusive monetary remedy of the Indemnified Parties for any claim arising out of or resulting from this Agreement, except that no limitation or exceptions with respect to the obligations or liabilities on any party hereto provided hereunder shall apply to a Loss incurred by any Indemnified Party arising due to fraud of the Indemnifying Party or its Subsidiaries or Affiliates. Nothing in this Article 6 or elsewhere in this Agreement shall affect any parties' rights to specific performance or other equitable or non-monetary remedies with respect to the covenants and agreements in this Agreement or that are to be performed at or after the Closing; provided that for the avoidance of doubt, except in the case of fraud, nothing contained herein shall permit any party to rescind this Agreement.

6.2 Third Party Claims.

(a) If any third party shall notify an Indemnified Party in writing with respect to any matter involving a claim by such third party (a "Third Party Claim") and such Indemnified Party believes such claim would give rise to a claim for indemnification against the Indemnifying Party under this Article 6, then the Indemnified Party shall promptly (i) notify the Indemnifying Party thereof in writing and (ii) transmit to the Indemnifying Party a written notice ("Claim Notice") describing in reasonable detail the nature of the Third Party Claim, a copy of all papers served with respect to such claim (if any), and the basis of the Indemnified Party's request for indemnification under this Agreement. The failure to so notify the Indemnifying Party shall not relieve the Indemnifying Party of its obligations hereunder except to the extent that the Indemnifying Party shall have been prejudiced by such failure.

(b) Upon receipt of a Claim Notice with respect to a Third Party Claim, the Indemnifying Party shall have the right to assume the defense of any Third Party Claim by, within thirty (30) days of receipt of the Claim Notice, notifying the Indemnified Party in writing that the Indemnifying Party elects to assume the defense of such Third Party Claim, and upon delivery of such notice by the Indemnifying Party, the Indemnifying Party shall have the right to control and settle the proceeding, provided that, (i) any such settlement or compromise shall be permitted hereunder only with the written consent of the Indemnified Party which consent shall not be unreasonably withheld or delayed, and (ii) and the Indemnifying Party shall keep the Indemnified Party reasonably informed of the progress of such defense on a regular basis.

(c) If requested by the Indemnifying Party, the Indemnified Party shall, at the sole cost and expense of the Indemnifying Party, cooperate with the Indemnifying Party and its counsel in contesting any Third Party Claim which the Indemnifying Party elects to contest, including the making of any related counterclaim against the Person asserting the Third Party Claim or any cross complaint against any Person. The Indemnified Party shall have the right to receive copies of all pleadings, notices and communications with respect to any Third Party Claim for which indemnity is sought under this Agreement, other than any privileged communications between the Indemnifying Party and its counsel, and shall be entitled, at its sole cost and expense, to retain separate co-counsel and participate in, but not control, any defense or settlement (except for its consent required under Section 6.2(b) above) of any Third Party Claim assumed by the Indemnifying Party pursuant to Section 6.2(b).

(d) In the event of a Third Party Claim for which the Indemnifying Party elects not to assume the defense or fails to make such an election within thirty (30) days of the Claim Notice, the Indemnified Party may, at its option, defend, settle, compromise or pay such action or claim at the expense of the Indemnifying Party; provided that, any such settlement or compromise shall be permitted hereunder only with the written consent of the Indemnifying Party, which consent shall not be unreasonably withheld or delayed.

6.3 Other Claims. In the event any Indemnified Party should have a claim against the Indemnifying Party hereunder which does not involve a Third Party Claim, the Indemnified Party shall promptly transmit to the Indemnifying Party a written notice (the "Indemnity Notice") describing in reasonable detail the nature of the claim, the Indemnified Party's good faith estimate of the amount of Losses attributable to such claim and the basis of the Indemnified Party's request for indemnification under this Agreement; provided, that no failure, delay or deficiency in providing such notice shall constitute a waiver or otherwise modify the Indemnified Party's right to indemnity hereunder, except to the extent that the Indemnifying Party shall have been prejudiced by such failure, delay or deficiency. If the Indemnifying Party does not notify the Indemnified Party within thirty (30) days from its receipt of the Indemnity Notice that the Indemnifying Party disputes such claim, the Indemnifying Party shall be deemed to have accepted and agreed with such claim.

7. MISCELLANEOUS.

7.1 Survival of the Representations and Warranties. All representations and warranties made by any party hereto other than the Fundamental Company Representations and the Fundamental Purchaser Representations shall survive for eighteen (18) months from and after the date hereof, and shall terminate and be without further force or effect on the date that is eighteen (18) months from and after the date hereof, and the Fundamental Company Representations and the Fundamental Purchaser Representations shall survive for five (5) years from and after the date hereof, and shall terminate and be without further force or effect on the date that is five (5) years from and after the date hereof, except that any claim under any representation or warranty made by any party hereto that have been asserted in writing pursuant to Section 6.1 against the party hereto making such representation or warranty prior to the expiration of the applicable survival period set forth in this Section 7.1 shall survive until such claim is fully and finally resolved.

7.2 Governing Law; Dispute Resolution. This Agreement shall be governed and interpreted in accordance with the laws of the State of New York without giving effect to the conflicts of law principles thereof. Any dispute arising out of or relating to this Agreement or the Notes, including any question regarding the existence, validity or termination hereof or

thereof (a "Dispute") shall be referred to and finally resolved by arbitration at the Hong Kong International Arbitration Centre in accordance with the Hong Kong International Arbitration Centre Administered Arbitration Rules then in force. In the case of any Dispute, there shall be three arbitrators. The claimant(s) shall have the right to appoint one arbitrator, the respondent(s) shall have the right to appoint another arbitrator, and the third arbitrator shall be appointed by the Hong Kong International Arbitration Centre. The language to be used in the arbitration proceedings shall be English. The seat of arbitration shall be Hong Kong. Each of the parties hereto irrevocably waives any immunity to jurisdiction to which it may be entitled or become entitled (including without limitation sovereign immunity, immunity to pre-award attachment, post-award attachment or otherwise) in any arbitration proceedings and/or enforcement proceedings against it arising out of or based on this Agreement or the transactions contemplated hereby.

7.3 Amendment. This Agreement shall not be amended, changed or modified, except by another agreement in writing executed by the parties hereto.

7.4 Binding Effect. This Agreement shall inure to the benefit of, and be binding upon, the Purchaser Entities, the Company, and their respective heirs, successors and permitted assigns.

7.5 Assignment. Neither this Agreement nor any of the rights, duties or obligations hereunder may be assigned by the Company or the Fund Manager without the express written consent of the other party hereto, except that the Fund Manager may assign all or any part of its rights and obligations hereunder to any Affiliate of the Fund Manager without the consent of the other parties hereto, provided that no such assignment shall relieve the Fund Manager of its obligations hereunder if such assignee does not perform such obligations. Any purported assignment in violation of the foregoing sentence shall be null and void.

7.6 Notices. All notices, requests, demands, and other communications required or permitted to be given by one party hereto to the other party hereto under this Agreement shall be in writing and shall be deemed to have been duly given (i) on the date of actual delivery if delivered personally, (ii) on the date sent if sent by facsimile, (iii) on the next Business Day following delivery to Federal Express for overnight courier service, or (iv) on the day of attempted delivery by the postal service if mailed by registered or certified mail, return receipt requested, postage paid, in each case as properly addressed or delivered as follows:

If to the Company, at: Uxin Limited
2-5F, Tower E, LSHM Center,
No. 8 Guangshun South Avenue
Chaoyang District, Beijing, 100102
People's Republic of China
E-mail: daikun@xin.com
Attn: Mr. Kun Dai

If to the Fund Manager, at: PacificBridge Asset Management
Unit No. 1904 (Trade Tower, Samsung-dong),
511 Yeongdong-daero, Gangnam-gu, Seoul, 06164
Republic of Korea
E-mail: dannysong@pacificbridgeam.com
Attn: Mr. Danny Song

Any party hereto may change its address for purposes of this Section 7.6 by giving the other party hereto written notice of the new address in the manner set forth above.

7.7 Entire Agreement. This Agreement constitutes the entire understanding and agreement between the parties hereto with respect to the matters covered hereby, and all prior agreements and understandings, oral or in writing, if any, between the parties hereto with respect to the matters covered hereby are merged and superseded by this Agreement.

7.8 Severability. If any provisions of this Agreement shall be adjudicated to be illegal, invalid or unenforceable in any action or proceeding whether in its entirety or in any portion, then such provision shall be deemed amended, if possible, or deleted, as the case may be, from the Agreement in order to render the remainder of the Agreement and any provision thereof both valid and enforceable, and all other provisions hereof shall be given effect separately therefrom and shall not be affected thereby.

7.9 Fees and Expenses. Each of the Company and the Fund Manager shall pay its own expenses incurred in connection with the negotiation, preparation and execution of this Agreement and the transactions contemplated hereby, including fees and expenses of attorneys, accountants, consultants and financial advisors.

7.10 Confidentiality. (a) Each party hereto shall keep in confidence, and shall not use (except for the purposes of the transactions contemplated hereby) or disclose, any non-public information disclosed to it or its Affiliates, representatives or agents in connection with this Agreement or the transactions contemplated hereby, other than to its members, managers, directors, officers, employees, partners, co-investors, auditors, counsels, consultants and other advisors and representatives who have a need to know such information, and (b) each party hereto shall ensure that its Affiliates, representatives and agents keep in confidence, and do not use (except for the purposes of the transactions contemplated hereby) or disclose, any such non-public information, provided, however, that nothing in this Agreement shall restrict any party from disclosing information (i) that is already publicly available not as a result of a breach of this section, or (ii) that may be required by applicable law, statute, treaty, rule, regulation, order, right, privilege, qualification, license or franchise or determination of an arbitrator or a Governmental Entity.

7.11 Specific Performance. The parties hereto agree that irreparable damage would occur in the event any provision of this Agreement were not performed in accordance

with the terms hereof and that the parties hereto shall be entitled to specific performance of the terms hereof, in addition to any other remedy at law or equity.

7.12 Termination. In the event that the Closing shall not have occurred by December 31, 2019, the Company or the Fund Manager may terminate this Agreement, except for the provisions of Article 7, which shall survive any termination under this Section 7.12, provided that (a) any party hereto who is then in a material breach of this Agreement shall not be entitled to terminate this Agreement pursuant to this Section 7.12.

7.13 Headings. The headings of the various articles and sections of this Agreement are inserted merely for the purpose of convenience and do not expressly or by implication limit, define or extend the specific terms of the article or section so designated.

7.14 Counterparts. For the convenience of the parties hereto and to facilitate execution, this Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, and all of which together shall constitute but one and the same instrument.

7.15 No Waiver. Except as specifically set forth herein, the rights and remedies of the parties to this Agreement are cumulative and not alternative. No failure or delay on the part of any party hereto in exercising any right, power or remedy under this Agreement will operate as a waiver of such right, power or remedy, and no single or partial exercise of any such right, power or remedy will preclude any other or further exercise of such right, power or remedy or the exercise of any other right, power or remedy. To the maximum extent permitted by applicable law, (a) no claim or right arising out of this Agreement can be discharged by one party hereto, in whole or in part, by a waiver or renunciation of the claim or right unless in writing signed by the other party hereto; (b) no waiver that may be given by a party hereto will be applicable except in the specific instance for which it is given; and (c) no notice to or demand on one party hereto will be deemed to be a waiver of any obligation of that party or of the right of the party hereto giving such notice or demand to take further action without notice or demand as provided in this Agreement.

[*Remainder of Page Intentionally Left Blank*]

IN WITNESS WHEREOF, the parties hereto have executed this Convertible Note Purchase Agreement as of the date first above written.

Uxin Limited

By: /s/ Kun Dai
Name: Kun Dai
Title:Director and CEO

IN WITNESS WHEREOF, the parties hereto have executed this Convertible Note Purchase Agreement as of the date first above written.

PacificBridge Asset Management, acting in its capacity as the fund manager of each of the Purchasers

By: /s/ DK LEE
Name: DK LEE
Title: CEO

SCHEDULE 1

PURCHASERS AND ALLOCATIONS

[*]

SCHEDULE 2

ADVERSE PERSONS

[*]

EXHIBIT A
FORM OF 10.0% NOTE

THIS NOTE AND THE SECURITIES ISSUABLE UPON THE CONVERSION HEREOF HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR UNDER ANY OTHER SECURITIES LAWS. THIS NOTE AND THE SECURITIES ISSUABLE UPON THE CONVERSION HEREOF ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE SOLD, OFFERED FOR SALE, PLEDGED, HYPOTHECATED, OR OTHERWISE TRANSFERRED EXCEPT AS PERMITTED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND OTHER APPLICABLE SECURITIES LAWS, PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT OR AN EXEMPTION THEREFROM.

CONVERTIBLE PROMISSORY NOTE

[·], 2019 ("Date of Issuance")

US$[·]

FOR VALUE RECEIVED, and subject to the terms and conditions of this convertible promissory note (this "Note"), Uxin Limited, an exempted company with limited liability incorporated under the laws of the Cayman Islands (the "Company"), hereby promises to pay to the order of [•], a [company incorporated under the laws of [•]](the "Purchaser"), or its assigns, in lawful money of the United States of America the principal amount of [•] Dollars (US$[•]) (the "Principal Amount"), plus accrued interest thereon, on [·], 2020 (the "Maturity Date"), unless earlier duly converted in full into the Conversion Shares pursuant to and in accordance with the terms of this Note.

This Note is issued pursuant to the Convertible Note Purchase Agreement, dated July 12, 2019, by and between the Company, the Purchaser and certain other parties thereto (the "Convertible Note Purchase Agreement"), and is subject to the terms and conditions thereof. In case of any conflict between this Note and the Convertible Note Purchase Agreement, the provisions of the Convertible Note Purchase Agreement shall control and govern. Capitalized terms used but not defined herein shall have the respective meanings given to such terms in the Convertible Note Purchase Agreement.

The following is a statement of the rights of the Purchaser and the conditions to which this Note is subject, and to which the Purchaser, by the acceptance of this Note, agrees:

1. Interest Rate. This Note shall bear interest on the outstanding Principal Amount at a simple interest rate of ten percent (10.0%) per annum from the Date of Issuance until this Note is fully repaid or redeemed; provided, that if any portion of this Note is duly converted into the Conversion Shares pursuant to and in accordance with Section 4 hereof, interest shall cease to accrue on the portion of the Principal Amount being converted (and, for the avoidance of doubt, continue to accrue on any outstanding Principal Amount not being converted). Accrued interest on this Note shall be computed on the basis of a 365-day year and actual days elapsed.

2. Repayment of this Note.

(a) Unless to the extent earlier converted into Conversion Shares pursuant to Section 4 hereof, the outstanding Principal Amount (other than any portion of the Principal Amount converted pursuant to Section 4 hereof) and the interest accrued thereon shall be due and payable by the Company upon the earlier of (i) the Maturity Date, and (ii) the occurrence of an Event of Default set forth in Section 5 hereof (the "Due Date"). Upon the due conversion in full of this Note pursuant to and in accordance with Section 4 hereof, any and all payment obligations of the Company under this Note and the Convertible Note Purchase Agreement shall be fully discharged.

(b) All amounts payable on or in respect of this Note or the indebtedness evidenced hereby shall be paid to the Purchaser in lawful money of the United States of America within three (3) Business Days after the Due Date. The Company shall make such payments of the unpaid Principal Amount (other than any portion of the Principal Amount converted pursuant to Section 4 hereof), together with accrued and unpaid interest thereon, to the Purchaser by wire transfer of immediately available funds for the account of the Purchaser as the Purchaser may designate and notify in writing to the Company at least five (5) Business Days prior to the payment date. Payment shall be credited first to accrued interest due and payable, and any remainder shall be applied to the outstanding Principal Amount.

(c) All payments of principal and interest in respect of this Note by or on behalf of the Company shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the Cayman Islands or the PRC or any political subdivision thereof or any authority therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law.

3. Seniority. This Note ranks senior in right of payment to any of the Company's other indebtedness that is expressly subordinated in right of payment to this Note, *pari passu* in right of payment to any of the Company's other indebtedness and liabilities that are not so subordinated, junior in right of payment to any of the Company's secured indebtedness to the extent of the value of the assets securing such indebtedness, and structurally junior to all indebtedness and liabilities incurred by the Company's Subsidiaries.

4. Conversion.

(a) Conversion.

(i) During the period from and including the 181st day after the Date of Issuance to and including the Maturity Date, the Purchaser shall, by written notice to the Company, have the right but not the obligation to convert all or any portion of the outstanding Principal Amount to a number of Conversion Shares at the applicable Conversion Price, provided, however, that the Purchaser shall not exercise such right to convert more than twice. As used in this Note, "Conversion Price" means US$1.663, as may be adjusted pursuant to Section 4(d) hereof.

(ii) The number of the Conversion Shares to be issued upon any conversion pursuant to this Section 4(a) shall be equal to the quotient obtained by dividing the Principal Amount subject to such conversion by the Conversion Price.

(b) No Fractional Shares. Upon the conversion of this Note into the Conversion Shares, in lieu of any fractional shares to which the Purchaser would otherwise be entitled, the Company shall pay the holder of this Note cash equal to such fraction multiplied by the Conversion Price.

(c) Mechanics of Conversion. In the event that the Purchaser has delivered to the Company a written notice in accordance with Section 4(a)(i) hereof specifying that the Purchaser irrevocably elects to convert this Note (whether in part or in full), the Company shall at its expense take all actions and execute all documents necessary to effect the issuance of all the Conversion Shares (including giving all necessary instructions to update the register of members to effect such issuance) within two (2) weeks of delivery of the applicable written notice to convert, and deliver to the Purchaser, upon surrender of this Note, a certificate or certificates for the number of fully paid Conversion Shares issuable upon such conversion and the updated register of members of the Company indicating that the Purchaser is the holder of such Conversion Shares. The Company shall not be required to issue or deliver the Conversion Shares until the Purchaser has surrendered this Note to the Company.

(d) Adjustments to Conversion Price. The Conversion Price shall be adjusted according to the following items: When any of the Principal Amount is outstanding at any time, (a) if the Company: (i) pays dividends in the form of securities or security equivalents of the Company; (ii) splits the outstanding securities of the Company in order to increase the number of shares; or (iii) incorporates outstanding securities of the Company (including in the form of a reverse share split) to decrease the number of shares, the then-existing Conversion Price shall be multiplied by a fraction, whose numerator is the number of outstanding securities of the Company immediately before the occurrence of the matter, and whose denominator is the number of outstanding securities of the Company immediately after the occurrence of the matter; (b) if the Company issues Ordinary Shares to all or substantially all shareholders as a class by way of rights issue, or issue or grant to all or substantially all shareholders as a class, by way of rights issue, of options, warrants or other rights to subscribe for or purchase any Ordinary Shares, in each case at less than 95 per cent of the closing price of the ADSs divided by the ratio of ADS to share (the “Market Price Per Share”) on the last trading day preceding the date of the announcement of the terms of the issue or grant, the Conversion Price shall be multiplied by a fraction, whose numerator is the number of Ordinary Shares in issue immediately before such announcement plus the number of Ordinary Shares which the aggregate amount (if any) payable for the Ordinary Shares issued by way of rights issue or for the options or warrants or other rights issued or granted by way of rights issue and for the total number of Ordinary Shares comprised therein would subscribe, purchase or otherwise acquire at Market Price Per Share, and the denominator is the number of Ordinary Shares in issue immediately before such announcement plus the aggregate number of Ordinary Shares issued or, as the case may be, comprised in the issue or grant, or (c) if the Company makes (or fixes a record date for the determination of holders of Ordinary Shares entitled to receive) a dividend or other distribution to the holders of Ordinary Shares payable in any other asset or property (including cash, but excluding dividends by securities or security equivalents of the Company), then, and in each such event, provision shall be made so that, upon conversion of the Note thereafter, the Purchaser shall receive, in addition to the number of Ordinary Shares issuable thereon, such other asset or property which the holder of such Ordinary Shares would have received in connection with such event had the

outstanding Principal Amount been converted into Ordinary Shares immediately prior to each such event, all subject to further adjustment as provided herein. Any adjustment made according to the aforesaid conditions shall come into effect immediately after the record date of deciding the shareholders having rights to obtain dividends or allocations and, for the purpose of any share split, incorporation or reclassification, shall come into effect immediately after such matters come into effect.

5. Events of Default. Each of the following events shall be considered an event of default (the "Event of Default") with respect to this Note:

(a) Failure to Pay. The Company shall fail to pay when due (i) any principal payment or (ii) any interest payment or other payment required under the terms of this Note on the date due, and such payment shall not have been made within ten (10) Business Days after the date due.

(b) Voluntary Bankruptcy or Insolvency Proceedings. The Company or any of its Significant Subsidiaries shall (i) apply for or consent to the appointment of a receiver, trustee, liquidator or custodian of itself or of all or a substantial part of its property, (ii) admit in writing its inability to pay its debts generally as they mature, (iii) make a general assignment for the benefit of its or any of its creditors, (iv) be dissolved or liquidated, (v) commence a voluntary case or other proceeding seeking liquidation, reorganization or other relief with respect to itself or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or consent to any such relief or to the appointment of or taking possession of its property by any official in an involuntary case or other proceeding commenced against it, or (vi) take any action for the purpose of effecting any of the foregoing. As used in this Note, "Significant Subsidiary" means any Subsidiary of the Company, the total assets (after intercompany eliminations) of which exceeds twenty percent (20%) of the consolidated total assets of the Company and its subsidiaries as of the end of the Company's most recently completed fiscal year.

(c) Involuntary Bankruptcy or Insolvency Proceedings. Proceedings for the appointment of a receiver, trustee, liquidator or custodian of the Company or any of its Significant Subsidiaries, or of all or a substantial part of their property, or an involuntary case or other proceedings seeking liquidation, reorganization or other relief with respect to the Company or its Significant Subsidiaries, or the debts thereof, under any bankruptcy, insolvency or other similar law now or hereafter in effect shall be commenced and either (i) an order for relief shall be entered or (ii) such proceeding shall not be dismissed or discharged within 45 days of commencement.

(d) Cessation to be a Public Company. The Company's securities shall cease to be publicly traded on the Nasdaq Global Select Market.

(e) Change of Control. Any Change of Control shall occur. For the purpose of this provision 5(e), a "Change of Control" occurs if any "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act) other than (i) Mr. Kun Dai, or any of his Affiliates, (ii) any of Warburg Pincus, TPG Capital, 58.com Holdings Inc. or any of its respective Affiliates, or (iii) any "group" solely consisting of the Persons set forth in clauses (i) and (ii) above, is or becomes the "beneficial owner" (as such term is used in Rule 13d-3 of the Exchange Act), directly or indirectly, of 50% or more voting power of the Company's issued and outstanding securities.

(f) Breach of Other Obligations. The Company fails to perform or comply with one or more of its other obligations in this Note or the Convertible Note Purchase Agreement in any material respect, or breach any representation or warranty of the Company contained in the Convertible Note Purchase Agreement in any material respect, and in each case such failure is not capable of being cured or is not cured within thirty (30) days.

(g) Material Adverse Effect. Any one or more events, facts, conditions, changes or developments shall have occurred that have caused or constituted or could be reasonably expected to cause or constitute, either individually or in the aggregate, a Material Adverse Effect.

(h) Cross-Default. Any Significant Indebtedness (as defined below) of the Company or its Subsidiaries is not paid when due or (as the case may be) within any originally applicable grace period, or any such Significant Indebtedness becomes (or becomes capable of being declared) due and payable prior to its stated maturity otherwise than at the option of the Company or its Subsidiaries, or the Company or its Subsidiaries fails to pay when due any amount payable by it under any guarantee or indemnity of any Significant Indebtedness. For the purpose of this Section 5(i), "Significant Indebtedness" means, with respect to each event mentioned above, one or more indebtedness with an aggregate amount of no less than US$10,000,000 or its equivalent in any other currency or currencies.

(i) Unsatisfied Judgment. One or more judgment(s) or order(s) for the payment of an aggregate amount of no less than US$10,000,000 is rendered against the Company or its Subsidiaries and continue(s) unappealed, unsatisfied and unstayed for a period of sixty (60) days after the date(s) thereof or, if later, the date therein specified for payment.

(j) Security Enforced. A secured party takes possession, or a receiver, manager or other similar officer is appointed, of the whole or a material part of the undertaking, assets and revenues of the Company and its Subsidiaries taken as a whole.

(k) Enforcement Proceedings. A distress, attachment, execution, seizure before judgment or other legal process is levied, enforced or sued out on or against any material part of the property, assets or revenue of the Company or its Significant Subsidiaries.

(l) Winding up, etc. An order is made by any Governmental Entity having jurisdiction or an effective resolution is passed for the winding up, liquidation or dissolution of the Company or any of its Significant Subsidiaries (other than, in the case of a Significant Subsidiary of the Company, for the purposes of or pursuant to an amalgamation, reorganization or restructuring whilst solvent).

6. Remedies. Upon the occurrence of an Event of Default under Section 5 hereof, at the option and upon the written declaration of the Purchaser at the Purchaser's sole discretion, the entire unpaid Principal Amount and unpaid interest accrued thereon shall become forthwith due and payable, and the Purchaser may immediately enforce payment of all amounts due and owing under this Note and exercise any and all other remedies granted to it at law, in equity or otherwise. Without limiting the generality of the foregoing, upon the occurrence of an Event of Default under Section 5(e) hereof, the Company shall, if so requested by the Purchaser, cooperate in good faith with the Purchaser with respect to the Purchaser's efforts to receive equity securities of the

surviving entity (if any) in lieu of the acceleration of the Principal Amount and unpaid interest accrued thereon.

7. Prepayment. The Principal Amount or interest accrued thereon may not be prepaid prior to the Maturity Date without the written consent of the Purchaser.

8. No Rights as Shareholder Prior to Conversion. For the avoidance of doubt, the Purchaser has not been conferred with any of the rights of a shareholder of the Company, including the right to vote as such, by any of the provisions hereof or any provisions under the Convertible Note Purchase Agreement, or any right (a) to vote for the election of directors or upon any matter submitted to shareholders at any meeting thereof, (b) to give or withhold consent to any corporate action (whether upon any recapitalization, issuance of shares, reclassification of shares, change of par value, or change of shares to no par value, consolidation, merger, scheme of arrangement, conveyance, or otherwise), (c) to receive notice of meetings or to receive in-kind dividends or subscription rights or otherwise, in each case until this Note shall have been converted in whole or in part and all the Conversion Shares issuable upon such whole or partial conversion hereof shall have been issued, as provided for in this Note and the Convertible Note Purchase Agreement. For the avoidance of doubt, the Purchaser shall be conferred with all rights of a shareholder of the Company immediately upon any partial or full conversion of the Note with respect to such Conversion Shares.

10. Termination of Rights.All rights under this Note shall automatically terminate when (a) all amounts owing on this Note have been paid in full or (b) this Note is converted in full pursuant to Section 4 hereof. Upon the termination of all rights under this Note, this Note shall be surrendered by the Purchaser to the Company and this Note so surrendered shall be cancelled and shall not be reissued. For the avoidance of doubt, the Convertible Note Purchase Agreement shall not be terminated merely due to a termination of all rights under this Note, and shall remain in force and effect or terminate pursuant to the terms thereof.

11. Amendments and Waivers; Notice. The amendment or waiver of any term of this Note shall be subject to the written consent of the Company and the Purchaser. The provision of notice shall be conducted pursuant to the terms of the Convertible Note Purchase Agreement.

12. Successors and Assigns. This Note applies to, inures to the benefit of, and binds, the successors and assigns of the parties hereto; provided, however, that no party hereto may assign its obligations under this Note without the written consent of the other party hereto. Notwithstanding anything to the contrary, the Purchaser may, subject to applicable laws, transfer this Note to any of its Affiliates. Any transfer of this Note may take effect by surrender of this Note to the Company and reissuance of a new note to the transferee.

13. Governing Law; Dispute Resolution. This Note shall be governed by and construed under the laws of the State of New York without regards to principles of conflict of laws. The resolution of any controversy or claim arising out of or relating to this Note shall be conducted pursuant to the terms of the Convertible Note Purchase Agreement.

[*Remainder of Page Intentionally Left Blank*]

IN WITNESS WHEREOF, the Company has executed this Note as of the date first above written.

Uxin Limited

By: _____
Name:
Title:

EXHIBIT B
FORM OF 11.0% NOTE

THIS NOTE AND THE SECURITIES ISSUABLE UPON THE CONVERSION HEREOF HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR UNDER ANY OTHER SECURITIES LAWS. THIS NOTE AND THE SECURITIES ISSUABLE UPON THE CONVERSION HEREOF ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE SOLD, OFFERED FOR SALE, PLEDGED, HYPOTHECATED, OR OTHERWISE TRANSFERRED EXCEPT AS PERMITTED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND OTHER APPLICABLE SECURITIES LAWS, PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT OR AN EXEMPTION THEREFROM.

CONVERTIBLE PROMISSORY NOTE

[·], 2019 ("Date of Issuance")

US$[·]

FOR VALUE RECEIVED, and subject to the terms and conditions of this convertible promissory note (this "Note"), Uxin Limited, an exempted company with limited liability incorporated under the laws of the Cayman Islands (the "Company"), hereby promises to pay to the order of [•], a [company incorporated under the laws of [•]](the "Purchaser"), or its assigns, in lawful money of the United States of America the principal amount of [•] Dollars (US$[•]) (the "Principal Amount"), plus accrued interest thereon, on [·], 2020 (the "Maturity Date"), unless earlier duly converted in full into the Conversion Shares pursuant to and in accordance with the terms of this Note.

This Note is issued pursuant to the Convertible Note Purchase Agreement, dated July 12, 2019, by and between the Company, the Purchaser and certain other parties thereto (the "Convertible Note Purchase Agreement"), and is subject to the terms and conditions thereof. In case of any conflict between this Note and the Convertible Note Purchase Agreement, the provisions of the Convertible Note Purchase Agreement shall control and govern. Capitalized terms used but not defined herein shall have the respective meanings given to such terms in the Convertible Note Purchase Agreement.

The following is a statement of the rights of the Purchaser and the conditions to which this Note is subject, and to which the Purchaser, by the acceptance of this Note, agrees:

1. Interest Rate. This Note shall bear interest on the outstanding Principal Amount at a simple interest rate of eleven percent (11.0%) per annum from the Date of Issuance until this Note is fully repaid or redeemed; provided, that if any portion of this Note is duly converted into the Conversion Shares pursuant to and in accordance with Section 4 hereof, interest shall cease to accrue on the portion of the Principal Amount being converted (and, for the avoidance of doubt, continue to accrue on any outstanding Principal Amount not being converted). Accrued interest on this Note shall be computed on the basis of a 365-day year and actual days elapsed.

2. Repayment of this Note.

(a) Unless to the extent earlier converted into Conversion Shares pursuant to Section 4 hereof, the outstanding Principal Amount (other than any portion of the Principal Amount converted pursuant to Section 4 hereof) and the interest accrued thereon shall be due and payable by the Company upon the earlier of (i) the Maturity Date, and (ii) the occurrence of an Event of Default set forth in Section 5 hereof (the "Due Date"). Upon the due conversion in full of this Note pursuant to and in accordance with Section 4 hereof, any and all payment obligations of the Company under this Note and the Convertible Note Purchase Agreement shall be fully discharged.

(b) All amounts payable on or in respect of this Note or the indebtedness evidenced hereby shall be paid to the Purchaser in lawful money of the United States of America within three (3) Business Days after the Due Date. The Company shall make such payments of the unpaid Principal Amount (other than any portion of the Principal Amount converted pursuant to Section 4 hereof), together with accrued and unpaid interest thereon, to the Purchaser by wire transfer of immediately available funds for the account of the Purchaser as the Purchaser may designate and notify in writing to the Company at least five (5) Business Days prior to the payment date. Payment shall be credited first to accrued interest due and payable, and any remainder shall be applied to the outstanding Principal Amount.

(c) All payments of principal and interest in respect of this Note by or on behalf of the Company shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the Cayman Islands or the PRC or any political subdivision thereof or any authority therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law.

3. Seniority. This Note ranks senior in right of payment to any of the Company's other indebtedness that is expressly subordinated in right of payment to this Note, *pari passu* in right of payment to any of the Company's other indebtedness and liabilities that are not so subordinated, junior in right of payment to any of the Company's secured indebtedness to the extent of the value of the assets securing such indebtedness, and structurally junior to all indebtedness and liabilities incurred by the Company's Subsidiaries.

4. Conversion.

(a) Conversion.

(i) During the period from and including the 181st day after the Date of Issuance to and including the Maturity Date, the Purchaser shall, by written notice to the Company, have the right but not the obligation to convert all or any portion of the outstanding Principal Amount to a number of Conversion Shares at the applicable Conversion Price, provided, however, that the Purchaser shall not exercise such right to convert more than twice. As used in this Note, "Conversion Price" means US$1.663, as may be adjusted pursuant to Section 4(d) hereof.

(ii) The number of the Conversion Shares to be issued upon any conversion pursuant to this Section 4(a) shall be equal to the quotient obtained by dividing the Principal Amount subject to such conversion by the Conversion Price.

(b) No Fractional Shares. Upon the conversion of this Note into the Conversion Shares, in lieu of any fractional shares to which the Purchaser would otherwise be entitled, the Company shall pay the holder of this Note cash equal to such fraction multiplied by the Conversion Price.

(c) Mechanics of Conversion. In the event that the Purchaser has delivered to the Company a written notice in accordance with Section 4(a)(i) hereof specifying that the Purchaser irrevocably elects to convert this Note (whether in part or in full), the Company shall at its expense take all actions and execute all documents necessary to effect the issuance of all the Conversion Shares (including giving all necessary instructions to update the register of members to effect such issuance) within two (2) weeks of delivery of the applicable written notice to convert, and deliver to the Purchaser, upon surrender of this Note, a certificate or certificates for the number of fully paid Conversion Shares issuable upon such conversion and the updated register of members of the Company indicating that the Purchaser is the holder of such Conversion Shares. The Company shall not be required to issue or deliver the Conversion Shares until the Purchaser has surrendered this Note to the Company.

(d) Adjustments to Conversion Price. The Conversion Price shall be adjusted according to the following items: When any of the Principal Amount is outstanding at any time, (a) if the Company: (i) pays dividends in the form of securities or security equivalents of the Company; (ii) splits the outstanding securities of the Company in order to increase the number of shares; or (iii) incorporates outstanding securities of the Company (including in the form of a reverse share split) to decrease the number of shares, the then-existing Conversion Price shall be multiplied by a fraction, whose numerator is the number of outstanding securities of the Company immediately before the occurrence of the matter, and whose denominator is the number of outstanding securities of the Company immediately after the occurrence of the matter; (b) if the Company issues Ordinary Shares to all or substantially all shareholders as a class by way of rights issue, or issue or grant to all or substantially all shareholders as a class, by way of rights issue, of options, warrants or other rights to subscribe for or purchase any Ordinary Shares, in each case at less than 95 per cent of the closing price of the ADSs divided by the ratio of ADS to share (the “Market Price Per Share”) on the last trading day preceding the date of the announcement of the terms of the issue or grant, the Conversion Price shall be multiplied by a fraction, whose numerator is the number of Ordinary Shares in issue immediately before such announcement plus the number of Ordinary Shares which the aggregate amount (if any) payable for the Ordinary Shares issued by way of rights issue or for the options or warrants or other rights issued or granted by way of rights issue and for the total number of Ordinary Shares comprised therein would subscribe, purchase or otherwise acquire at Market Price Per Share, and the denominator is the number of Ordinary Shares in issue immediately before such announcement plus the aggregate number of Ordinary Shares issued or, as the case may be, comprised in the issue or grant, or (c) if the Company makes (or fixes a record date for the determination of holders of Ordinary Shares entitled to receive) a dividend or other distribution to the holders of Ordinary Shares payable in any other asset or property (including cash, but excluding dividends by securities or security equivalents of the Company), then, and in each such event, provision shall be made so that, upon conversion of the Note thereafter, the Purchaser shall receive, in addition to the number of Ordinary Shares issuable thereon, such other asset or property which the holder of such Ordinary Shares would have received in connection with such event had the

outstanding Principal Amount been converted into Ordinary Shares immediately prior to each such event, all subject to further adjustment as provided herein. Any adjustment made according to the aforesaid conditions shall come into effect immediately after the record date of deciding the shareholders having rights to obtain dividends or allocations and, for the purpose of any share split, incorporation or reclassification, shall come into effect immediately after such matters come into effect.

5. Events of Default. Each of the following events shall be considered an event of default (the "Event of Default") with respect to this Note:

(a) Failure to Pay. The Company shall fail to pay when due (i) any principal payment or (ii) any interest payment or other payment required under the terms of this Note on the date due, and such payment shall not have been made within ten (10) Business Days after the date due.

(b) Voluntary Bankruptcy or Insolvency Proceedings. The Company or any of its Significant Subsidiaries shall (i) apply for or consent to the appointment of a receiver, trustee, liquidator or custodian of itself or of all or a substantial part of its property, (ii) admit in writing its inability to pay its debts generally as they mature, (iii) make a general assignment for the benefit of its or any of its creditors, (iv) be dissolved or liquidated, (v) commence a voluntary case or other proceeding seeking liquidation, reorganization or other relief with respect to itself or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or consent to any such relief or to the appointment of or taking possession of its property by any official in an involuntary case or other proceeding commenced against it, or (vi) take any action for the purpose of effecting any of the foregoing. As used in this Note, "Significant Subsidiary" means any Subsidiary of the Company, the total assets (after intercompany eliminations) of which exceeds twenty percent (20%) of the consolidated total assets of the Company and its subsidiaries as of the end of the Company's most recently completed fiscal year.

(c) Involuntary Bankruptcy or Insolvency Proceedings. Proceedings for the appointment of a receiver, trustee, liquidator or custodian of the Company or any of its Significant Subsidiaries, or of all or a substantial part of their property, or an involuntary case or other proceedings seeking liquidation, reorganization or other relief with respect to the Company or its Significant Subsidiaries, or the debts thereof, under any bankruptcy, insolvency or other similar law now or hereafter in effect shall be commenced and either (i) an order for relief shall be entered or (ii) such proceeding shall not be dismissed or discharged within 45 days of commencement.

(d) Cessation to be a Public Company. The Company's securities shall cease to be publicly traded on the Nasdaq Global Select Market.

(e) Change of Control. Any Change of Control shall occur. For the purpose of this provision 5(e), a "Change of Control" occurs if any "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act) other than (i) Mr. Kun Dai, or any of his Affiliates, (ii) any of Warburg Pincus, TPG Capital, 58.com Holdings Inc. or any of its respective Affiliates, or (iii) any "group" solely consisting of the Persons set forth in clauses (i) and (ii) above, is or becomes the "beneficial owner" (as such term is used in Rule 13d-3 of the Exchange Act), directly or indirectly, of 50% or more voting power of the Company's issued and outstanding securities.

(f) Breach of Other Obligations. The Company fails to perform or comply with one or more of its other obligations in this Note or the Convertible Note Purchase Agreement in any material respect, or breach any representation or warranty of the Company contained in the Convertible Note Purchase Agreement in any material respect, and in each case such failure is not capable of being cured or is not cured within thirty (30) days.

(g) Material Adverse Effect. Any one or more events, facts, conditions, changes or developments shall have occurred that have caused or constituted or could be reasonably expected to cause or constitute, either individually or in the aggregate, a Material Adverse Effect.

(h) Cross-Default. Any Significant Indebtedness (as defined below) of the Company or its Subsidiaries is not paid when due or (as the case may be) within any originally applicable grace period, or any such Significant Indebtedness becomes (or becomes capable of being declared) due and payable prior to its stated maturity otherwise than at the option of the Company or its Subsidiaries, or the Company or its Subsidiaries fails to pay when due any amount payable by it under any guarantee or indemnity of any Significant Indebtedness. For the purpose of this Section 5(i), "Significant Indebtedness" means, with respect to each event mentioned above, one or more indebtedness with an aggregate amount of no less than US$10,000,000 or its equivalent in any other currency or currencies.

(i) Unsatisfied Judgment. One or more judgment(s) or order(s) for the payment of an aggregate amount of no less than US$10,000,000 is rendered against the Company or its Subsidiaries and continue(s) unappealed, unsatisfied and unstayed for a period of sixty (60) days after the date(s) thereof or, if later, the date therein specified for payment.

(j) Security Enforced. A secured party takes possession, or a receiver, manager or other similar officer is appointed, of the whole or a material part of the undertaking, assets and revenues of the Company and its Subsidiaries taken as a whole.

(k) Enforcement Proceedings. A distress, attachment, execution, seizure before judgment or other legal process is levied, enforced or sued out on or against any material part of the property, assets or revenue of the Company or its Significant Subsidiaries.

(l) Winding up, etc. An order is made by any Governmental Entity having jurisdiction or an effective resolution is passed for the winding up, liquidation or dissolution of the Company or any of its Significant Subsidiaries (other than, in the case of a Significant Subsidiary of the Company, for the purposes of or pursuant to an amalgamation, reorganization or restructuring whilst solvent).

6. Remedies. Upon the occurrence of an Event of Default under Section 5 hereof, at the option and upon the written declaration of the Purchaser at the Purchaser's sole discretion, the entire unpaid Principal Amount and unpaid interest accrued thereon shall become forthwith due and payable, and the Purchaser may immediately enforce payment of all amounts due and owing under this Note and exercise any and all other remedies granted to it at law, in equity or otherwise. Without limiting the generality of the foregoing, upon the occurrence of an Event of Default under Section 5(e) hereof, the Company shall, if so requested by the Purchaser, cooperate in good faith with the Purchaser with respect to the Purchaser's efforts to receive equity securities of the

surviving entity (if any) in lieu of the acceleration of the Principal Amount and unpaid interest accrued thereon.

7. Prepayment. The Principal Amount or interest accrued thereon may not be prepaid prior to the Maturity Date without the written consent of the Purchaser.

8. No Rights as Shareholder Prior to Conversion. For the avoidance of doubt, the Purchaser has not been conferred with any of the rights of a shareholder of the Company, including the right to vote as such, by any of the provisions hereof or any provisions under the Convertible Note Purchase Agreement, or any right (a) to vote for the election of directors or upon any matter submitted to shareholders at any meeting thereof, (b) to give or withhold consent to any corporate action (whether upon any recapitalization, issuance of shares, reclassification of shares, change of par value, or change of shares to no par value, consolidation, merger, scheme of arrangement, conveyance, or otherwise), (c) to receive notice of meetings or to receive in-kind dividends or subscription rights or otherwise, in each case until this Note shall have been converted in whole or in part and all the Conversion Shares issuable upon such whole or partial conversion hereof shall have been issued, as provided for in this Note and the Convertible Note Purchase Agreement. For the avoidance of doubt, the Purchaser shall be conferred with all rights of a shareholder of the Company immediately upon any partial or full conversion of the Note with respect to such Conversion Shares.

10. Termination of Rights.All rights under this Note shall automatically terminate when (a) all amounts owing on this Note have been paid in full or (b) this Note is converted in full pursuant to Section 4 hereof. Upon the termination of all rights under this Note, this Note shall be surrendered by the Purchaser to the Company and this Note so surrendered shall be cancelled and shall not be reissued. For the avoidance of doubt, the Convertible Note Purchase Agreement shall not be terminated merely due to a termination of all rights under this Note, and shall remain in force and effect or terminate pursuant to the terms thereof.

11. Amendments and Waivers; Notice. The amendment or waiver of any term of this Note shall be subject to the written consent of the Company and the Purchaser. The provision of notice shall be conducted pursuant to the terms of the Convertible Note Purchase Agreement.

12. Successors and Assigns. This Note applies to, inures to the benefit of, and binds, the successors and assigns of the parties hereto; provided, however, that no party hereto may assign its obligations under this Note without the written consent of the other party hereto. Notwithstanding anything to the contrary, the Purchaser may, subject to applicable laws, transfer this Note to any of its Affiliates. Any transfer of this Note may take effect by surrender of this Note to the Company and reissuance of a new note to the transferee.

13. Governing Law; Dispute Resolution. This Note shall be governed by and construed under the laws of the State of New York without regards to principles of conflict of laws. The resolution of any controversy or claim arising out of or relating to this Note shall be conducted pursuant to the terms of the Convertible Note Purchase Agreement.

[*Remainder of Page Intentionally Left Blank*]

IN WITNESS WHEREOF, the Company has executed this Note as of the date first above written.

Uxin Limited

By: _____

Name:
Title:

Exhibit 4.30

Execution Version

CONVERTIBLE NOTE PURCHASE AGREEMENT

by and between

UXIN LIMITED

and

PACIFICBRIDGE ASSET MANAGEMENT

Dated July 12, 2019

CERTAIN INFORMATION HAS BEEN EXCLUDED FROM THE EXHIBIT BECAUSE IT IS NOT MATERIAL AND WOULD LIKELY CAUSE COMPETITIVE HARM TO THE COMPANY IF PUBLICLY DISCLOSED.

[*] indicates the redacted confidential portions of this exhibit.

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CONVERTIBLE NOTE PURCHASE AGREEMENT

This CONVERTIBLE NOTE PURCHASE AGREEMENT (as amended, restated, supplemented or otherwise modified from time to time, this "Agreement"), dated July 12, 2019, is entered into by and between Uxin Limited, an exempted company with limited liability incorporated under the laws of the Cayman Islands (the "Company"), and PacificBridge Asset Management (the "Fund Manager") acting in its capacity as the fund manager of each of the Persons listed in Schedule 1 hereto (each, a "Purchaser").

W I T N E S S E T H:

WHEREAS, the Company desires to issue to each Purchaser, and the Fund Manager has agreed to cause each Purchaser to purchase from the Company, the applicable Notes (as defined below), subject to the terms and conditions set forth herein and in the applicable Notes.

NOW, THEREFORE, in consideration of the respective undertakings stated herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. DEFINITIONS. Whenever used herein, unless the context otherwise requires, the following words and phrases shall have the following meanings:

"10.0% Note" shall mean a promissory note, with a 10.0% coupon and a maturity date that is 12 months after the issuance date, to be issued by the Company to the applicable Purchaser pursuant to Article 2 below, in the form of Exhibit A.

"11.0% Note" shall mean a promissory note, with a 11.0% coupon and a maturity date that is 15 months after the issuance date, to be issued by the Company to the applicable Purchaser pursuant to Article 2 below, in the form of Exhibit B.

"ADSs" shall mean American Depositary Shares representing Class A Ordinary Shares.

"Adverse Person" shall mean any Person identified in Schedule 2 hereto, any additional Persons to be mutually agreed in writing by the Company and the Fund Manager from time to time, and any Controlled Affiliates of any of the foregoing.

"Affiliate" of any specified Person shall mean any other Person directly or indirectly Controlling or Controlled by or under direct or indirect common Control with such specified Person. For the avoidance of doubt, none of the Purchasers shall be considered as an Affiliate of the Company or the Company's Subsidiaries by reason of holding any Notes to be issued hereunder.

"Agreement" shall have the meaning specified in the preamble to this Agreement.

"Board" shall mean the board of directors of the Company.

"Business Day" shall mean any day that is not a Saturday, a Sunday or another day on which banking institutions in the State of New York, the PRC, Hong Kong, the Republic of Korea or the Cayman Islands are required by law to be closed.

"Claim Notice" shall have the meaning specified in Section 6.2(a) of this Agreement.

"Class A Ordinary Shares" shall mean the Class A ordinary shares of the Company of a par value of US$0.0001 each.

"Class B Ordinary Shares" shall mean the Class B ordinary shares of the Company of a par value of US$0.0001 each.

"Closing" shall have the meaning specified in Section 2.2 of this Agreement.

"Closing Date" shall have the meaning specified in Section 2.2 of this Agreement. "Company" shall have the meaning specified in the preamble to this Agreement.

"Company Securities" shall mean (a) Ordinary Shares or American Depositary Shares, depositary receipts or similar instruments issued in respect of Ordinary Shares, (b) securities convertible into, or exercisable or exchangeable for, any Ordinary Shares or other instruments described in clause (a), and (c) any options, warrants or other rights to acquire any of the foregoing Ordinary Shares, instruments or securities.

"Control" of a given Person shall mean the power or authority, whether exercised or not, to direct the business, management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; provided, that such power or authority shall conclusively be presumed to exist upon possession of beneficial ownership or power to direct the vote of more than fifty percent (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 a majority of the board of directors of such Person. The terms "Controlled" and "Controlling" have meanings correlative to the foregoing.

"Conversion Shares" shall mean the Class A Ordinary Shares issuable upon conversion of the Notes in accordance with the terms thereof.

"Dispute" shall have the meaning specified in Section 7.2 of this Agreement.

"Encumbrance" shall mean (a) any mortgage, charge, pledge, lien, hypothecation, deed of trust, title retention, title defect, security interest, encumbrance or other third-party rights of any kind securing or conferring any priority of payment in respect of any obligation of any Person, any other restriction or limitation; (b) any easement or covenant granting a right of use or occupancy to any Person; (c) any proxy, power of attorney, voting trust agreement, interest, option, right of first offer, right of pre-emptive negotiation, or refusal or transfer restriction in favor of any Person; and (d) any adverse claim as to title.

"Exchange Act" shall mean the United States Securities Exchange Act of 1934, as amended.

"Fund Manager" shall have the meaning specified in the preamble to this Agreement.

"Fundamental Company Representations" shall mean the representations and warranties by the Company contained in Sections 3.2, 3.3, 3.4, 3.5 and 3.6.

"Fundamental Purchaser Representations" shall mean the representations and warranties by the Fund Manager contained in Sections 4.1, 4.2, 4.3 and 4.4.

"Governmental Entity" shall mean any transnational or supranational, domestic or foreign federal, national, state, provincial, local or municipal governmental, regulatory, judicial

or administrative authority, department, court, arbitral body, agency or official, including any department, commission, board, agency, bureau, subdivision or instrumentality thereof or any stock exchange.

"Hong Kong" shall mean the Hong Kong Special Administrative Region of the PRC.

"Indemnified Party" shall have the meaning specified in Section 6.1(a) of this Agreement.

"Indemnifying Party" shall have the meaning specified in Section 6.1(a) of this Agreement.

"Indemnity Notice" shall have the meaning specified in Section 6.3 of this Agreement.

"Lock-Up Period" shall mean the period between the Closing Date and the date that is 180 days after the Closing Date (both dates inclusive).

"Loss Threshold" shall have the meaning specified in Section 6.1(c).

"Losses" shall have the meaning specified in Section 6.1(a) of this Agreement.

"Material Adverse Effect" shall mean any event, occurrence, fact, condition, change or development, individually or together with other events, occurrences, facts, conditions, changes or developments, that has had, has, or would reasonably be expected to have a material adverse effect on (a) the business of the Company as presently conducted, or the condition (financial or otherwise), affairs, properties, employees, liabilities, assets or results of operation of the Company and its Subsidiaries taken as a whole or (b) the ability of the Company to consummate the transactions contemplated by this Agreement and the Notes and to timely perform its material obligations hereunder and thereunder; provided, however, that in determining whether a Material Adverse Effect has occurred, there shall be excluded any effect on the business of the Company or the Company or any Subsidiary relating to or arising in connection with (i) any action required to be taken pursuant to the terms and conditions of this Agreement or taken at the written direction of the Fund Manager or any Purchaser, (ii) economic changes affecting the industry in which the Company and its Subsidiaries operate generally or the economy of the PRC or any other market where the Company and its Subsidiaries have material operations or sales generally (provided in each case that such changes do not have a unique and materially disproportionate impact on the business of the Company and its Subsidiaries compared to any other companies that operate in the industry or market in which the Company and its Subsidiaries operate), (iii) the execution, announcement or disclosure of this Agreement or the pendency or consummation of the transactions contemplated hereunder, (iv) actions or omissions of the Company and its Subsidiaries that have been consented by the Fund Manager or any Purchaser in writing or otherwise contemplated by this Agreement, (v) changes in generally accepted accounting principles that are generally applicable to comparable companies (provided that such changes do not have a unique and materially disproportionate impact on the business of the Company and its Subsidiaries compared to compared to any other companies that operate in the industry or market in which the Company and its Subsidiaries operate), (vi) changes in general legal, tax or regulatory conditions (provided that such changes do not have a unique or materially disproportionate impact on the business of the Company and its Subsidiaries compared to any other companies that operate in the industry or market in which the Company and its Subsidiaries operate), (vii) changes in national or international political or social conditions,

including any engagement in hostilities or the occurrence of any military or terrorist attack or civil unrest, or (viii) earthquakes, hurricanes, floods or other natural disasters.

"Note(s)" shall mean any of the 10.0% Note and the 11.0% Note, as applicable.

"Ordinary Shares" shall mean the Class A Ordinary Shares and the Class B Ordinary Shares.

"Person" shall mean any natural person, firm, corporation, limited liability company, partnership, joint venture, association, joint-stock company, trust, unincorporated organization, Governmental Entity or any other legal entity, including public bodies, whether acting in an individual, fiduciary or other capacity.

"PRC" shall mean the People's Republic of China, excluding, for the purpose of this Agreement, Hong Kong, the Macau Special Administrative Region and Taiwan.

"Principal Amount" with respect to a Purchaser and a Note shall mean the U.S. dollar amount set forth next to the name of the Purchaser in the column entitled "Principal Amount" in the applicable table in Schedule 1 hereto.

"Purchaser" shall have the meaning specified in the preamble to this Agreement.

"Purchaser Entities" shall mean, collectively, the Purchasers and the Fund Manager.

"Regulation S" shall have the meaning specified in Section 3.14 of this Agreement.

"SEC" shall mean the United States Securities and Exchange Commission.

"SEC Documents" shall mean all registration statements, proxy statements and other statements, reports, schedules, forms and other documents required to be filed or furnished by the Company with the SEC from time to time, and all exhibits included therein and financial statements, notes and schedules thereto and documents incorporated by reference therein.

"Securities Act" shall mean the United States Securities Act of 1933, as amended.

"Subsidiary" shall mean, with respect to any given Person, any other Person that is Controlled directly or indirectly by such given Person, which shall, for the avoidance of doubt, include any variable interest entity whose assets and financial results are consolidated with the assets and financial results of such given Person and are recorded on the financial statements of such given Person for financial reporting purposes in accordance with applicable accounting standards (each, a "VIE" and collectively, the "VIEs") and any Subsidiary of such VIEs.

"Third Party Claim" shall have the meaning specified in Section 6.2(a) of this Agreement.

"Transfer" shall mean directly or indirectly, offer, sell, contract to sell, pledge, transfer, assign, give, hypothecate, encumber, grant a security interest in, convey in trust, gift, devise or descent, or otherwise dispose of, or suffer to exist (whether by operation of law of otherwise) any Encumbrance on, any Company Securities or any right, title or interest therein or thereto, or enter into a transaction which would have the same effect, or enter into any swap, hedge or other arrangement that transfers, in whole or in part, any of the economic consequences of ownership of any Company Securities, whether any such aforementioned transaction is to be

settled by delivery of the Ordinary Shares, American Depositary Receipts or such other securities, in cash or otherwise, or publicly disclose the intention to make any such disposition or to enter into any such transaction, swap, hedge or other arrangement, including transfers pursuant to divorce or legal separation, transfers to receivers, levying creditors, trustees or receivers in bankruptcy proceedings or general assignees for the benefit of creditors, whether voluntary or by operation of law, directly or indirectly, of any Company Securities.

"US$" and "U.S. dollar" shall mean the lawful currency of the United States of America.

2. ISSUANCE OF THE NOTES.

2.1 Issuance of the Notes. Subject to the satisfaction of terms and conditions of this Agreement, at the Closing, the Company agrees to issue to each Purchaser, and the Fund Manager hereby agrees to cause each Purchaser to purchase from the Company, the 10.0% Note or the 11.0% Note, in the principal amount equal to the applicable Principal Amount.

2.2 Closing. The closing of the issuance and purchase of the Notes shall take place remotely via the exchange of documents and signatures after all closing conditions specified in Sections 2.4 and 2.5 hereof have been satisfied or waived (other than those conditions that by their nature are to be satisfied at the Closing, but subject to the satisfaction or waiver thereof at the Closing). The date of the Closing (the "Closing Date") will be August 16, 2019 or such other date as the Company and the Fund Manager may mutually agree in writing.

2.3 Payment and Delivery. At the Closing, the Fund Manager shall cause each Purchaser to pay and deliver the applicable Principal Amount to the Company in U.S. dollars by wire transfer, or by such other method as may be mutually agreed by the Company and the Fund Manager, of immediately available funds to such bank account of the Company designated in writing by the Company. Such payment shall be delivered and made available to such bank account on the Closing Date, and the Company shall deliver to each Purchaser the duly executed Note dated the Closing Date, free and clear of Encumbrances.

2.4 Conditions to the Fund Manager's Obligations to Effect the Closing. The obligation of the Fund Manager to cause each Purchaser to purchase the Note at the Closing is subject to the satisfaction, on or before the Closing Date, of the following conditions, any of which may be waived in writing by the Fund Manager in its sole and absolute discretion:

(a) All corporate and other actions required to be taken by the Company in connection with the issuance, sale and delivery of the applicable Note shall have been completed;

(b) The representations and warranties of the Company contained in Article 3 of this Agreement shall have been true and correct in all material respects on the date of this Agreement and true and correct as of the Closing Date, and the Company shall have performed and complied in all material respects with all, and not be in breach or default in any material respect under any, agreements, covenants, conditions and obligations contained in this Agreement that are required to be performed or complied with by it on or before the Closing Date;

(c) No Governmental Entity of competent jurisdiction shall have enacted, issued, promulgated, enforced or entered any law (whether temporary, preliminary or

permanent) that is in effect and restrains, enjoins, prevents, prohibits or otherwise makes illegal the consummation of the transactions contemplated by this Agreement, or imposes any damages or penalties in connection with the transactions contemplated by this Agreement with respect to that Purchaser that are substantial in relation to the Company and its Subsidiaries; and no action, suit, proceeding or investigation shall have been instituted by a Governmental Entity of competent jurisdiction or threatened that seeks to restrain, enjoin, prevent, prohibit or otherwise make illegal the consummation of the transactions contemplated by this Agreement with respect to that Purchaser, or imposes any damages or penalties in connection with the transactions contemplated by this Agreement with respect to that Purchaser that are substantial in relation to the Company and its Subsidiaries;

(d) No event, occurrence, development or state of circumstances that has or could reasonably be expected to have a Material Adverse Effect has occurred; and

(e) No event, occurrence, development or state of circumstances that would constitute an Event of Default (as defined in the applicable Note) shall have occurred.

2.5 Conditions to the Company's Obligations to Effect the Closing. The obligation of the Company to issue the Note to a Purchaser at the Closing is subject to the satisfaction, on or before the Closing Date, of the following conditions, any of which may be waived in writing by the Company in its sole discretion:

(a) All corporate and other actions required to be taken by that Purchaser and the Fund Manager in connection with the purchase of the applicable Note shall have been completed;

(b) The representations and warranties of the Fund Manager contained in Article 4 of this Agreement shall have been true and correct on the date of this Agreement and true and correct in all material respects as of the Closing Date, and the Fund Manager shall have performed and complied in all material respects with all, and not be in breach or default in any material respect under any, agreements, covenants, conditions and obligations contained in this Agreement that are required to be performed or complied with by it on or before the Closing Date; and

(c) No Governmental Entity of competent jurisdiction shall have enacted, issued, promulgated, enforced or entered any law (whether temporary, preliminary or permanent) that is in effect and restrains, enjoins, prevents, prohibits or otherwise makes illegal the consummation of the transactions contemplated by this Agreement, or imposes any damages or penalties in connection with the transactions contemplated by this Agreement with respect to the Company; and no action, suit, proceeding or investigation shall have been instituted by a Governmental Entity of competent jurisdiction or threatened that seeks to restrain, enjoin, prevent, prohibit or otherwise make illegal the consummation of the transactions contemplated by this Agreement, or imposes any damages or penalties in connection with the transactions contemplated by this Agreement with respect to the Company.

3. REPRESENTATIONS AND WARRANTIES OF THE COMPANY. Except as otherwise disclosed in the SEC Documents, the Company represents and warrants to the Fund Manager as of the date hereof and as of the Closing that:

3.1 Accuracy of Disclosure. The Company has filed or furnished, as applicable, on a timely basis, all SEC Documents. As of their respective effective dates (in the

case of the SEC Documents that are registration statements filed pursuant to the requirements of the Securities Act) and as of their respective SEC filing dates (in the case of all other SEC Documents), or in each case, if amended prior to the date hereof, as of the date of the last such amendment: (A) each of the SEC Documents complied in all material respects with the applicable requirements of the Securities Act, the Exchange Act and the Sarbanes-Oxley Act of 2002, as amended, and any rules and regulations promulgated thereunder applicable to the SEC Documents (as the case may be), and (B) none of the SEC Documents contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the material statements therein, in the light of the circumstances under which they were made, not misleading.

3.2 Existence and Qualification. The Company has been duly organized, is validly existing and in good standing under the laws of the Cayman Islands and has the requisite power and authority to own, lease and operate its property and to conduct its business as currently conducted and as described in the SEC Documents. Each of the Company and its Subsidiaries is duly qualified to transact business and is in good standing in each jurisdiction in which the conduct of its respective business or its respective ownership, leasing or operation of property requires such qualification, except to the extent that the failure to be so qualified or be in good standing would not, individually or in the aggregate, reasonably be expected have a Material Adverse Effect.

3.3 Capitalization; Issuance of Subscription Shares. The authorized share capital of the Company is $1,000,000 divided into 10,000,000,000 shares comprising of (i) 9,600,000,000 Class A Ordinary Shares, of which 839,868,944 Class A Ordinary Shares (excluding the 23,501,589 Class A Ordinary Shares issued to the Company's depositary bank for bulk issuance of American Depositary Shares reserved for future issuances upon the exercise or vesting of awards granted under the Company's share incentive plan) were issued and outstanding as of February 28, 2019, (ii) 100,000,000 Class B Ordinary Shares, of which 40,809,861 Class B Ordinary Shares were issued and outstanding as of February 28, 2019, and (iii) 300,000,000 shares of a par value of $0.0001 each of such class or classes (however designated) as the Board may determine in accordance with the Company's articles of association. All of the outstanding shares of capital stock of the Company are duly authorized, validly issued, fully paid and non-assessable, have been issued in compliance with all applicable securities laws, and none of such outstanding shares was issued in violation of any preemptive rights or similar rights to subscribe for or purchase securities. Except as set forth in the SEC Documents, the Company has no outstanding bonds, debentures, notes or other obligations, the holders of which have the right to vote (or which are convertible into or exercisable for securities having the right to vote) with the shareholders of the Company on any matter.

3.4 Valid Issuance of the Notes and the Conversion Shares. The Notes and the Conversion Shares to be issued, sold and delivered upon conversion of the Notes will be duly and validly issued, fully paid and non-assessable, free and clear of all Encumbrances except as imposed by applicable securities laws, and based in part upon the representations and warranties of the Fund Manager in this Agreement, will be issued in compliance with all applicable federal and state securities laws. Upon conversion of the Notes, each Purchaser will be entitled to all rights accorded to a holder of the Company's Class A Ordinary Shares and will be the record and beneficial owner of all such securities and have good and valid title to all such securities, free and clear of all Encumbrances except as imposed by applicable securities laws. The Conversion Shares will be freely transferable in compliance with Rule 144

under the Securities Act upon conversion of the Notes and no restrictive legend will be included in any certificate evidencing such shares.

3.5 Capacity, Authorization and Enforceability. The Company has the requisite power and authority to enter into and perform its obligations under this Agreement and consummate the transactions contemplated hereby. This Agreement has been duly authorized, executed and delivered by the Company, and assuming the due authorization, execution and delivery by the Fund Manager, this Agreement is a valid and binding agreement of the Company, enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency or similar laws affecting creditors' rights generally and general principles of equity.

3.6 Non-Contravention. Neither the execution and the delivery of this Agreement, nor the consummation of the transactions contemplated hereby, will (i) violate any provision of the memorandum and articles of association or other constitutional documents of the Company or (ii) violate any constitution, statute, regulation, rule, injunction, judgment, order, decree, ruling, charge, or other restriction of any Governmental Entity to which the Company or any of its Subsidiaries is subject, or (iii) conflict with, result in a breach of, constitute a default under, result in the acceleration of or creation of an Encumbrance under, create in any party the right to accelerate, terminate, modify, or cancel, or require any notice under, any agreement, contract, lease, license, instrument, or other arrangement to which the Company or any of its Subsidiaries is a party or by which the Company or any of its Subsidiaries is bound or to which the Company's or any of its Subsidiaries' assets are subject, except in the case of clauses (ii) or (iii) as would not have a Material Adverse Effect. There is no action, suit or proceeding, pending or, to the knowledge of the Company, threatened against the Company that questions the validity of this Agreement or the right of the Company to enter into this Agreement to consummate the transactions contemplated hereby.

3.7 Consents and Approvals. Assuming the accuracy of the representations and warranties of the Fund Manager under this Agreement, neither the execution and delivery by the Company of this Agreement, nor the consummation by the Company of any of the transactions contemplated hereby, nor the performance by the Company of this Agreement in accordance with its terms requires the consent, approval, order or authorization of, or registration with, or the giving notice to, any governmental or public body or authority or any third party, except such as have been or will have been obtained, made or given on or prior to the Closing and those filings required to be made with the SEC and the Nasdaq Stock Market (including, without limitation, a current report on Form 6-K).

3.8 Financial Statements. The financial statements (including any related notes) contained in the SEC Documents: (A) complied as to form in all material respects with applicable accounting requirements and the published rules and regulations of the SEC with respect thereto, (B) were prepared in accordance with United States generally accepted accounting principles ("GAAP") applied on a consistent basis throughout the periods covered thereby and (C) fairly present in all material respects the consolidated financial position of the Company and its Subsidiaries as of the respective dates thereof and the consolidated results of operations and cash flows of the Company and its Subsidiaries for the periods covered thereby, except as disclosed therein and as permitted under the Exchange Act.

3.9 Operating and non-GAAP financial Data. All operating data and non-GAAP financial data of the Company and its Subsidiaries disclosed in the SEC Documents, including but not limited to GMV, transaction volume, number of car listings and used car transaction facilitation service take rate, are true and accurate in all material respects.

3.10 Related Party Transactions. There are no material transactions between the Company or any of its Subsidiaries, on the one hand, and the Company's or any of its Subsidiaries' respective 5% or greater shareholders, Affiliates, directors or executive officers, or any Affiliates of such Persons, on the other hand, except as have been duly approved by the audit committee of the Board, or any other related party transactions required to be disclosed that are not disclosed in the SEC Documents.

3.11 Absence of Certain Changes. Except as set forth in the SEC Documents, since December 31, 2018, there has been no event, occurrence, development or state of circumstances that has or could reasonably be expected to have a Material Adverse Effect.

3.12 Litigation. Except as disclosed in the SEC Documents, there are no actions pending or may threatened against or involving the Company or its Subsidiaries or affecting the business or any of the assets of the Company or its Subsidiaries.

3.13 Compliance with Laws. Except as disclosed in the SEC Documents, the business of the Company or its Subsidiaries is not being conducted in violation of any applicable law or government order applicable to the Company or its Subsidiaries except for violations which do not and would not have a Material Adverse Effect.

3.14 Securities Laws. (a) No "directed selling efforts" into the United States (as defined in Rule 902 of Regulation S under the Securities Act ("Regulation S")) with respect to the Notes have been made by the Company, any of its Affiliates, or any Person acting on its behalf, and (b) none of the foregoing Persons has taken any actions that would result in the sale of the Notes to the Purchasers under this Agreement requiring registration under the Securities Act or any U.S. state securities laws. The Company is a "foreign issuer" (as defined in Regulation S).

3.15 No Registration. Assuming the accuracy of the Fund Manager's representations and warranties in Article 4, no registration under the Securities Act is required for the offer and sale of the Notes by the Company to that Purchaser as contemplated hereby.

3.16 Ranking of the Notes. The Notes rank senior in right of payment to any of the Company's other indebtedness that is expressly subordinated in right of payment to the Notes, *pari passu* in right of payment to any of the Company's other indebtedness and liabilities that are not so subordinated, junior in right of payment to any of the Company's secured indebtedness to the extent of the value of the assets securing such indebtedness, and structurally junior to all indebtedness and liabilities incurred by the Company's Subsidiaries.

3.17 Listing and Maintenance Requirements. The issuance and sale of the Notes under this Agreement and the transactions contemplated hereby do not contravene the rules and regulations of the Nasdaq Global Select Market.

3.18 Investment Company. The Company is not, and upon the sale of the Notes contemplated herein and the application of the net proceeds therefrom will not be, required to register as an "investment company" pursuant to the U.S. Investment Company Act of 1940, as amended.

3.19 Money Laundering Laws. The operations of the Company and its Subsidiaries have been and will be conducted at all times in compliance with the money laundering requirements of all applicable governmental authorities and any related or similar

rules, regulations or guidelines, issued administered or enforced by any Governmental Entity (collectively, the "Money Laundering Laws") and no action, suit or proceeding by or before any Governmental Entity involving the Company or its Subsidiaries, its Affiliates employees or agents with respect to the Money Laundering Laws is pending or threatened.

3.20 OFAC. (i) None of the Company, any of its Subsidiaries, or any director, officer or employee of any of the foregoing, or, to the Company's knowledge, any agent, Affiliate or representative of the Company, is a Person that is, or is owned 50% or more or controlled by one or more Persons that are (such Persons referred to as "Sanctioned Persons"): (a) the target of any sanctions administered or enforced by the U.S. government (including but not limited to the Office of Foreign Assets Control of the U.S. Department of the Treasury or the U.S. Department of State and including, without limitation, the designation as a "specially designated national" or "blocked person"), the United Nations Security Council, the European Union, Her Majesty's Treasury or any other relevant sanctions authority (collectively, "Sanctions"), including by being listed on any Sanctions related list of designated persons, or (b) located, organized or resident in, or a national, Governmental Entity. or agent of, a country, region or territory that is the subject or target Sanctions (as of the date hereof, including but not limited to, Cuba, Iran, North Korea, Syria and Crimea (each, a "Sanctioned Country")). (ii) The Company represents and covenants that the Company and its Significant Subsidiaries have not engaged in, are not now engaged in, and will not engage in, any dealings or transactions directly or indirectly with any Sanctioned Person, or in any country or territory, that at the time of the dealing or transaction is or was the subject or the target of Sanctions.

3.21 Foreign Corrupt Practices. Neither of the Company or its Subsidiaries, nor any Person acting on their behalf, has, directly or indirectly (i) used any funds or will use and proceeds from the sale of the Notes for unlawful contributions, gifts, entertainment or other unlawful expenses related to foreign or domestic political activity, (ii) made any unlawful payment to foreign or domestic government officials or employees or to any foreign or domestic political parties or campaigns from corporate funds, (iii) failed to disclose fully any contribution made by the Company or any of its Subsidiaries (or made by any Person acting on its behalf of which the Company or any of or its Subsidiaries is aware) which is in violation of any applicable law, or (iv) violated any provision of the Foreign Corrupt Practices Act of 1977, as amended, and the rules and regulations thereunder which was or is applicable to the Company or its Subsidiaries.

3.22 PFIC. Based on the Company's current income and asset and projections as to the value of its assets and market value of its ADSs, including the current and anticipated value of its assets, the Company believes that it was not and does not expect to be a "passive foreign investment company" as defined in Section 1297 of the United States Internal Revenue Code of 1986, as amended for the current taxable year or in foreseeable future.

3.23 Tax Matters. The Company and its Subsidiaries have filed all material tax returns required by applicable law to be filed by them, have paid all taxes due pursuant to such returns (including interest and penalties), and have paid all other material taxes, fees, assessments and other governmental charges owing by them or in respect of their respective property, income, profits and assets, except for such taxes (a) that are not yet delinquent or (b) that are being appropriately contested in good faith by appropriate proceedings, and against which adequate reserves are being maintained in accordance with GAAP (or the comparable accounting principles in the relevant jurisdiction). No material tax assessment has been imposed on (or threatened in writing to be imposed on) the Company and its Subsidiaries or any of their respective assets.

4. REPRESENTATIONS AND WARRANTIES OF THE FUND MANAGER. (i) The Fund Manager acting on behalf of each Purchaser represents and warrants to the Company as of the date hereof and as of the Closing Date that:

4.1 Existence. Each Purchaser Entity has been duly organized, is validly existing and is in good standing under the laws of its jurisdiction of organization.

4.2 Capacity. Each Purchaser Entity has the requisite power and authority to enter into and perform its respective obligations under this Agreement and consummate the transactions contemplated hereby. The Fund Manager is the general partner and sole fund manager of each Purchaser and has the capacity and authority to act on behalf of each Purchaser.

4.3 Authorization and Enforceability. This Agreement has been duly authorized, executed and delivered by the Fund Manager, and assuming the due authorization, execution and delivery by the Company, this Agreement is a valid and binding agreement of the Fund Manager, enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency or similar laws affecting creditors' rights generally and general principles of equity.

4.4 Non-Contravention. Neither the execution and the delivery of this Agreement, nor the consummation of the transactions contemplated hereby, will (i) violate any provision of the memorandum and articles of association or other constitutional documents of any Purchaser Entity or (ii) violate any constitution, statute, regulation, rule, injunction, judgment, order, decree, ruling, charge, or other restriction of any Governmental Entity to which any Purchaser Entity is subject, or (iii) conflict with, result in a breach of, constitute a default under, result in the acceleration of or creation of an Encumbrance under, create in any party the right to accelerate, terminate, modify, or cancel, or require any notice under, any agreement, contract, lease, license, instrument, or other arrangement to which any Purchaser Entity is a party or by which any Purchaser Entity is bound or to which any assets of any Purchaser Entity are subject. There is no action, suit or proceeding, pending or, to the knowledge of the Fund Manager, threatened against any Purchaser Entity that questions the validity of this Agreement or the right of any Purchaser Entity to enter into this Agreement to consummate the transactions contemplated hereby.

4.5 Consents and Approvals. Neither the execution and delivery by the Fund Manager of this Agreement, nor the consummation by any Purchaser Entity of any of the transactions contemplated hereby, nor the performance by any Purchaser Entity of this Agreement in accordance with its terms requires the consent, approval, order or authorization of, or registration with, or the giving notice to, any governmental or public body or authority or any third party, except such as have been or will have been obtained, made or given on or prior to the Closing.

4.6 Investment Intent. Each Purchaser is purchasing the Notes solely for its own account for investment, and not with a view to, or for sale in connection with, any distribution of the Notes or any portion thereof, and not with any present intention of selling, offering to sell, or otherwise disposing of or distributing the Notes or any portion thereof in any transaction. The entire legal and beneficial interest of the Notes is being purchased, and will be held, for each Purchaser's own account only, and neither in whole or in part for the account of any other Person.

4.7 Regulation S Eligibility; Restriction on Resale. The Fund Manager acknowledges that each Purchaser is acquiring the Notes in an "offshore transaction" (as

defined in Regulation S) in reliance upon the exemption from registration provided by Regulation S. Each Purchaser is not a U.S. person as defined in Rule 902 of Regulation S and is located outside of the United States. The Fund Manager understands that the Notes to be purchased by each Purchaser has not been registered under the Securities Act or any U.S. state law and may not be offered or sold within the United States or to, or for the account or benefit of, a U.S. person except pursuant to an exemption from, or in a transaction not subject to, the registration requirements under the Securities Act and applicable U.S. state law.

4.8 Investment Experience. Each Purchaser is a sophisticated purchaser with knowledge and experience in financial and business matters such that such Purchaser is capable of evaluating the merits and risks of the investment in the Notes and the Conversion Shares. Each Purchaser is able to bear the economic risks of an investment in the Notes and the Conversion Shares. The Fund Manager understands that securities prices are a function of a large number of variables and that there is no way for the Company to predict or otherwise gauge the market's reaction to the disclosure of any material information. The Fund Manager acknowledges and affirms that, with the assistance of its advisors, it has conducted and completed its own investigation, analysis and evaluation related to the investment in the Notes and the Conversion Shares. The Fund Manager understands and acknowledges that the Company has or may have information concerning the Company and its Affiliates including, but not limited to, the short term and long-term plans of the Company and its Affiliates. With full recognition of the foregoing, and after discussing these matters with its counsel and such other advisors as it deems appropriate, the Fund Manager wishes to cause each Purchaser to consummate the transactions contemplated under this Agreement on the terms set forth herein.

5. COVENANTS.

5.1 Further Assurances. From the date of this Agreement to the Closing Date, (i) the Company and the Fund Manager shall use their reasonable efforts to fulfill, or obtain the fulfillment of, all of the conditions precedent to the consummation of the transactions contemplated hereby, and (ii) the Fund Manager shall cause each Purchaser to take necessary and appropriate actions contemplated hereunder for the consummation of the transactions contemplated hereby.

5.2 Reservation of Shares. At all times for so long as any Note (or any portion thereof) remains outstanding, the Company shall take all actions necessary to have authorized, and reserved for the purpose of issuance, no less than one hundred percent (100%) of the aggregate number of Class A Ordinary Shares needed to provide for the complete issuance of the Conversion Shares underlying such Notes.

5.3 Lock-Up. Notwithstanding any other provisions of this Agreement or any other agreement by the Company and the Purchaser Entities, during the Lock-Up Period, the Fund Manager shall ensure that each Purchaser Entity will not, and will procure that none of its Subsidiaries will, without the prior written consent of the Company, directly or indirectly through one or a series of transactions, Transfer any Company Securities to any Person other than the Purchaser Entity's Subsidiaries. Any Transfer of Company Securities made in violation of this Section 5.3 shall be null and void *ab initio* and shall not be recorded on the books and records of the Company.

5.4 No Transfer to Adverse Persons. Notwithstanding any other provisions of this Agreement or any other agreement by the Company and the Purchaser Entities, the Fund Manager shall ensure that each Purchaser Entity will not directly or indirectly Transfer, and

will not permit any direct or indirect Transfer, through one or a series of transactions, of any Company Securities held by it directly or indirectly (including through any Affiliate) to any Adverse Person without the prior written consent of the Company. Any Transfer of any Company Securities made in violation of this Section 5.4 shall be null and void *ab initio* and shall not be recorded on the books and records of the Company.

5.5 Use of Proceeds. The Company shall use the proceeds from the issuance of the Notes for general corporate purposes, and shall not use the proceeds from the issuance of the Notes (a) to fund or facilitate any activities of or business with any Person that is the subject or the target of Sanctions, (b) to fund or facilitate any activities of or business in any country or territory that is subject of any Sanctions, (c) in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any Person in violation of any anti-corruption laws, or (d) in a way that that result in noncompliance with all applicable anti-money laundering or anti-terrorism statutes, the rules and regulations thereunder and any related or similar rules, regulations or guidelines, issued, administered or enforced by any applicable Governmental Entity.

5.6 Conversion to ADSs. To the extent permitted by applicable law, after the conversion of either Note (or any portion thereof) by any Purchaser into Conversion Shares, in the event that such Purchaser has delivered to the Company written notice specifying that such Purchaser irrevocably elects to convert the Conversion Shares into ADSs subject to the compliance of applicable conditions under Rule 144(b), the Company shall use its reasonable best efforts to effect (or cause to be effected) the conversion of such Conversion Shares into ADSs within seven (7) days after receiving such written notice.

6. INDEMNIFICATION.

6.1 Indemnification.

(a) Subject to the other provisions of this Article 6, each of the Company and the Fund Manager ("Indemnifying Party") shall indemnify and hold each other, such other party's respective Affiliates, and such other party's and their respective Affiliates' members, partners, managers, directors, officers, employees, advisors and agents (collectively, the "Indemnified Party") harmless from and against any losses, liabilities, damages, costs and expenses, including reasonable attorney's fees (collectively, "Losses") resulting from or arising out of: (i) any breach or violation of, or inaccuracy in, any representation or warranty made by the Indemnifying Party or its applicable Affiliates under this Agreement; or (ii) any breach or violation of, or failure to perform, any covenants or agreements made by or on behalf of, or to be performed by, the Indemnifying Party or its applicable Affiliates under this Agreement. The indemnity under this Article 6 shall not be prejudiced by or otherwise be subject to any disclosure and shall apply regardless of whether the Indemnifying Party has any actual or constructive knowledge with respect thereto.

(b) No Indemnifying Party shall be liable for any Loss consisting of punitive damages (except to the extent that such punitive damages are awarded to a third party against an Indemnified Party in connection with a Third Party Claim).

(c) The Fund Manager as the Indemnified Party shall not be entitled to recover any Losses, other than with respect to breaches of Fundamental Company Representations or Fundamental Purchaser Representations (as applicable), until such time as the aggregate amount of all such Losses that have been suffered or incurred by the Indemnified

Party exceeds two percent (2%) of the issued Principal Amount with respect to the Purchasers (the "Loss Threshold"), provided, however, that once the aggregate amount of all such Losses exceeds the Loss Threshold, the Indemnifying Party shall be liable for all such Losses (including the Losses up to the Loss Threshold).

(d) The maximum aggregate amount of Losses that the Indemnified Parties will be entitled to recover pursuant to this Article 6 shall be limited to one hundred percent (100%) of the issued aggregate Principal Amount of all Purchasers. Notwithstanding the foregoing or anything else to the contrary contained herein, the limitations on indemnification set forth in this Agreement (including, without limitation, the limitations set forth in this Section 6.1) shall not apply to any claim based on fraud, willful misrepresentation or willful misconduct of the Indemnifying Party or its Subsidiaries or Affiliates.

(e) An Indemnified Party shall not be entitled to recover from the Indemnifying Party under this Agreement more than once in respect of the same Losses suffered.

(f) Notwithstanding any other provision contained herein, the remedies contained in this Article 6 shall be the sole and exclusive monetary remedy of the Indemnified Parties for any claim arising out of or resulting from this Agreement, except that no limitation or exceptions with respect to the obligations or liabilities on any party hereto provided hereunder shall apply to a Loss incurred by any Indemnified Party arising due to fraud of the Indemnifying Party or its Subsidiaries or Affiliates. Nothing in this Article 6 or elsewhere in this Agreement shall affect any parties' rights to specific performance or other equitable or non-monetary remedies with respect to the covenants and agreements in this Agreement or that are to be performed at or after the Closing; provided that for the avoidance of doubt, except in the case of fraud, nothing contained herein shall permit any party to rescind this Agreement.

6.2 Third Party Claims.

(a) If any third party shall notify an Indemnified Party in writing with respect to any matter involving a claim by such third party (a "Third Party Claim") and such Indemnified Party believes such claim would give rise to a claim for indemnification against the Indemnifying Party under this Article 6, then the Indemnified Party shall promptly (i) notify the Indemnifying Party thereof in writing and (ii) transmit to the Indemnifying Party a written notice ("Claim Notice") describing in reasonable detail the nature of the Third Party Claim, a copy of all papers served with respect to such claim (if any), and the basis of the Indemnified Party's request for indemnification under this Agreement. The failure to so notify the Indemnifying Party shall not relieve the Indemnifying Party of its obligations hereunder except to the extent that the Indemnifying Party shall have been prejudiced by such failure.

(b) Upon receipt of a Claim Notice with respect to a Third Party Claim, the Indemnifying Party shall have the right to assume the defense of any Third Party Claim by, within thirty (30) days of receipt of the Claim Notice, notifying the Indemnified Party in writing that the Indemnifying Party elects to assume the defense of such Third Party Claim, and upon delivery of such notice by the Indemnifying Party, the Indemnifying Party shall have the right to control and settle the proceeding, provided that, (i) any such settlement or compromise shall be permitted hereunder only with the written consent of the Indemnified Party which consent shall not be unreasonably withheld or delayed, and (ii) and the Indemnifying Party shall keep the Indemnified Party reasonably informed of the progress of such defense on a regular basis.

(c) If requested by the Indemnifying Party, the Indemnified Party shall, at the sole cost and expense of the Indemnifying Party, cooperate with the Indemnifying Party and its counsel in contesting any Third Party Claim which the Indemnifying Party elects to contest, including the making of any related counterclaim against the Person asserting the Third Party Claim or any cross complaint against any Person. The Indemnified Party shall have the right to receive copies of all pleadings, notices and communications with respect to any Third Party Claim for which indemnity is sought under this Agreement, other than any privileged communications between the Indemnifying Party and its counsel, and shall be entitled, at its sole cost and expense, to retain separate co-counsel and participate in, but not control, any defense or settlement (except for its consent required under Section 6.2(b) above) of any Third Party Claim assumed by the Indemnifying Party pursuant to Section 6.2(b).

(d) In the event of a Third Party Claim for which the Indemnifying Party elects not to assume the defense or fails to make such an election within thirty (30) days of the Claim Notice, the Indemnified Party may, at its option, defend, settle, compromise or pay such action or claim at the expense of the Indemnifying Party; provided that, any such settlement or compromise shall be permitted hereunder only with the written consent of the Indemnifying Party, which consent shall not be unreasonably withheld or delayed.

6.3 Other Claims. In the event any Indemnified Party should have a claim against the Indemnifying Party hereunder which does not involve a Third Party Claim, the Indemnified Party shall promptly transmit to the Indemnifying Party a written notice (the "Indemnity Notice") describing in reasonable detail the nature of the claim, the Indemnified Party's good faith estimate of the amount of Losses attributable to such claim and the basis of the Indemnified Party's request for indemnification under this Agreement; provided, that no failure, delay or deficiency in providing such notice shall constitute a waiver or otherwise modify the Indemnified Party's right to indemnity hereunder, except to the extent that the Indemnifying Party shall have been prejudiced by such failure, delay or deficiency. If the Indemnifying Party does not notify the Indemnified Party within thirty (30) days from its receipt of the Indemnity Notice that the Indemnifying Party disputes such claim, the Indemnifying Party shall be deemed to have accepted and agreed with such claim.

7. MISCELLANEOUS.

7.1 Survival of the Representations and Warranties. All representations and warranties made by any party hereto other than the Fundamental Company Representations and the Fundamental Purchaser Representations shall survive for eighteen (18) months from and after the date hereof, and shall terminate and be without further force or effect on the date that is eighteen (18) months from and after the date hereof, and the Fundamental Company Representations and the Fundamental Purchaser Representations shall survive for five (5) years from and after the date hereof, and shall terminate and be without further force or effect on the date that is five (5) years from and after the date hereof, except that any claim under any representation or warranty made by any party hereto that have been asserted in writing pursuant to Section 6.1 against the party hereto making such representation or warranty prior to the expiration of the applicable survival period set forth in this Section 7.1 shall survive until such claim is fully and finally resolved.

7.2 Governing Law; Dispute Resolution. This Agreement shall be governed and interpreted in accordance with the laws of the State of New York without giving effect to the conflicts of law principles thereof. Any dispute arising out of or relating to this Agreement or the Notes, including any question regarding the existence, validity or termination hereof or

thereof (a "Dispute") shall be referred to and finally resolved by arbitration at the Hong Kong International Arbitration Centre in accordance with the Hong Kong International Arbitration Centre Administered Arbitration Rules then in force. In the case of any Dispute, there shall be three arbitrators. The claimant(s) shall have the right to appoint one arbitrator, the respondent(s) shall have the right to appoint another arbitrator, and the third arbitrator shall be appointed by the Hong Kong International Arbitration Centre. The language to be used in the arbitration proceedings shall be English. The seat of arbitration shall be Hong Kong. Each of the parties hereto irrevocably waives any immunity to jurisdiction to which it may be entitled or become entitled (including without limitation sovereign immunity, immunity to pre-award attachment, post-award attachment or otherwise) in any arbitration proceedings and/or enforcement proceedings against it arising out of or based on this Agreement or the transactions contemplated hereby.

7.3 Amendment. This Agreement shall not be amended, changed or modified, except by another agreement in writing executed by the parties hereto.

7.4 Binding Effect. This Agreement shall inure to the benefit of, and be binding upon, the Purchaser Entities, the Company, and their respective heirs, successors and permitted assigns.

7.5 Assignment. Neither this Agreement nor any of the rights, duties or obligations hereunder may be assigned by the Company or the Fund Manager without the express written consent of the other party hereto, except that the Fund Manager may assign all or any part of its rights and obligations hereunder to any Affiliate of the Fund Manager without the consent of the other parties hereto, provided that no such assignment shall relieve the Fund Manager of its obligations hereunder if such assignee does not perform such obligations. Any purported assignment in violation of the foregoing sentence shall be null and void.

7.6 Notices. All notices, requests, demands, and other communications required or permitted to be given by one party hereto to the other party hereto under this Agreement shall be in writing and shall be deemed to have been duly given (i) on the date of actual delivery if delivered personally, (ii) on the date sent if sent by facsimile, (iii) on the next Business Day following delivery to Federal Express for overnight courier service, or (iv) on the day of attempted delivery by the postal service if mailed by registered or certified mail, return receipt requested, postage paid, in each case as properly addressed or delivered as follows:

If to the Company, at:

Uxin Limited
2-5F, Tower E, LSHM Center,
No. 8 Guangshun South Avenue
Chaoyang District, Beijing, 100102
People's Republic of China
E-mail: daikun@xin.com
Attn: Mr. Kun Dai

If to the Fund Manager, at:

PacificBridge Asset Management
Unit No. 1904 (Trade Tower, Samsung-dong),
511 Yeongdong-daero, Gangnam-gu, Seoul, 06164
Republic of Korea
E-mail: dannysong@pacificbridgeam.com
Attn: Mr. Danny Song

Any party hereto may change its address for purposes of this Section 7.6 by giving the other party hereto written notice of the new address in the manner set forth above.

7.7 Entire Agreement. This Agreement constitutes the entire understanding and agreement between the parties hereto with respect to the matters covered hereby, and all prior agreements and understandings, oral or in writing, if any, between the parties hereto with respect to the matters covered hereby are merged and superseded by this Agreement.

7.8 Severability. If any provisions of this Agreement shall be adjudicated to be illegal, invalid or unenforceable in any action or proceeding whether in its entirety or in any portion, then such provision shall be deemed amended, if possible, or deleted, as the case may be, from the Agreement in order to render the remainder of the Agreement and any provision thereof both valid and enforceable, and all other provisions hereof shall be given effect separately therefrom and shall not be affected thereby.

7.9 Fees and Expenses. Each of the Company and the Fund Manager shall pay its own expenses incurred in connection with the negotiation, preparation and execution of this Agreement and the transactions contemplated hereby, including fees and expenses of attorneys, accountants, consultants and financial advisors.

7.10 Confidentiality. (a) Each party hereto shall keep in confidence, and shall not use (except for the purposes of the transactions contemplated hereby) or disclose, any non-public information disclosed to it or its Affiliates, representatives or agents in connection with this Agreement or the transactions contemplated hereby, other than to its members, managers, directors, officers, employees, partners, co-investors, auditors, counsels, consultants and other advisors and representatives who have a need to know such information, and (b) each party hereto shall ensure that its Affiliates, representatives and agents keep in confidence, and do not use (except for the purposes of the transactions contemplated hereby) or disclose, any such non-public information, provided, however, that nothing in this Agreement shall restrict any party from disclosing information (i) that is already publicly available not as a result of a breach of this section, or (ii) that may be required by applicable law, statute, treaty, rule, regulation, order, right, privilege, qualification, license or franchise or determination of an arbitrator or a Governmental Entity.

7.11 Specific Performance. The parties hereto agree that irreparable damage would occur in the event any provision of this Agreement were not performed in accordance

with the terms hereof and that the parties hereto shall be entitled to specific performance of the terms hereof, in addition to any other remedy at law or equity.

7.12 Termination. In the event that the Closing shall not have occurred by December 31, 2019, the Company or the Fund Manager may terminate this Agreement, except for the provisions of Article 7, which shall survive any termination under this Section 7.12, provided that (a) any party hereto who is then in a material breach of this Agreement shall not be entitled to terminate this Agreement pursuant to this Section 7.12.

7.13 Headings. The headings of the various articles and sections of this Agreement are inserted merely for the purpose of convenience and do not expressly or by implication limit, define or extend the specific terms of the article or section so designated.

7.14 Counterparts. For the convenience of the parties hereto and to facilitate execution, this Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, and all of which together shall constitute but one and the same instrument.

7.15 No Waiver. Except as specifically set forth herein, the rights and remedies of the parties to this Agreement are cumulative and not alternative. No failure or delay on the part of any party hereto in exercising any right, power or remedy under this Agreement will operate as a waiver of such right, power or remedy, and no single or partial exercise of any such right, power or remedy will preclude any other or further exercise of such right, power or remedy or the exercise of any other right, power or remedy. To the maximum extent permitted by applicable law, (a) no claim or right arising out of this Agreement can be discharged by one party hereto, in whole or in part, by a waiver or renunciation of the claim or right unless in writing signed by the other party hereto; (b) no waiver that may be given by a party hereto will be applicable except in the specific instance for which it is given; and (c) no notice to or demand on one party hereto will be deemed to be a waiver of any obligation of that party or of the right of the party hereto giving such notice or demand to take further action without notice or demand as provided in this Agreement.

[*Remainder of Page Intentionally Left Blank*]

IN WITNESS WHEREOF, the parties hereto have executed this Convertible Note Purchase Agreement as of the date first above written.

Uxin Limited

By: /s/ Kun Dai

Name Kun Dai

Title: Director and CEO

IN WITNESS WHEREOF, the parties hereto have executed this Convertible Note Purchase Agreement as of the date first above written.

PacificBridge Asset Management,
acting in its capacity as the fund manager of each of the Purchasers

By: /s/ DK Lee
Name: DK Lee
Title: CEO

SCHEDULE 1

PURCHASERS AND ALLOCATIONS

[*]

SCHEDULE 2

ADVERSE PERSONS

[*]

EXHIBIT A
FORM OF 10.0% NOTE

THIS NOTE AND THE SECURITIES ISSUABLE UPON THE CONVERSION HEREOF HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR UNDER ANY OTHER SECURITIES LAWS. THIS NOTE AND THE SECURITIES ISSUABLE UPON THE CONVERSION HEREOF ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE SOLD, OFFERED FOR SALE, PLEDGED, HYPOTHECATED, OR OTHERWISE TRANSFERRED EXCEPT AS PERMITTED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND OTHER APPLICABLE SECURITIES LAWS, PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT OR AN EXEMPTION THEREFROM.

CONVERTIBLE PROMISSORY NOTE

[·], 2019 ("Date of Issuance")

US$[·]

FOR VALUE RECEIVED, and subject to the terms and conditions of this convertible promissory note (this "Note"), Uxin Limited, an exempted company with limited liability incorporated under the laws of the Cayman Islands (the "Company"), hereby promises to pay to the order of [•], a [company incorporated under the laws of [•]](the "Purchaser"), or its assigns, in lawful money of the United States of America the principal amount of [•] Dollars (US$[•]) (the "Principal Amount"), plus accrued interest thereon, on [·], 2020 (the "Maturity Date"), unless earlier duly converted in full into the Conversion Shares pursuant to and in accordance with the terms of this Note.

This Note is issued pursuant to the Convertible Note Purchase Agreement, dated July 12, 2019, by and between the Company, the Purchaser and certain other parties thereto (the "Convertible Note Purchase Agreement"), and is subject to the terms and conditions thereof. In case of any conflict between this Note and the Convertible Note Purchase Agreement, the provisions of the Convertible Note Purchase Agreement shall control and govern. Capitalized terms used but not defined herein shall have the respective meanings given to such terms in the Convertible Note Purchase Agreement.

The following is a statement of the rights of the Purchaser and the conditions to which this Note is subject, and to which the Purchaser, by the acceptance of this Note, agrees:

1. Interest Rate. This Note shall bear interest on the outstanding Principal Amount at a simple interest rate of ten percent (10.0%) per annum from the Date of Issuance until this Note is fully repaid or redeemed; provided, that if any portion of this Note is duly converted into the Conversion Shares pursuant to and in accordance with Section 4 hereof, interest shall cease to accrue on the portion of the Principal Amount being converted (and, for the avoidance of doubt, continue to accrue on any outstanding Principal Amount not being converted). Accrued interest on this Note shall be computed on the basis of a 365-day year and actual days elapsed.

2. Repayment of this Note.

(a) Unless to the extent earlier converted into Conversion Shares pursuant to Section 4 hereof, the outstanding Principal Amount (other than any portion of the Principal Amount converted pursuant to Section 4 hereof) and the interest accrued thereon shall be due and payable by the Company upon the earlier of (i) the Maturity Date, and (ii) the occurrence of an Event of Default set forth in Section 5 hereof (the "Due Date"). Upon the due conversion in full of this Note pursuant to and in accordance with Section 4 hereof, any and all payment obligations of the Company under this Note and the Convertible Note Purchase Agreement shall be fully discharged.

(b) All amounts payable on or in respect of this Note or the indebtedness evidenced hereby shall be paid to the Purchaser in lawful money of the United States of America within three (3) Business Days after the Due Date. The Company shall make such payments of the unpaid Principal Amount (other than any portion of the Principal Amount converted pursuant to Section 4 hereof), together with accrued and unpaid interest thereon, to the Purchaser by wire transfer of immediately available funds for the account of the Purchaser as the Purchaser may designate and notify in writing to the Company at least five (5) Business Days prior to the payment date. Payment shall be credited first to accrued interest due and payable, and any remainder shall be applied to the outstanding Principal Amount.

(c) All payments of principal and interest in respect of this Note by or on behalf of the Company shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the Cayman Islands or the PRC or any political subdivision thereof or any authority therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law.

3. Seniority. This Note ranks senior in right of payment to any of the Company's other indebtedness that is expressly subordinated in right of payment to this Note, *pari passu* in right of payment to any of the Company's other indebtedness and liabilities that are not so subordinated, junior in right of payment to any of the Company's secured indebtedness to the extent of the value of the assets securing such indebtedness, and structurally junior to all indebtedness and liabilities incurred by the Company's Subsidiaries.

4. Conversion.

(a) Conversion.

(i) During the period from and including the 181st day after the Date of Issuance to and including the Maturity Date, the Purchaser shall, by written notice to the Company, have the right but not the obligation to convert all or any portion of the outstanding Principal Amount to a number of Conversion Shares at the applicable Conversion Price, provided, however, that the Purchaser shall not exercise such right to convert more than twice. As used in this Note, "Conversion Price" means US$1.663, as may be adjusted pursuant to Section 4(d) hereof.

(ii) The number of the Conversion Shares to be issued upon any conversion pursuant to this Section 4(a) shall be equal to the quotient obtained by dividing the Principal Amount subject to such conversion by the Conversion Price.

(b) No Fractional Shares. Upon the conversion of this Note into the Conversion Shares, in lieu of any fractional shares to which the Purchaser would otherwise be entitled, the Company shall pay the holder of this Note cash equal to such fraction multiplied by the Conversion Price.

(c) Mechanics of Conversion. In the event that the Purchaser has delivered to the Company a written notice in accordance with Section 4(a)(i) hereof specifying that the Purchaser irrevocably elects to convert this Note (whether in part or in full), the Company shall at its expense take all actions and execute all documents necessary to effect the issuance of all the Conversion Shares (including giving all necessary instructions to update the register of members to effect such issuance) within two (2) weeks of delivery of the applicable written notice to convert, and deliver to the Purchaser, upon surrender of this Note, a certificate or certificates for the number of fully paid Conversion Shares issuable upon such conversion and the updated register of members of the Company indicating that the Purchaser is the holder of such Conversion Shares. The Company shall not be required to issue or deliver the Conversion Shares until the Purchaser has surrendered this Note to the Company.

(d) Adjustments to Conversion Price. The Conversion Price shall be adjusted according to the following items: When any of the Principal Amount is outstanding at any time, (a) if the Company: (i) pays dividends in the form of securities or security equivalents of the Company; (ii) splits the outstanding securities of the Company in order to increase the number of shares; or (iii) incorporates outstanding securities of the Company (including in the form of a reverse share split) to decrease the number of shares, the then-existing Conversion Price shall be multiplied by a fraction, whose numerator is the number of outstanding securities of the Company immediately before the occurrence of the matter, and whose denominator is the number of outstanding securities of the Company immediately after the occurrence of the matter; (b) if the Company issues Ordinary Shares to all or substantially all shareholders as a class by way of rights issue, or issue or grant to all or substantially all shareholders as a class, by way of rights issue, of options, warrants or other rights to subscribe for or purchase any Ordinary Shares, in each case at less than 95 per cent of the closing price of the ADSs divided by the ratio of ADS to share (the “Market Price Per Share”) on the last trading day preceding the date of the announcement of the terms of the issue or grant, the Conversion Price shall be multiplied by a fraction, whose numerator is the number of Ordinary Shares in issue immediately before such announcement plus the number of Ordinary Shares which the aggregate amount (if any) payable for the Ordinary Shares issued by way of rights issue or for the options or warrants or other rights issued or granted by way of rights issue and for the total number of Ordinary Shares comprised therein would subscribe, purchase or otherwise acquire at Market Price Per Share, and the denominator is the number of Ordinary Shares in issue immediately before such announcement plus the aggregate number of Ordinary Shares issued or, as the case may be, comprised in the issue or grant, or (c) if the Company makes (or fixes a record date for the determination of holders of Ordinary Shares entitled to receive) a dividend or other distribution to the holders of Ordinary Shares payable in any other asset or property (including cash, but excluding dividends by securities or security equivalents of the Company), then, and in each such event, provision shall be made so that, upon conversion of the Note thereafter, the Purchaser shall receive, in addition to the number of Ordinary Shares issuable thereon, such other asset or property which the holder of such Ordinary Shares would have received in connection with such event had the

outstanding Principal Amount been converted into Ordinary Shares immediately prior to each such event, all subject to further adjustment as provided herein. Any adjustment made according to the aforesaid conditions shall come into effect immediately after the record date of deciding the shareholders having rights to obtain dividends or allocations and, for the purpose of any share split, incorporation or reclassification, shall come into effect immediately after such matters come into effect.

5. Events of Default. Each of the following events shall be considered an event of default (the "Event of Default") with respect to this Note:

(a) Failure to Pay. The Company shall fail to pay when due (i) any principal payment or (ii) any interest payment or other payment required under the terms of this Note on the date due, and such payment shall not have been made within ten (10) Business Days after the date due.

(b) Voluntary Bankruptcy or Insolvency Proceedings. The Company or any of its Significant Subsidiaries shall (i) apply for or consent to the appointment of a receiver, trustee, liquidator or custodian of itself or of all or a substantial part of its property, (ii) admit in writing its inability to pay its debts generally as they mature, (iii) make a general assignment for the benefit of its or any of its creditors, (iv) be dissolved or liquidated, (v) commence a voluntary case or other proceeding seeking liquidation, reorganization or other relief with respect to itself or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or consent to any such relief or to the appointment of or taking possession of its property by any official in an involuntary case or other proceeding commenced against it, or (vi) take any action for the purpose of effecting any of the foregoing. As used in this Note, "Significant Subsidiary" means any Subsidiary of the Company, the total assets (after intercompany eliminations) of which exceeds twenty percent (20%) of the consolidated total assets of the Company and its subsidiaries as of the end of the Company's most recently completed fiscal year.

(c) Involuntary Bankruptcy or Insolvency Proceedings. Proceedings for the appointment of a receiver, trustee, liquidator or custodian of the Company or any of its Significant Subsidiaries, or of all or a substantial part of their property, or an involuntary case or other proceedings seeking liquidation, reorganization or other relief with respect to the Company or its Significant Subsidiaries, or the debts thereof, under any bankruptcy, insolvency or other similar law now or hereafter in effect shall be commenced and either (i) an order for relief shall be entered or (ii) such proceeding shall not be dismissed or discharged within 45 days of commencement.

(d) Cessation to be a Public Company. The Company's securities shall cease to be publicly traded on the Nasdaq Global Select Market.

(e) Change of Control. Any Change of Control shall occur. For the purpose of this provision 5(e), a "Change of Control" occurs if any "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act) other than (i) Mr. Kun Dai, or any of his Affiliates, (ii) any of Warburg Pincus, TPG Capital, 58.com Holdings Inc. or any of its respective Affiliates, or (iii) any "group" solely consisting of the Persons set forth in clauses (i) and (ii) above, is or becomes the "beneficial owner" (as such term is used in Rule 13d-3 of the Exchange Act), directly or indirectly, of 50% or more voting power of the Company's issued and outstanding securities.

(f) Breach of Other Obligations. The Company fails to perform or comply with one or more of its other obligations in this Note or the Convertible Note Purchase Agreement in any material respect, or breach any representation or warranty of the Company contained in the Convertible Note Purchase Agreement in any material respect, and in each case such failure is not capable of being cured or is not cured within thirty (30) days.

(g) Material Adverse Effect. Any one or more events, facts, conditions, changes or developments shall have occurred that have caused or constituted or could be reasonably expected to cause or constitute, either individually or in the aggregate, a Material Adverse Effect.

(h) Cross-Default. Any Significant Indebtedness (as defined below) of the Company or its Subsidiaries is not paid when due or (as the case may be) within any originally applicable grace period, or any such Significant Indebtedness becomes (or becomes capable of being declared) due and payable prior to its stated maturity otherwise than at the option of the Company or its Subsidiaries, or the Company or its Subsidiaries fails to pay when due any amount payable by it under any guarantee or indemnity of any Significant Indebtedness. For the purpose of this Section 5(i), "Significant Indebtedness" means, with respect to each event mentioned above, one or more indebtedness with an aggregate amount of no less than US$10,000,000 or its equivalent in any other currency or currencies.

(i) Unsatisfied Judgment. One or more judgment(s) or order(s) for the payment of an aggregate amount of no less than US$10,000,000 is rendered against the Company or its Subsidiaries and continue(s) unappealed, unsatisfied and unstayed for a period of sixty (60) days after the date(s) thereof or, if later, the date therein specified for payment.

(j) Security Enforced. A secured party takes possession, or a receiver, manager or other similar officer is appointed, of the whole or a material part of the undertaking, assets and revenues of the Company and its Subsidiaries taken as a whole.

(k) Enforcement Proceedings. A distress, attachment, execution, seizure before judgment or other legal process is levied, enforced or sued out on or against any material part of the property, assets or revenue of the Company or its Significant Subsidiaries.

(l) Winding up, etc. An order is made by any Governmental Entity having jurisdiction or an effective resolution is passed for the winding up, liquidation or dissolution of the Company or any of its Significant Subsidiaries (other than, in the case of a Significant Subsidiary of the Company, for the purposes of or pursuant to an amalgamation, reorganization or restructuring whilst solvent).

6. Remedies. Upon the occurrence of an Event of Default under Section 5 hereof, at the option and upon the written declaration of the Purchaser at the Purchaser's sole discretion, the entire unpaid Principal Amount and unpaid interest accrued thereon shall become forthwith due and payable, and the Purchaser may immediately enforce payment of all amounts due and owing under this Note and exercise any and all other remedies granted to it at law, in equity or otherwise. Without limiting the generality of the foregoing, upon the occurrence of an Event of Default under Section 5(e) hereof, the Company shall, if so requested by the Purchaser, cooperate in good faith with the Purchaser with respect to the Purchaser's efforts to receive equity securities of the

surviving entity (if any) in lieu of the acceleration of the Principal Amount and unpaid interest accrued thereon.

7. Prepayment. The Principal Amount or interest accrued thereon may not be prepaid prior to the Maturity Date without the written consent of the Purchaser.

8. No Rights as Shareholder Prior to Conversion. For the avoidance of doubt, the Purchaser has not been conferred with any of the rights of a shareholder of the Company, including the right to vote as such, by any of the provisions hereof or any provisions under the Convertible Note Purchase Agreement, or any right (a) to vote for the election of directors or upon any matter submitted to shareholders at any meeting thereof, (b) to give or withhold consent to any corporate action (whether upon any recapitalization, issuance of shares, reclassification of shares, change of par value, or change of shares to no par value, consolidation, merger, scheme of arrangement, conveyance, or otherwise), (c) to receive notice of meetings or to receive in-kind dividends or subscription rights or otherwise, in each case until this Note shall have been converted in whole or in part and all the Conversion Shares issuable upon such whole or partial conversion hereof shall have been issued, as provided for in this Note and the Convertible Note Purchase Agreement. For the avoidance of doubt, the Purchaser shall be conferred with all rights of a shareholder of the Company immediately upon any partial or full conversion of the Note with respect to such Conversion Shares.

9. Termination of Rights.All rights under this Note shall automatically terminate when (a) all amounts owing on this Note have been paid in full or (b) this Note is converted in full pursuant to Section 4 hereof. Upon the termination of all rights under this Note, this Note shall be surrendered by the Purchaser to the Company and this Note so surrendered shall be cancelled and shall not be reissued. For the avoidance of doubt, the Convertible Note Purchase Agreement shall not be terminated merely due to a termination of all rights under this Note, and shall remain in force and effect or terminate pursuant to the terms thereof.

10. Amendments and Waivers; Notice. The amendment or waiver of any term of this Note shall be subject to the written consent of the Company and the Purchaser. The provision of notice shall be conducted pursuant to the terms of the Convertible Note Purchase Agreement.

11. Successors and Assigns. This Note applies to, inures to the benefit of, and binds, the successors and assigns of the parties hereto; provided, however, that no party hereto may assign its obligations under this Note without the written consent of the other party hereto. Notwithstanding anything to the contrary, the Purchaser may, subject to applicable laws, transfer this Note to any of its Affiliates. Any transfer of this Note may take effect by surrender of this Note to the Company and reissuance of a new note to the transferee.

12. Governing Law; Dispute Resolution. This Note shall be governed by and construed under the laws of the State of New York without regards to principles of conflict of laws. The resolution of any controversy or claim arising out of or relating to this Note shall be conducted pursuant to the terms of the Convertible Note Purchase Agreement.

[*Remainder of Page Intentionally Left Blank*]

IN WITNESS WHEREOF, the Company has executed this Note as of the date first above written.

Uxin Limited

By: _____

Name:

Title:

EXHIBIT B
FORM OF 11.0% NOTE

THIS NOTE AND THE SECURITIES ISSUABLE UPON THE CONVERSION HEREOF HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR UNDER ANY OTHER SECURITIES LAWS. THIS NOTE AND THE SECURITIES ISSUABLE UPON THE CONVERSION HEREOF ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE SOLD, OFFERED FOR SALE, PLEDGED, HYPOTHECATED, OR OTHERWISE TRANSFERRED EXCEPT AS PERMITTED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND OTHER APPLICABLE SECURITIES LAWS, PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT OR AN EXEMPTION THEREFROM.

CONVERTIBLE PROMISSORY NOTE

[·], 2019 ("Date of Issuance")

US$[·]

FOR VALUE RECEIVED, and subject to the terms and conditions of this convertible promissory note (this "Note"), Uxin Limited, an exempted company with limited liability incorporated under the laws of the Cayman Islands (the "Company"), hereby promises to pay to the order of [•], a [company incorporated under the laws of [•]](the "Purchaser"), or its assigns, in lawful money of the United States of America the principal amount of [•] Dollars (US$[•]) (the "Principal Amount"), plus accrued interest thereon, on [·], 2020 (the "Maturity Date"), unless earlier duly converted in full into the Conversion Shares pursuant to and in accordance with the terms of this Note.

This Note is issued pursuant to the Convertible Note Purchase Agreement, dated July 12, 2019, by and between the Company, the Purchaser and certain other parties thereto (the "Convertible Note Purchase Agreement"), and is subject to the terms and conditions thereof. In case of any conflict between this Note and the Convertible Note Purchase Agreement, the provisions of the Convertible Note Purchase Agreement shall control and govern. Capitalized terms used but not defined herein shall have the respective meanings given to such terms in the Convertible Note Purchase Agreement.

The following is a statement of the rights of the Purchaser and the conditions to which this Note is subject, and to which the Purchaser, by the acceptance of this Note, agrees:

1. Interest Rate. This Note shall bear interest on the outstanding Principal Amount at a simple interest rate of eleven percent (11.0%) per annum from the Date of Issuance until this Note is fully repaid or redeemed; provided, that if any portion of this Note is duly converted into the Conversion Shares pursuant to and in accordance with Section 4 hereof, interest shall cease to accrue on the portion of the Principal Amount being converted (and, for the avoidance of doubt, continue to accrue on any outstanding Principal Amount not being converted). Accrued interest on this Note shall be computed on the basis of a 365-day year and actual days elapsed.

2. Repayment of this Note.

(a) Unless to the extent earlier converted into Conversion Shares pursuant to Section 4 hereof, the outstanding Principal Amount (other than any portion of the Principal Amount converted pursuant to Section 4 hereof) and the interest accrued thereon shall be due and payable by the Company upon the earlier of (i) the Maturity Date, and (ii) the occurrence of an Event of Default set forth in Section 5 hereof (the "Due Date"). Upon the due conversion in full of this Note pursuant to and in accordance with Section 4 hereof, any and all payment obligations of the Company under this Note and the Convertible Note Purchase Agreement shall be fully discharged.

(b) All amounts payable on or in respect of this Note or the indebtedness evidenced hereby shall be paid to the Purchaser in lawful money of the United States of America within three (3) Business Days after the Due Date. The Company shall make such payments of the unpaid Principal Amount (other than any portion of the Principal Amount converted pursuant to Section 4 hereof), together with accrued and unpaid interest thereon, to the Purchaser by wire transfer of immediately available funds for the account of the Purchaser as the Purchaser may designate and notify in writing to the Company at least five (5) Business Days prior to the payment date. Payment shall be credited first to accrued interest due and payable, and any remainder shall be applied to the outstanding Principal Amount.

(c) All payments of principal and interest in respect of this Note by or on behalf of the Company shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the Cayman Islands or the PRC or any political subdivision thereof or any authority therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law.

3. Seniority. This Note ranks senior in right of payment to any of the Company's other indebtedness that is expressly subordinated in right of payment to this Note, *pari passu* in right of payment to any of the Company's other indebtedness and liabilities that are not so subordinated, junior in right of payment to any of the Company's secured indebtedness to the extent of the value of the assets securing such indebtedness, and structurally junior to all indebtedness and liabilities incurred by the Company's Subsidiaries.

4. Conversion.

(a) Conversion.

(i) During the period from and including the 181st day after the Date of Issuance to and including the Maturity Date, the Purchaser shall, by written notice to the Company, have the right but not the obligation to convert all or any portion of the outstanding Principal Amount to a number of Conversion Shares at the applicable Conversion Price, provided, however, that the Purchaser shall not exercise such right to convert more than twice. As used in this Note, "Conversion Price" means US$1.663, as may be adjusted pursuant to Section 4(d) hereof.

(ii) The number of the Conversion Shares to be issued upon any conversion pursuant to this Section 4(a) shall be equal to the quotient obtained by dividing the Principal Amount subject to such conversion by the Conversion Price.

(b) No Fractional Shares. Upon the conversion of this Note into the Conversion Shares, in lieu of any fractional shares to which the Purchaser would otherwise be entitled, the Company shall pay the holder of this Note cash equal to such fraction multiplied by the Conversion Price.

(c) Mechanics of Conversion. In the event that the Purchaser has delivered to the Company a written notice in accordance with Section 4(a)(i) hereof specifying that the Purchaser irrevocably elects to convert this Note (whether in part or in full), the Company shall at its expense take all actions and execute all documents necessary to effect the issuance of all the Conversion Shares (including giving all necessary instructions to update the register of members to effect such issuance) within two (2) weeks of delivery of the applicable written notice to convert, and deliver to the Purchaser, upon surrender of this Note, a certificate or certificates for the number of fully paid Conversion Shares issuable upon such conversion and the updated register of members of the Company indicating that the Purchaser is the holder of such Conversion Shares. The Company shall not be required to issue or deliver the Conversion Shares until the Purchaser has surrendered this Note to the Company.

(d) Adjustments to Conversion Price. The Conversion Price shall be adjusted according to the following items: When any of the Principal Amount is outstanding at any time, (a) if the Company: (i) pays dividends in the form of securities or security equivalents of the Company; (ii) splits the outstanding securities of the Company in order to increase the number of shares; or (iii) incorporates outstanding securities of the Company (including in the form of a reverse share split) to decrease the number of shares, the then-existing Conversion Price shall be multiplied by a fraction, whose numerator is the number of outstanding securities of the Company immediately before the occurrence of the matter, and whose denominator is the number of outstanding securities of the Company immediately after the occurrence of the matter; (b) if the Company issues Ordinary Shares to all or substantially all shareholders as a class by way of rights issue, or issue or grant to all or substantially all shareholders as a class, by way of rights issue, of options, warrants or other rights to subscribe for or purchase any Ordinary Shares, in each case at less than 95 per cent of the closing price of the ADSs divided by the ratio of ADS to share (the “Market Price Per Share”) on the last trading day preceding the date of the announcement of the terms of the issue or grant, the Conversion Price shall be multiplied by a fraction, whose numerator is the number of Ordinary Shares in issue immediately before such announcement plus the number of Ordinary Shares which the aggregate amount (if any) payable for the Ordinary Shares issued by way of rights issue or for the options or warrants or other rights issued or granted by way of rights issue and for the total number of Ordinary Shares comprised therein would subscribe, purchase or otherwise acquire at Market Price Per Share, and the denominator is the number of Ordinary Shares in issue immediately before such announcement plus the aggregate number of Ordinary Shares issued or, as the case may be, comprised in the issue or grant, or (c) if the Company makes (or fixes a record date for the determination of holders of Ordinary Shares entitled to receive) a dividend or other distribution to the holders of Ordinary Shares payable in any other asset or property (including cash, but excluding dividends by securities or security equivalents of the Company), then, and in each such event, provision shall be made so that, upon conversion of the Note thereafter, the Purchaser shall receive, in addition to the number of Ordinary Shares issuable thereon, such other asset or property which the holder of such Ordinary Shares would have received in connection with such event had the

outstanding Principal Amount been converted into Ordinary Shares immediately prior to each such event, all subject to further adjustment as provided herein. Any adjustment made according to the aforesaid conditions shall come into effect immediately after the record date of deciding the shareholders having rights to obtain dividends or allocations and, for the purpose of any share split, incorporation or reclassification, shall come into effect immediately after such matters come into effect.

5. Events of Default. Each of the following events shall be considered an event of default (the "Event of Default") with respect to this Note:

(a) Failure to Pay. The Company shall fail to pay when due (i) any principal payment or (ii) any interest payment or other payment required under the terms of this Note on the date due, and such payment shall not have been made within ten (10) Business Days after the date due.

(b) Voluntary Bankruptcy or Insolvency Proceedings. The Company or any of its Significant Subsidiaries shall (i) apply for or consent to the appointment of a receiver, trustee, liquidator or custodian of itself or of all or a substantial part of its property, (ii) admit in writing its inability to pay its debts generally as they mature, (iii) make a general assignment for the benefit of its or any of its creditors, (iv) be dissolved or liquidated, (v) commence a voluntary case or other proceeding seeking liquidation, reorganization or other relief with respect to itself or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or consent to any such relief or to the appointment of or taking possession of its property by any official in an involuntary case or other proceeding commenced against it, or (vi) take any action for the purpose of effecting any of the foregoing. As used in this Note, "Significant Subsidiary" means any Subsidiary of the Company, the total assets (after intercompany eliminations) of which exceeds twenty percent (20%) of the consolidated total assets of the Company and its subsidiaries as of the end of the Company's most recently completed fiscal year.

(c) Involuntary Bankruptcy or Insolvency Proceedings. Proceedings for the appointment of a receiver, trustee, liquidator or custodian of the Company or any of its Significant Subsidiaries, or of all or a substantial part of their property, or an involuntary case or other proceedings seeking liquidation, reorganization or other relief with respect to the Company or its Significant Subsidiaries, or the debts thereof, under any bankruptcy, insolvency or other similar law now or hereafter in effect shall be commenced and either (i) an order for relief shall be entered or (ii) such proceeding shall not be dismissed or discharged within 45 days of commencement.

(d) Cessation to be a Public Company. The Company's securities shall cease to be publicly traded on the Nasdaq Global Select Market.

(e) Change of Control. Any Change of Control shall occur. For the purpose of this provision 5(e), a "Change of Control" occurs if any "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act) other than (i) Mr. Kun Dai, or any of his Affiliates, (ii) any of Warburg Pincus, TPG Capital, 58.com Holdings Inc. or any of its respective Affiliates, or (iii) any "group" solely consisting of the Persons set forth in clauses (i) and (ii) above, is or becomes the "beneficial owner" (as such term is used in Rule 13d-3 of the Exchange Act), directly or indirectly, of 50% or more voting power of the Company's issued and outstanding securities.

(f) Breach of Other Obligations. The Company fails to perform or comply with one or more of its other obligations in this Note or the Convertible Note Purchase Agreement in any material respect, or breach any representation or warranty of the Company contained in the Convertible Note Purchase Agreement in any material respect, and in each case such failure is not capable of being cured or is not cured within thirty (30) days.

(g) Material Adverse Effect. Any one or more events, facts, conditions, changes or developments shall have occurred that have caused or constituted or could be reasonably expected to cause or constitute, either individually or in the aggregate, a Material Adverse Effect.

(h) Cross-Default. Any Significant Indebtedness (as defined below) of the Company or its Subsidiaries is not paid when due or (as the case may be) within any originally applicable grace period, or any such Significant Indebtedness becomes (or becomes capable of being declared) due and payable prior to its stated maturity otherwise than at the option of the Company or its Subsidiaries, or the Company or its Subsidiaries fails to pay when due any amount payable by it under any guarantee or indemnity of any Significant Indebtedness. For the purpose of this Section 5(i), "Significant Indebtedness" means, with respect to each event mentioned above, one or more indebtedness with an aggregate amount of no less than US$10,000,000 or its equivalent in any other currency or currencies.

(i) Unsatisfied Judgment. One or more judgment(s) or order(s) for the payment of an aggregate amount of no less than US$10,000,000 is rendered against the Company or its Subsidiaries and continue(s) unappealed, unsatisfied and unstayed for a period of sixty (60) days after the date(s) thereof or, if later, the date therein specified for payment.

(j) Security Enforced. A secured party takes possession, or a receiver, manager or other similar officer is appointed, of the whole or a material part of the undertaking, assets and revenues of the Company and its Subsidiaries taken as a whole.

(k) Enforcement Proceedings. A distress, attachment, execution, seizure before judgment or other legal process is levied, enforced or sued out on or against any material part of the property, assets or revenue of the Company or its Significant Subsidiaries.

(l) Winding up, etc. An order is made by any Governmental Entity having jurisdiction or an effective resolution is passed for the winding up, liquidation or dissolution of the Company or any of its Significant Subsidiaries (other than, in the case of a Significant Subsidiary of the Company, for the purposes of or pursuant to an amalgamation, reorganization or restructuring whilst solvent).

6. Remedies. Upon the occurrence of an Event of Default under Section 5 hereof, at the option and upon the written declaration of the Purchaser at the Purchaser's sole discretion, the entire unpaid Principal Amount and unpaid interest accrued thereon shall become forthwith due and payable, and the Purchaser may immediately enforce payment of all amounts due and owing under this Note and exercise any and all other remedies granted to it at law, in equity or otherwise. Without limiting the generality of the foregoing, upon the occurrence of an Event of Default under Section 5(e) hereof, the Company shall, if so requested by the Purchaser, cooperate in good faith with the Purchaser with respect to the Purchaser's efforts to receive equity securities of the

surviving entity (if any) in lieu of the acceleration of the Principal Amount and unpaid interest accrued thereon.

7. Prepayment. The Principal Amount or interest accrued thereon may not be prepaid prior to the Maturity Date without the written consent of the Purchaser.

8. No Rights as Shareholder Prior to Conversion. For the avoidance of doubt, the Purchaser has not been conferred with any of the rights of a shareholder of the Company, including the right to vote as such, by any of the provisions hereof or any provisions under the Convertible Note Purchase Agreement, or any right (a) to vote for the election of directors or upon any matter submitted to shareholders at any meeting thereof, (b) to give or withhold consent to any corporate action (whether upon any recapitalization, issuance of shares, reclassification of shares, change of par value, or change of shares to no par value, consolidation, merger, scheme of arrangement, conveyance, or otherwise), (c) to receive notice of meetings or to receive in-kind dividends or subscription rights or otherwise, in each case until this Note shall have been converted in whole or in part and all the Conversion Shares issuable upon such whole or partial conversion hereof shall have been issued, as provided for in this Note and the Convertible Note Purchase Agreement. For the avoidance of doubt, the Purchaser shall be conferred with all rights of a shareholder of the Company immediately upon any partial or full conversion of the Note with respect to such Conversion Shares.

9. Termination of Rights.All rights under this Note shall automatically terminate when (a) all amounts owing on this Note have been paid in full or (b) this Note is converted in full pursuant to Section 4 hereof. Upon the termination of all rights under this Note, this Note shall be surrendered by the Purchaser to the Company and this Note so surrendered shall be cancelled and shall not be reissued. For the avoidance of doubt, the Convertible Note Purchase Agreement shall not be terminated merely due to a termination of all rights under this Note, and shall remain in force and effect or terminate pursuant to the terms thereof.

10. Amendments and Waivers; Notice. The amendment or waiver of any term of this Note shall be subject to the written consent of the Company and the Purchaser. The provision of notice shall be conducted pursuant to the terms of the Convertible Note Purchase Agreement.

11. Successors and Assigns. This Note applies to, inures to the benefit of, and binds, the successors and assigns of the parties hereto; provided, however, that no party hereto may assign its obligations under this Note without the written consent of the other party hereto. Notwithstanding anything to the contrary, the Purchaser may, subject to applicable laws, transfer this Note to any of its Affiliates. Any transfer of this Note may take effect by surrender of this Note to the Company and reissuance of a new note to the transferee.

12. Governing Law; Dispute Resolution. This Note shall be governed by and construed under the laws of the State of New York without regards to principles of conflict of laws. The resolution of any controversy or claim arising out of or relating to this Note shall be conducted pursuant to the terms of the Convertible Note Purchase Agreement.

[*Remainder of Page Intentionally Left Blank*]

IN WITNESS WHEREOF, the Company has executed this Note as of the date first above written.

Uxin Limited

By: _____

Name:

Title:

Exhibit 4.31

AMENDMENT TO THE CONVERTIBLE NOTE PURCHASE AGREEMENT

CERTAIN INFORMATION HAS BEEN EXCLUDED FROM THE EXHIBIT BECAUSE IT IS NOT MATERIAL AND WOULD LIKELY CAUSE COMPETITIVE HARM TO THE COMPANY IF PUBLICLY DISCLOSED.

[*] indicates the redacted confidential portions of this exhibit.

THIS AMENDMENT TO THE CONVERTIBLE NOTE PURCHASE AGREEMENT (this "Amendment"), dated August 13th, 2019, is made by and between each of the undersigned parties.

Reference is made to that certain Convertible Note Purchase Agreement, dated July 12, 2019, by and between Uxin Limited (the "Company") and PacificBridge Asset Management, acting in its capacity as the fund manager of PacificBridge Inner Circle Mezzanine 1, PacificBridge Inner Circle Mezzanine 2, PacificBridge TMT Mezzanine 1 and PacificBridge TMT Mezzanine 2 ("PacificBridge") (the "Convertible Note Purchase Agreement"). Capitalized terms used and not defined in this Amendment shall have the meanings given to them in the Convertible Note Purchase Agreement, unless the context requires otherwise.

WHEREAS, each of the undersigned, being a party to the Convertible Note Purchase Agreement, desires to effect certain amendments to the Convertible Note Purchase Agreement; and

WHEREAS, pursuant to Section 7.3 of the Convertible Note Purchase Agreement, the Convertible Note Purchase Agreement may be amended by another agreement in writing executed by the Company and PacificBridge.

NOW, THEREFORE, each of the undersigned agrees to amend the Convertible Note Purchase Agreement as set forth below.

Section 1. Definition of "Conversion Price" in the 10.0% Note. The last sentence of Section 4(a)(i) of Exhibit A (Form of 10.0% Note) to the Convertible Note Purchase Agreement shall be deleted in its entirety and replaced by the following sentence:

"As used in this Note, "Conversion Price" means US$1.683, as may be adjusted pursuant to Section 4(d) hereof"

Section 2. Definition of "Conversion Price" in the 11.0% Note. The last sentence of Section 4(a)(i) of Exhibit B (Form of 11.0% Note) to the Convertible Note Purchase Agreement shall be deleted in its entirety and replaced by the following sentence:

"As used in this Note, "Conversion Price" means US$1.683, as may be adjusted pursuant to Section 4(d) hereof."

Section 3. SCHEDULE 1. Schedule 1 to the Convertible Note Purchase Agreement shall be deleted in its entirety and replaced by the following:

SCHEDULE 1

PURCHASERS AND ALLOCATIONS

[*]

For the avoidance of doubt, the detailed allocations between the Purchasers may be adjusted by the Fund Manager at its sole discretion upon a 10-day advance written notice to the Company, as long as the total principal amounts remain US$14,510,000.

Section 4. Effectiveness. This Amendment shall become effective immediately on the date hereof.

Section 5. Effect. Except as expressly amended by this Amendment, the Convertible Note Purchase Agreement shall remain in full force and effect as the same was in effect immediately prior to the effectiveness of this Amendment. All references in the Convertible Note Purchase Agreement to "this Agreement" shall be deemed to refer to the Convertible Note Purchase Agreement as amended by this Amendment.

Section 6. Further Assurance. Each of the undersigned hereby agrees to execute and deliver all such other and additional instruments and documents and do all such other acts and things as may be necessary or appropriate to effect this Amendment.

Section 7. Miscellaneous. Section 7.2 *(Governing Law; Dispute Resolution)*, Sections 7.6 *(Notices)*, 7.8 *(Severability)*, 7.10 *(Confidentiality)*, 7.13 *(Headings)* and 7.14 *(Counterparts)* are hereby incorporated into this Amendment, *mutatis mutandis.*

[remainder of this page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have executed this Amendment on the date first written above.

Uxin Limited

By: /s/ Kun Dai
Name: Kun Dai
Title: Director and CEO

IN WITNESS WHEREOF, the parties hereto have executed this Amendment on the date first written above.

PacificBridge Asset Management, acting in its capacity as the fund manager of each of the Purchasers

By: /s/ DK LEE
Name: DK LEE
Title: CEO

Exhibit 4.32

Execution Version

CONVERTIBLE NOTE PURCHASE AGREEMENT

by and between

UXIN LIMITED

and

PACIFICBRIDGE ASSET MANAGEMENT

Dated July 12, 2019

CERTAIN INFORMATION HAS BEEN EXCLUDED FROM THE EXHIBIT BECAUSE IT IS NOT MATERIAL AND WOULD LIKELY CAUSE COMPETITIVE HARM TO THE COMPANY IF PUBLICLY DISCLOSED.

[*] indicates the redacted confidential portions of this exhibit.

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CONVERTIBLE NOTE PURCHASE AGREEMENT

This CONVERTIBLE NOTE PURCHASE AGREEMENT (as amended, restated, supplemented or otherwise modified from time to time, this "Agreement"), dated July 12, 2019, is entered into by and between Uxin Limited, an exempted company with limited liability incorporated under the laws of the Cayman Islands (the "Company"), and PacificBridge Asset Management (the "Fund Manager") acting in its capacity as the fund manager of each of the Persons listed in Schedule 1 hereto (each, a "Purchaser").

W I T N E S S E T H:

WHEREAS, the Company desires to issue to each Purchaser, and the Fund Manager has agreed to cause each Purchaser to purchase from the Company, the applicable Notes (as defined below), subject to the terms and conditions set forth herein and in the applicable Notes.

NOW, THEREFORE, in consideration of the respective undertakings stated herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. DEFINITIONS. Whenever used herein, unless the context otherwise requires, the following words and phrases shall have the following meanings:

"10.0% Note" shall mean a promissory note, with a 10.0% coupon and a maturity date that is 12 months after the issuance date, to be issued by the Company to the applicable Purchaser pursuant to Article 2 below, in the form of Exhibit A.

"11.0% Note" shall mean a promissory note, with a 11.0% coupon and a maturity date that is 15 months after the issuance date, to be issued by the Company to the applicable Purchaser pursuant to Article 2 below, in the form of Exhibit B.

"ADSs" shall mean American Depositary Shares representing Class A Ordinary Shares.

"Adverse Person" shall mean any Person identified in Schedule 2 hereto, any additional Persons to be mutually agreed in writing by the Company and the Fund Manager from time to time, and any Controlled Affiliates of any of the foregoing.

"Affiliate" of any specified Person shall mean any other Person directly or indirectly Controlling or Controlled by or under direct or indirect common Control with such specified Person. For the avoidance of doubt, none of the Purchasers shall be considered as an Affiliate of the Company or the Company's Subsidiaries by reason of holding any Notes to be issued hereunder.

"Agreement" shall have the meaning specified in the preamble to this Agreement.

"Board" shall mean the board of directors of the Company.

"Business Day" shall mean any day that is not a Saturday, a Sunday or another day on which banking institutions in the State of New York, the PRC, Hong Kong, the Republic of Korea or the Cayman Islands are required by law to be closed.

"Claim Notice" shall have the meaning specified in Section 6.2(a) of this Agreement.

"Class A Ordinary Shares" shall mean the Class A ordinary shares of the Company of a par value of US$0.0001 each.

"Class B Ordinary Shares" shall mean the Class B ordinary shares of the Company of a par value of US$0.0001 each.

"Closing" shall have the meaning specified in Section 2.2 of this Agreement.

"Closing Date" shall have the meaning specified in Section 2.2 of this Agreement. "Company" shall have the meaning specified in the preamble to this Agreement.

"Company Securities" shall mean (a) Ordinary Shares or American Depositary Shares, depositary receipts or similar instruments issued in respect of Ordinary Shares, (b) securities convertible into, or exercisable or exchangeable for, any Ordinary Shares or other instruments described in clause (a), and (c) any options, warrants or other rights to acquire any of the foregoing Ordinary Shares, instruments or securities.

"Control" of a given Person shall mean the power or authority, whether exercised or not, to direct the business, management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; provided, that such power or authority shall conclusively be presumed to exist upon possession of beneficial ownership or power to direct the vote of more than fifty percent (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 a majority of the board of directors of such Person. The terms "Controlled" and "Controlling" have meanings correlative to the foregoing.

"Conversion Shares" shall mean the Class A Ordinary Shares issuable upon conversion of the Notes in accordance with the terms thereof.

"Dispute" shall have the meaning specified in Section 7.2 of this Agreement.

"Encumbrance" shall mean (a) any mortgage, charge, pledge, lien, hypothecation, deed of trust, title retention, title defect, security interest, encumbrance or other third-party rights of any kind securing or conferring any priority of payment in respect of any obligation of any Person, any other restriction or limitation; (b) any easement or covenant granting a right of use or occupancy to any Person; (c) any proxy, power of attorney, voting trust agreement, interest, option, right of first offer, right of pre-emptive negotiation, or refusal or transfer restriction in favor of any Person; and (d) any adverse claim as to title.

"Exchange Act" shall mean the United States Securities Exchange Act of 1934, as amended.

"Fund Manager" shall have the meaning specified in the preamble to this Agreement.

"Fundamental Company Representations" shall mean the representations and warranties by the Company contained in Sections 3.2, 3.3, 3.4, 3.5 and 3.6.

"Fundamental Purchaser Representations" shall mean the representations and warranties by the Fund Manager contained in Sections 4.1, 4.2, 4.3 and 4.4.

"Governmental Entity" shall mean any transnational or supranational, domestic or foreign federal, national, state, provincial, local or municipal governmental, regulatory, judicial

or administrative authority, department, court, arbitral body, agency or official, including any department, commission, board, agency, bureau, subdivision or instrumentality thereof or any stock exchange.

"Hong Kong" shall mean the Hong Kong Special Administrative Region of the PRC.

"Indemnified Party" shall have the meaning specified in Section 6.1(a) of this Agreement.

"Indemnifying Party" shall have the meaning specified in Section 6.1(a) of this Agreement.

"Indemnity Notice" shall have the meaning specified in Section 6.3 of this Agreement.

"Lock-Up Period" shall mean the period between the Closing Date and the date that is 180 days after the Closing Date (both dates inclusive).

"Loss Threshold" shall have the meaning specified in Section 6.1(c).

"Losses" shall have the meaning specified in Section 6.1(a) of this Agreement.

"Material Adverse Effect" shall mean any event, occurrence, fact, condition, change or development, individually or together with other events, occurrences, facts, conditions, changes or developments, that has had, has, or would reasonably be expected to have a material adverse effect on (a) the business of the Company as presently conducted, or the condition (financial or otherwise), affairs, properties, employees, liabilities, assets or results of operation of the Company and its Subsidiaries taken as a whole or (b) the ability of the Company to consummate the transactions contemplated by this Agreement and the Notes and to timely perform its material obligations hereunder and thereunder; provided, however, that in determining whether a Material Adverse Effect has occurred, there shall be excluded any effect on the business of the Company or the Company or any Subsidiary relating to or arising in connection with (i) any action required to be taken pursuant to the terms and conditions of this Agreement or taken at the written direction of the Fund Manager or any Purchaser, (ii) economic changes affecting the industry in which the Company and its Subsidiaries operate generally or the economy of the PRC or any other market where the Company and its Subsidiaries have material operations or sales generally (provided in each case that such changes do not have a unique and materially disproportionate impact on the business of the Company and its Subsidiaries compared to any other companies that operate in the industry or market in which the Company and its Subsidiaries operate), (iii) the execution, announcement or disclosure of this Agreement or the pendency or consummation of the transactions contemplated hereunder, (iv) actions or omissions of the Company and its Subsidiaries that have been consented by the Fund Manager or any Purchaser in writing or otherwise contemplated by this Agreement, (v) changes in generally accepted accounting principles that are generally applicable to comparable companies (provided that such changes do not have a unique and materially disproportionate impact on the business of the Company and its Subsidiaries compared to compared to any other companies that operate in the industry or market in which the Company and its Subsidiaries operate), (vi) changes in general legal, tax or regulatory conditions (provided that such changes do not have a unique or materially disproportionate impact on the business of the Company and its Subsidiaries compared to any other companies that operate in the industry or market in which the Company and its Subsidiaries operate), (vii) changes in national or international political or social conditions,

including any engagement in hostilities or the occurrence of any military or terrorist attack or civil unrest, or (viii) earthquakes, hurricanes, floods or other natural disasters.

"Note(s)" shall mean any of the 10.0% Note and the 11.0% Note, as applicable.

"Ordinary Shares" shall mean the Class A Ordinary Shares and the Class B Ordinary Shares.

"Person" shall mean any natural person, firm, corporation, limited liability company, partnership, joint venture, association, joint-stock company, trust, unincorporated organization, Governmental Entity or any other legal entity, including public bodies, whether acting in an individual, fiduciary or other capacity.

"PRC" shall mean the People's Republic of China, excluding, for the purpose of this Agreement, Hong Kong, the Macau Special Administrative Region and Taiwan.

"Principal Amount" with respect to a Purchaser and a Note shall mean the U.S. dollar amount set forth next to the name of the Purchaser in the column entitled "Principal Amount" in the applicable table in Schedule 1 hereto.

"Purchaser" shall have the meaning specified in the preamble to this Agreement.

"Purchaser Entities" shall mean, collectively, the Purchasers and the Fund Manager.

"Regulation S" shall have the meaning specified in Section 3.14 of this Agreement.

"SEC" shall mean the United States Securities and Exchange Commission.

"SEC Documents" shall mean all registration statements, proxy statements and other statements, reports, schedules, forms and other documents required to be filed or furnished by the Company with the SEC from time to time, and all exhibits included therein and financial statements, notes and schedules thereto and documents incorporated by reference therein.

"Securities Act" shall mean the United States Securities Act of 1933, as amended.

"Subsidiary" shall mean, with respect to any given Person, any other Person that is Controlled directly or indirectly by such given Person, which shall, for the avoidance of doubt, include any variable interest entity whose assets and financial results are consolidated with the assets and financial results of such given Person and are recorded on the financial statements of such given Person for financial reporting purposes in accordance with applicable accounting standards (each, a "VIE" and collectively, the "VIEs") and any Subsidiary of such VIEs.

"Third Party Claim" shall have the meaning specified in Section 6.2(a) of this Agreement.

"Transfer" shall mean directly or indirectly, offer, sell, contract to sell, pledge, transfer, assign, give, hypothecate, encumber, grant a security interest in, convey in trust, gift, devise or descent, or otherwise dispose of, or suffer to exist (whether by operation of law of otherwise) any Encumbrance on, any Company Securities or any right, title or interest therein or thereto, or enter into a transaction which would have the same effect, or enter into any swap, hedge or other arrangement that transfers, in whole or in part, any of the economic consequences of ownership of any Company Securities, whether any such aforementioned transaction is to be

settled by delivery of the Ordinary Shares, American Depositary Receipts or such other securities, in cash or otherwise, or publicly disclose the intention to make any such disposition or to enter into any such transaction, swap, hedge or other arrangement, including transfers pursuant to divorce or legal separation, transfers to receivers, levying creditors, trustees or receivers in bankruptcy proceedings or general assignees for the benefit of creditors, whether voluntary or by operation of law, directly or indirectly, of any Company Securities.

"US$" and "U.S. dollar" shall mean the lawful currency of the United States of America.

2. ISSUANCE OF THE NOTES.

2.1 Issuance of the Notes. Subject to the satisfaction of terms and conditions of this Agreement, at the Closing, the Company agrees to issue to each Purchaser, and the Fund Manager hereby agrees to cause each Purchaser to purchase from the Company, the 10.0% Note or the 11.0% Note, in the principal amount equal to the applicable Principal Amount.

2.2 Closing. The closing of the issuance and purchase of the Notes shall take place remotely via the exchange of documents and signatures after all closing conditions specified in Sections 2.4 and 2.5 hereof have been satisfied or waived (other than those conditions that by their nature are to be satisfied at the Closing, but subject to the satisfaction or waiver thereof at the Closing). The date of the Closing (the "Closing Date") will be September 18, 2019 or such other date as the Company and the Fund Manager may mutually agree in writing.

2.3 Payment and Delivery. At the Closing, the Fund Manager shall cause each Purchaser to pay and deliver the applicable Principal Amount to the Company in U.S. dollars by wire transfer, or by such other method as may be mutually agreed by the Company and the Fund Manager, of immediately available funds to such bank account of the Company designated in writing by the Company. Such payment shall be delivered and made available to such bank account on the Closing Date, and the Company shall deliver to each Purchaser the duly executed Note dated the Closing Date, free and clear of Encumbrances.

2.4 Conditions to the Fund Manager's Obligations to Effect the Closing. The obligation of the Fund Manager to cause each Purchaser to purchase the Note at the Closing is subject to the satisfaction, on or before the Closing Date, of the following conditions, any of which may be waived in writing by the Fund Manager in its sole and absolute discretion:

(a) All corporate and other actions required to be taken by the Company in connection with the issuance, sale and delivery of the applicable Note shall have been completed;

(b) The representations and warranties of the Company contained in Article 3 of this Agreement shall have been true and correct in all material respects on the date of this Agreement and true and correct as of the Closing Date, and the Company shall have performed and complied in all material respects with all, and not be in breach or default in any material respect under any, agreements, covenants, conditions and obligations contained in this Agreement that are required to be performed or complied with by it on or before the Closing Date;

(c) No Governmental Entity of competent jurisdiction shall have enacted, issued, promulgated, enforced or entered any law (whether temporary, preliminary or

permanent) that is in effect and restrains, enjoins, prevents, prohibits or otherwise makes illegal the consummation of the transactions contemplated by this Agreement, or imposes any damages or penalties in connection with the transactions contemplated by this Agreement with respect to that Purchaser that are substantial in relation to the Company and its Subsidiaries; and no action, suit, proceeding or investigation shall have been instituted by a Governmental Entity of competent jurisdiction or threatened that seeks to restrain, enjoin, prevent, prohibit or otherwise make illegal the consummation of the transactions contemplated by this Agreement with respect to that Purchaser, or imposes any damages or penalties in connection with the transactions contemplated by this Agreement with respect to that Purchaser that are substantial in relation to the Company and its Subsidiaries;

(d) No event, occurrence, development or state of circumstances that has or could reasonably be expected to have a Material Adverse Effect has occurred; and

(e) No event, occurrence, development or state of circumstances that would constitute an Event of Default (as defined in the applicable Note) shall have occurred.

2.5 Conditions to the Company's Obligations to Effect the Closing. The obligation of the Company to issue the Note to a Purchaser at the Closing is subject to the satisfaction, on or before the Closing Date, of the following conditions, any of which may be waived in writing by the Company in its sole discretion:

(a) All corporate and other actions required to be taken by that Purchaser and the Fund Manager in connection with the purchase of the applicable Note shall have been completed;

(b) The representations and warranties of the Fund Manager contained in Article 4 of this Agreement shall have been true and correct on the date of this Agreement and true and correct in all material respects as of the Closing Date, and the Fund Manager shall have performed and complied in all material respects with all, and not be in breach or default in any material respect under any, agreements, covenants, conditions and obligations contained in this Agreement that are required to be performed or complied with by it on or before the Closing Date; and

(c) No Governmental Entity of competent jurisdiction shall have enacted, issued, promulgated, enforced or entered any law (whether temporary, preliminary or permanent) that is in effect and restrains, enjoins, prevents, prohibits or otherwise makes illegal the consummation of the transactions contemplated by this Agreement, or imposes any damages or penalties in connection with the transactions contemplated by this Agreement with respect to the Company; and no action, suit, proceeding or investigation shall have been instituted by a Governmental Entity of competent jurisdiction or threatened that seeks to restrain, enjoin, prevent, prohibit or otherwise make illegal the consummation of the transactions contemplated by this Agreement, or imposes any damages or penalties in connection with the transactions contemplated by this Agreement with respect to the Company.

3. REPRESENTATIONS AND WARRANTIES OF THE COMPANY. Except as otherwise disclosed in the SEC Documents, the Company represents and warrants to the Fund Manager as of the date hereof and as of the Closing that:

3.1 Accuracy of Disclosure. The Company has filed or furnished, as applicable, on a timely basis, all SEC Documents. As of their respective effective dates (in the

case of the SEC Documents that are registration statements filed pursuant to the requirements of the Securities Act) and as of their respective SEC filing dates (in the case of all other SEC Documents), or in each case, if amended prior to the date hereof, as of the date of the last such amendment: (A) each of the SEC Documents complied in all material respects with the applicable requirements of the Securities Act, the Exchange Act and the Sarbanes-Oxley Act of 2002, as amended, and any rules and regulations promulgated thereunder applicable to the SEC Documents (as the case may be), and (B) none of the SEC Documents contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the material statements therein, in the light of the circumstances under which they were made, not misleading.

3.2 Existence and Qualification. The Company has been duly organized, is validly existing and in good standing under the laws of the Cayman Islands and has the requisite power and authority to own, lease and operate its property and to conduct its business as currently conducted and as described in the SEC Documents. Each of the Company and its Subsidiaries is duly qualified to transact business and is in good standing in each jurisdiction in which the conduct of its respective business or its respective ownership, leasing or operation of property requires such qualification, except to the extent that the failure to be so qualified or be in good standing would not, individually or in the aggregate, reasonably be expected have a Material Adverse Effect.

3.3 Capitalization; Issuance of Subscription Shares. The authorized share capital of the Company is $1,000,000 divided into 10,000,000,000 shares comprising of (i) 9,600,000,000 Class A Ordinary Shares, of which 839,868,944 Class A Ordinary Shares (excluding the 23,501,589 Class A Ordinary Shares issued to the Company's depositary bank for bulk issuance of American Depositary Shares reserved for future issuances upon the exercise or vesting of awards granted under the Company's share incentive plan) were issued and outstanding as of February 28, 2019, (ii) 100,000,000 Class B Ordinary Shares, of which 40,809,861 Class B Ordinary Shares were issued and outstanding as of February 28, 2019, and (iii) 300,000,000 shares of a par value of $0.0001 each of such class or classes (however designated) as the Board may determine in accordance with the Company's articles of association. All of the outstanding shares of capital stock of the Company are duly authorized, validly issued, fully paid and non-assessable, have been issued in compliance with all applicable securities laws, and none of such outstanding shares was issued in violation of any preemptive rights or similar rights to subscribe for or purchase securities. Except as set forth in the SEC Documents, the Company has no outstanding bonds, debentures, notes or other obligations, the holders of which have the right to vote (or which are convertible into or exercisable for securities having the right to vote) with the shareholders of the Company on any matter.

3.4 Valid Issuance of the Notes and the Conversion Shares. The Notes and the Conversion Shares to be issued, sold and delivered upon conversion of the Notes will be duly and validly issued, fully paid and non-assessable, free and clear of all Encumbrances except as imposed by applicable securities laws, and based in part upon the representations and warranties of the Fund Manager in this Agreement, will be issued in compliance with all applicable federal and state securities laws. Upon conversion of the Notes, each Purchaser will be entitled to all rights accorded to a holder of the Company's Class A Ordinary Shares and will be the record and beneficial owner of all such securities and have good and valid title to all such securities, free and clear of all Encumbrances except as imposed by applicable securities laws. The Conversion Shares will be freely transferable in compliance with Rule 144

under the Securities Act upon conversion of the Notes and no restrictive legend will be included in any certificate evidencing such shares.

3.5 Capacity, Authorization and Enforceability. The Company has the requisite power and authority to enter into and perform its obligations under this Agreement and consummate the transactions contemplated hereby. This Agreement has been duly authorized, executed and delivered by the Company, and assuming the due authorization, execution and delivery by the Fund Manager, this Agreement is a valid and binding agreement of the Company, enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency or similar laws affecting creditors' rights generally and general principles of equity.

3.6 Non-Contravention. Neither the execution and the delivery of this Agreement, nor the consummation of the transactions contemplated hereby, will (i) violate any provision of the memorandum and articles of association or other constitutional documents of the Company or (ii) violate any constitution, statute, regulation, rule, injunction, judgment, order, decree, ruling, charge, or other restriction of any Governmental Entity to which the Company or any of its Subsidiaries is subject, or (iii) conflict with, result in a breach of, constitute a default under, result in the acceleration of or creation of an Encumbrance under, create in any party the right to accelerate, terminate, modify, or cancel, or require any notice under, any agreement, contract, lease, license, instrument, or other arrangement to which the Company or any of its Subsidiaries is a party or by which the Company or any of its Subsidiaries is bound or to which the Company's or any of its Subsidiaries' assets are subject, except in the case of clauses (ii) or (iii) as would not have a Material Adverse Effect. There is no action, suit or proceeding, pending or, to the knowledge of the Company, threatened against the Company that questions the validity of this Agreement or the right of the Company to enter into this Agreement to consummate the transactions contemplated hereby.

3.7 Consents and Approvals. Assuming the accuracy of the representations and warranties of the Fund Manager under this Agreement, neither the execution and delivery by the Company of this Agreement, nor the consummation by the Company of any of the transactions contemplated hereby, nor the performance by the Company of this Agreement in accordance with its terms requires the consent, approval, order or authorization of, or registration with, or the giving notice to, any governmental or public body or authority or any third party, except such as have been or will have been obtained, made or given on or prior to the Closing and those filings required to be made with the SEC and the Nasdaq Stock Market (including, without limitation, a current report on Form 6-K).

3.8 Financial Statements. The financial statements (including any related notes) contained in the SEC Documents: (A) complied as to form in all material respects with applicable accounting requirements and the published rules and regulations of the SEC with respect thereto, (B) were prepared in accordance with United States generally accepted accounting principles ("GAAP") applied on a consistent basis throughout the periods covered thereby and (C) fairly present in all material respects the consolidated financial position of the Company and its Subsidiaries as of the respective dates thereof and the consolidated results of operations and cash flows of the Company and its Subsidiaries for the periods covered thereby, except as disclosed therein and as permitted under the Exchange Act.

3.9 Operating and non-GAAP financial Data. All operating data and non-GAAP financial data of the Company and its Subsidiaries disclosed in the SEC Documents, including but not limited to GMV, transaction volume, number of car listings and used car transaction facilitation service take rate, are true and accurate in all material respects.

3.10 Related Party Transactions. There are no material transactions between the Company or any of its Subsidiaries, on the one hand, and the Company's or any of its Subsidiaries' respective 5% or greater shareholders, Affiliates, directors or executive officers, or any Affiliates of such Persons, on the other hand, except as have been duly approved by the audit committee of the Board, or any other related party transactions required to be disclosed that are not disclosed in the SEC Documents.

3.11 Absence of Certain Changes. Except as set forth in the SEC Documents, since December 31, 2018, there has been no event, occurrence, development or state of circumstances that has or could reasonably be expected to have a Material Adverse Effect.

3.12 Litigation. Except as disclosed in the SEC Documents, there are no actions pending or may threatened against or involving the Company or its Subsidiaries or affecting the business or any of the assets of the Company or its Subsidiaries.

3.13 Compliance with Laws. Except as disclosed in the SEC Documents, the business of the Company or its Subsidiaries is not being conducted in violation of any applicable law or government order applicable to the Company or its Subsidiaries except for violations which do not and would not have a Material Adverse Effect.

3.14 Securities Laws. (a) No "directed selling efforts" into the United States (as defined in Rule 902 of Regulation S under the Securities Act ("Regulation S")) with respect to the Notes have been made by the Company, any of its Affiliates, or any Person acting on its behalf, and (b) none of the foregoing Persons has taken any actions that would result in the sale of the Notes to the Purchasers under this Agreement requiring registration under the Securities Act or any U.S. state securities laws. The Company is a "foreign issuer" (as defined in Regulation S).

3.15 No Registration. Assuming the accuracy of the Fund Manager's representations and warranties in Article 4, no registration under the Securities Act is required for the offer and sale of the Notes by the Company to that Purchaser as contemplated hereby.

3.16 Ranking of the Notes. The Notes rank senior in right of payment to any of the Company's other indebtedness that is expressly subordinated in right of payment to the Notes, *pari passu* in right of payment to any of the Company's other indebtedness and liabilities that are not so subordinated, junior in right of payment to any of the Company's secured indebtedness to the extent of the value of the assets securing such indebtedness, and structurally junior to all indebtedness and liabilities incurred by the Company's Subsidiaries.

3.17 Listing and Maintenance Requirements. The issuance and sale of the Notes under this Agreement and the transactions contemplated hereby do not contravene the rules and regulations of the Nasdaq Global Select Market.

3.18 Investment Company. The Company is not, and upon the sale of the Notes contemplated herein and the application of the net proceeds therefrom will not be, required to register as an "investment company" pursuant to the U.S. Investment Company Act of 1940, as amended.

3.19 Money Laundering Laws. The operations of the Company and its Subsidiaries have been and will be conducted at all times in compliance with the money laundering requirements of all applicable governmental authorities and any related or similar

rules, regulations or guidelines, issued administered or enforced by any Governmental Entity (collectively, the "Money Laundering Laws") and no action, suit or proceeding by or before any Governmental Entity involving the Company or its Subsidiaries, its Affiliates employees or agents with respect to the Money Laundering Laws is pending or threatened.

3.20 OFAC. (i) None of the Company, any of its Subsidiaries, or any director, officer or employee of any of the foregoing, or, to the Company's knowledge, any agent, Affiliate or representative of the Company, is a Person that is, or is owned 50% or more or controlled by one or more Persons that are (such Persons referred to as "Sanctioned Persons"): (a) the target of any sanctions administered or enforced by the U.S. government (including but not limited to the Office of Foreign Assets Control of the U.S. Department of the Treasury or the U.S. Department of State and including, without limitation, the designation as a "specially designated national" or "blocked person"), the United Nations Security Council, the European Union, Her Majesty's Treasury or any other relevant sanctions authority (collectively, "Sanctions"), including by being listed on any Sanctions related list of designated persons, or (b) located, organized or resident in, or a national, Governmental Entity. or agent of, a country, region or territory that is the subject or target Sanctions (as of the date hereof, including but not limited to, Cuba, Iran, North Korea, Syria and Crimea (each, a "Sanctioned Country")). (ii) The Company represents and covenants that the Company and its Significant Subsidiaries have not engaged in, are not now engaged in, and will not engage in, any dealings or transactions directly or indirectly with any Sanctioned Person, or in any country or territory, that at the time of the dealing or transaction is or was the subject or the target of Sanctions.

3.21 Foreign Corrupt Practices. Neither of the Company or its Subsidiaries, nor any Person acting on their behalf, has, directly or indirectly (i) used any funds or will use and proceeds from the sale of the Notes for unlawful contributions, gifts, entertainment or other unlawful expenses related to foreign or domestic political activity, (ii) made any unlawful payment to foreign or domestic government officials or employees or to any foreign or domestic political parties or campaigns from corporate funds, (iii) failed to disclose fully any contribution made by the Company or any of its Subsidiaries (or made by any Person acting on its behalf of which the Company or any of or its Subsidiaries is aware) which is in violation of any applicable law, or (iv) violated any provision of the Foreign Corrupt Practices Act of 1977, as amended, and the rules and regulations thereunder which was or is applicable to the Company or its Subsidiaries.

3.22 PFIC. Based on the Company's current income and asset and projections as to the value of its assets and market value of its ADSs, including the current and anticipated value of its assets, the Company believes that it was not and does not expect to be a "passive foreign investment company" as defined in Section 1297 of the United States Internal Revenue Code of 1986, as amended for the current taxable year or in foreseeable future.

3.23 Tax Matters. The Company and its Subsidiaries have filed all material tax returns required by applicable law to be filed by them, have paid all taxes due pursuant to such returns (including interest and penalties), and have paid all other material taxes, fees, assessments and other governmental charges owing by them or in respect of their respective property, income, profits and assets, except for such taxes (a) that are not yet delinquent or (b) that are being appropriately contested in good faith by appropriate proceedings, and against which adequate reserves are being maintained in accordance with GAAP (or the comparable accounting principles in the relevant jurisdiction). No material tax assessment has been imposed on (or threatened in writing to be imposed on) the Company and its Subsidiaries or any of their respective assets.

4. REPRESENTATIONS AND WARRANTIES OF THE FUND MANAGER. (i) The Fund Manager acting on behalf of each Purchaser represents and warrants to the Company as of the date hereof and as of the Closing Date that:

4.1 Existence. Each Purchaser Entity has been duly organized, is validly existing and is in good standing under the laws of its jurisdiction of organization.

4.2 Capacity. Each Purchaser Entity has the requisite power and authority to enter into and perform its respective obligations under this Agreement and consummate the transactions contemplated hereby. The Fund Manager is the general partner and sole fund manager of each Purchaser and has the capacity and authority to act on behalf of each Purchaser.

4.3 Authorization and Enforceability. This Agreement has been duly authorized, executed and delivered by the Fund Manager, and assuming the due authorization, execution and delivery by the Company, this Agreement is a valid and binding agreement of the Fund Manager, enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency or similar laws affecting creditors' rights generally and general principles of equity.

4.4 Non-Contravention. Neither the execution and the delivery of this Agreement, nor the consummation of the transactions contemplated hereby, will (i) violate any provision of the memorandum and articles of association or other constitutional documents of any Purchaser Entity or (ii) violate any constitution, statute, regulation, rule, injunction, judgment, order, decree, ruling, charge, or other restriction of any Governmental Entity to which any Purchaser Entity is subject, or (iii) conflict with, result in a breach of, constitute a default under, result in the acceleration of or creation of an Encumbrance under, create in any party the right to accelerate, terminate, modify, or cancel, or require any notice under, any agreement, contract, lease, license, instrument, or other arrangement to which any Purchaser Entity is a party or by which any Purchaser Entity is bound or to which any assets of any Purchaser Entity are subject. There is no action, suit or proceeding, pending or, to the knowledge of the Fund Manager, threatened against any Purchaser Entity that questions the validity of this Agreement or the right of any Purchaser Entity to enter into this Agreement to consummate the transactions contemplated hereby.

4.5 Consents and Approvals. Neither the execution and delivery by the Fund Manager of this Agreement, nor the consummation by any Purchaser Entity of any of the transactions contemplated hereby, nor the performance by any Purchaser Entity of this Agreement in accordance with its terms requires the consent, approval, order or authorization of, or registration with, or the giving notice to, any governmental or public body or authority or any third party, except such as have been or will have been obtained, made or given on or prior to the Closing.

4.6 Investment Intent. Each Purchaser is purchasing the Notes solely for its own account for investment, and not with a view to, or for sale in connection with, any distribution of the Notes or any portion thereof, and not with any present intention of selling, offering to sell, or otherwise disposing of or distributing the Notes or any portion thereof in any transaction. The entire legal and beneficial interest of the Notes is being purchased, and will be held, for each Purchaser's own account only, and neither in whole or in part for the account of any other Person.

4.7 Regulation S Eligibility; Restriction on Resale. The Fund Manager acknowledges that each Purchaser is acquiring the Notes in an "offshore transaction" (as

defined in Regulation S) in reliance upon the exemption from registration provided by Regulation S. Each Purchaser is not a U.S. person as defined in Rule 902 of Regulation S and is located outside of the United States. The Fund Manager understands that the Notes to be purchased by each Purchaser has not been registered under the Securities Act or any U.S. state law and may not be offered or sold within the United States or to, or for the account or benefit of, a U.S. person except pursuant to an exemption from, or in a transaction not subject to, the registration requirements under the Securities Act and applicable U.S. state law.

4.8 Investment Experience. Each Purchaser is a sophisticated purchaser with knowledge and experience in financial and business matters such that such Purchaser is capable of evaluating the merits and risks of the investment in the Notes and the Conversion Shares. Each Purchaser is able to bear the economic risks of an investment in the Notes and the Conversion Shares. The Fund Manager understands that securities prices are a function of a large number of variables and that there is no way for the Company to predict or otherwise gauge the market's reaction to the disclosure of any material information. The Fund Manager acknowledges and affirms that, with the assistance of its advisors, it has conducted and completed its own investigation, analysis and evaluation related to the investment in the Notes and the Conversion Shares. The Fund Manager understands and acknowledges that the Company has or may have information concerning the Company and its Affiliates including, but not limited to, the short term and long-term plans of the Company and its Affiliates. With full recognition of the foregoing, and after discussing these matters with its counsel and such other advisors as it deems appropriate, the Fund Manager wishes to cause each Purchaser to consummate the transactions contemplated under this Agreement on the terms set forth herein.

5. COVENANTS.

5.1 Further Assurances. From the date of this Agreement to the Closing Date, (i) the Company and the Fund Manager shall use their reasonable efforts to fulfill, or obtain the fulfillment of, all of the conditions precedent to the consummation of the transactions contemplated hereby, and (ii) the Fund Manager shall cause each Purchaser to take necessary and appropriate actions contemplated hereunder for the consummation of the transactions contemplated hereby.

5.2 Reservation of Shares. At all times for so long as any Note (or any portion thereof) remains outstanding, the Company shall take all actions necessary to have authorized, and reserved for the purpose of issuance, no less than one hundred percent (100%) of the aggregate number of Class A Ordinary Shares needed to provide for the complete issuance of the Conversion Shares underlying such Notes.

5.3 Lock-Up. Notwithstanding any other provisions of this Agreement or any other agreement by the Company and the Purchaser Entities, during the Lock-Up Period, the Fund Manager shall ensure that each Purchaser Entity will not, and will procure that none of its Subsidiaries will, without the prior written consent of the Company, directly or indirectly through one or a series of transactions, Transfer any Company Securities to any Person other than the Purchaser Entity's Subsidiaries. Any Transfer of Company Securities made in violation of this Section 5.3 shall be null and void *ab initio* and shall not be recorded on the books and records of the Company.

5.4 No Transfer to Adverse Persons. Notwithstanding any other provisions of this Agreement or any other agreement by the Company and the Purchaser Entities, the Fund Manager shall ensure that each Purchaser Entity will not directly or indirectly Transfer, and

will not permit any direct or indirect Transfer, through one or a series of transactions, of any Company Securities held by it directly or indirectly (including through any Affiliate) to any Adverse Person without the prior written consent of the Company. Any Transfer of any Company Securities made in violation of this Section 5.4 shall be null and void *ab initio* and shall not be recorded on the books and records of the Company.

5.5 Use of Proceeds. The Company shall use the proceeds from the issuance of the Notes for general corporate purposes, and shall not use the proceeds from the issuance of the Notes (a) to fund or facilitate any activities of or business with any Person that is the subject or the target of Sanctions, (b) to fund or facilitate any activities of or business in any country or territory that is subject of any Sanctions, (c) in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any Person in violation of any anti-corruption laws, or (d) in a way that that result in noncompliance with all applicable anti-money laundering or anti-terrorism statutes, the rules and regulations thereunder and any related or similar rules, regulations or guidelines, issued, administered or enforced by any applicable Governmental Entity.

5.6 Conversion to ADSs. To the extent permitted by applicable law, after the conversion of either Note (or any portion thereof) by any Purchaser into Conversion Shares, in the event that such Purchaser has delivered to the Company written notice specifying that such Purchaser irrevocably elects to convert the Conversion Shares into ADSs subject to the compliance of applicable conditions under Rule 144(b), the Company shall use its reasonable best efforts to effect (or cause to be effected) the conversion of such Conversion Shares into ADSs within seven (7) days after receiving such written notice.

6. INDEMNIFICATION.

6.1 Indemnification.

(a) Subject to the other provisions of this Article 6, each of the Company and the Fund Manager ("Indemnifying Party") shall indemnify and hold each other, such other party's respective Affiliates, and such other party's and their respective Affiliates' members, partners, managers, directors, officers, employees, advisors and agents (collectively, the "Indemnified Party") harmless from and against any losses, liabilities, damages, costs and expenses, including reasonable attorney's fees (collectively, "Losses") resulting from or arising out of: (i) any breach or violation of, or inaccuracy in, any representation or warranty made by the Indemnifying Party or its applicable Affiliates under this Agreement; or (ii) any breach or violation of, or failure to perform, any covenants or agreements made by or on behalf of, or to be performed by, the Indemnifying Party or its applicable Affiliates under this Agreement. The indemnity under this Article 6 shall not be prejudiced by or otherwise be subject to any disclosure and shall apply regardless of whether the Indemnifying Party has any actual or constructive knowledge with respect thereto.

(b) No Indemnifying Party shall be liable for any Loss consisting of punitive damages (except to the extent that such punitive damages are awarded to a third party against an Indemnified Party in connection with a Third Party Claim).

(c) The Fund Manager as the Indemnified Party shall not be entitled to recover any Losses, other than with respect to breaches of Fundamental Company Representations or Fundamental Purchaser Representations (as applicable), until such time as the aggregate amount of all such Losses that have been suffered or incurred by the Indemnified

Party exceeds two percent (2%) of the issued Principal Amount with respect to the Purchasers (the "Loss Threshold"), provided, however, that once the aggregate amount of all such Losses exceeds the Loss Threshold, the Indemnifying Party shall be liable for all such Losses (including the Losses up to the Loss Threshold).

(d) The maximum aggregate amount of Losses that the Indemnified Parties will be entitled to recover pursuant to this Article 6 shall be limited to one hundred percent (100%) of the issued aggregate Principal Amount of all Purchasers. Notwithstanding the foregoing or anything else to the contrary contained herein, the limitations on indemnification set forth in this Agreement (including, without limitation, the limitations set forth in this Section 6.1) shall not apply to any claim based on fraud, willful misrepresentation or willful misconduct of the Indemnifying Party or its Subsidiaries or Affiliates.

(e) An Indemnified Party shall not be entitled to recover from the Indemnifying Party under this Agreement more than once in respect of the same Losses suffered.

(f) Notwithstanding any other provision contained herein, the remedies contained in this Article 6 shall be the sole and exclusive monetary remedy of the Indemnified Parties for any claim arising out of or resulting from this Agreement, except that no limitation or exceptions with respect to the obligations or liabilities on any party hereto provided hereunder shall apply to a Loss incurred by any Indemnified Party arising due to fraud of the Indemnifying Party or its Subsidiaries or Affiliates. Nothing in this Article 6 or elsewhere in this Agreement shall affect any parties' rights to specific performance or other equitable or non-monetary remedies with respect to the covenants and agreements in this Agreement or that are to be performed at or after the Closing; provided that for the avoidance of doubt, except in the case of fraud, nothing contained herein shall permit any party to rescind this Agreement.

6.2 Third Party Claims.

(a) If any third party shall notify an Indemnified Party in writing with respect to any matter involving a claim by such third party (a "Third Party Claim") and such Indemnified Party believes such claim would give rise to a claim for indemnification against the Indemnifying Party under this Article 6, then the Indemnified Party shall promptly (i) notify the Indemnifying Party thereof in writing and (ii) transmit to the Indemnifying Party a written notice ("Claim Notice") describing in reasonable detail the nature of the Third Party Claim, a copy of all papers served with respect to such claim (if any), and the basis of the Indemnified Party's request for indemnification under this Agreement. The failure to so notify the Indemnifying Party shall not relieve the Indemnifying Party of its obligations hereunder except to the extent that the Indemnifying Party shall have been prejudiced by such failure.

(b) Upon receipt of a Claim Notice with respect to a Third Party Claim, the Indemnifying Party shall have the right to assume the defense of any Third Party Claim by, within thirty (30) days of receipt of the Claim Notice, notifying the Indemnified Party in writing that the Indemnifying Party elects to assume the defense of such Third Party Claim, and upon delivery of such notice by the Indemnifying Party, the Indemnifying Party shall have the right to control and settle the proceeding, provided that, (i) any such settlement or compromise shall be permitted hereunder only with the written consent of the Indemnified Party which consent shall not be unreasonably withheld or delayed, and (ii) and the Indemnifying Party shall keep the Indemnified Party reasonably informed of the progress of such defense on a regular basis.

(c) If requested by the Indemnifying Party, the Indemnified Party shall, at the sole cost and expense of the Indemnifying Party, cooperate with the Indemnifying Party and its counsel in contesting any Third Party Claim which the Indemnifying Party elects to contest, including the making of any related counterclaim against the Person asserting the Third Party Claim or any cross complaint against any Person. The Indemnified Party shall have the right to receive copies of all pleadings, notices and communications with respect to any Third Party Claim for which indemnity is sought under this Agreement, other than any privileged communications between the Indemnifying Party and its counsel, and shall be entitled, at its sole cost and expense, to retain separate co-counsel and participate in, but not control, any defense or settlement (except for its consent required under Section 6.2(b) above) of any Third Party Claim assumed by the Indemnifying Party pursuant to Section 6.2(b).

(d) In the event of a Third Party Claim for which the Indemnifying Party elects not to assume the defense or fails to make such an election within thirty (30) days of the Claim Notice, the Indemnified Party may, at its option, defend, settle, compromise or pay such action or claim at the expense of the Indemnifying Party; provided that, any such settlement or compromise shall be permitted hereunder only with the written consent of the Indemnifying Party, which consent shall not be unreasonably withheld or delayed.

6.3 Other Claims. In the event any Indemnified Party should have a claim against the Indemnifying Party hereunder which does not involve a Third Party Claim, the Indemnified Party shall promptly transmit to the Indemnifying Party a written notice (the "Indemnity Notice") describing in reasonable detail the nature of the claim, the Indemnified Party's good faith estimate of the amount of Losses attributable to such claim and the basis of the Indemnified Party's request for indemnification under this Agreement; provided, that no failure, delay or deficiency in providing such notice shall constitute a waiver or otherwise modify the Indemnified Party's right to indemnity hereunder, except to the extent that the Indemnifying Party shall have been prejudiced by such failure, delay or deficiency. If the Indemnifying Party does not notify the Indemnified Party within thirty (30) days from its receipt of the Indemnity Notice that the Indemnifying Party disputes such claim, the Indemnifying Party shall be deemed to have accepted and agreed with such claim.

7. MISCELLANEOUS.

7.1 Survival of the Representations and Warranties. All representations and warranties made by any party hereto other than the Fundamental Company Representations and the Fundamental Purchaser Representations shall survive for eighteen (18) months from and after the date hereof, and shall terminate and be without further force or effect on the date that is eighteen (18) months from and after the date hereof, and the Fundamental Company Representations and the Fundamental Purchaser Representations shall survive for five (5) years from and after the date hereof, and shall terminate and be without further force or effect on the date that is five (5) years from and after the date hereof, except that any claim under any representation or warranty made by any party hereto that have been asserted in writing pursuant to Section 6.1 against the party hereto making such representation or warranty prior to the expiration of the applicable survival period set forth in this Section 7.1 shall survive until such claim is fully and finally resolved.

7.2 Governing Law; Dispute Resolution. This Agreement shall be governed and interpreted in accordance with the laws of the State of New York without giving effect to the conflicts of law principles thereof. Any dispute arising out of or relating to this Agreement or the Notes, including any question regarding the existence, validity or termination hereof or

thereof (a "Dispute") shall be referred to and finally resolved by arbitration at the Hong Kong International Arbitration Centre in accordance with the Hong Kong International Arbitration Centre Administered Arbitration Rules then in force. In the case of any Dispute, there shall be three arbitrators. The claimant(s) shall have the right to appoint one arbitrator, the respondent(s) shall have the right to appoint another arbitrator, and the third arbitrator shall be appointed by the Hong Kong International Arbitration Centre. The language to be used in the arbitration proceedings shall be English. The seat of arbitration shall be Hong Kong. Each of the parties hereto irrevocably waives any immunity to jurisdiction to which it may be entitled or become entitled (including without limitation sovereign immunity, immunity to pre-award attachment, post-award attachment or otherwise) in any arbitration proceedings and/or enforcement proceedings against it arising out of or based on this Agreement or the transactions contemplated hereby.

7.3 Amendment. This Agreement shall not be amended, changed or modified, except by another agreement in writing executed by the parties hereto.

7.4 Binding Effect. This Agreement shall inure to the benefit of, and be binding upon, the Purchaser Entities, the Company, and their respective heirs, successors and permitted assigns.

7.5 Assignment. Neither this Agreement nor any of the rights, duties or obligations hereunder may be assigned by the Company or the Fund Manager without the express written consent of the other party hereto, except that the Fund Manager may assign all or any part of its rights and obligations hereunder to any Affiliate of the Fund Manager without the consent of the other parties hereto, provided that no such assignment shall relieve the Fund Manager of its obligations hereunder if such assignee does not perform such obligations. Any purported assignment in violation of the foregoing sentence shall be null and void.

7.6 Notices. All notices, requests, demands, and other communications required or permitted to be given by one party hereto to the other party hereto under this Agreement shall be in writing and shall be deemed to have been duly given (i) on the date of actual delivery if delivered personally, (ii) on the date sent if sent by facsimile, (iii) on the next Business Day following delivery to Federal Express for overnight courier service, or (iv) on the day of attempted delivery by the postal service if mailed by registered or certified mail, return receipt requested, postage paid, in each case as properly addressed or delivered as follows:

If to the Company, at:

Uxin Limited
2-5F, Tower E, LSHM Center,
No. 8 Guangshun South Avenue
Chaoyang District, Beijing, 100102
People's Republic of China
E-mail: daikun@xin.com
Attn: Mr. Kun Dai

If to the Fund Manager, at:

PacificBridge Asset Management
Unit No. 1904 (Trade Tower, Samsung-dong),
511 Yeongdong-daero, Gangnam-gu, Seoul, 06164
Republic of Korea
E-mail: dannysong@pacificbridgeam.com
Attn: Mr. Danny Song

Any party hereto may change its address for purposes of this Section 7.6 by giving the other party hereto written notice of the new address in the manner set forth above.

7.7 Entire Agreement. This Agreement constitutes the entire understanding and agreement between the parties hereto with respect to the matters covered hereby, and all prior agreements and understandings, oral or in writing, if any, between the parties hereto with respect to the matters covered hereby are merged and superseded by this Agreement.

7.8 Severability. If any provisions of this Agreement shall be adjudicated to be illegal, invalid or unenforceable in any action or proceeding whether in its entirety or in any portion, then such provision shall be deemed amended, if possible, or deleted, as the case may be, from the Agreement in order to render the remainder of the Agreement and any provision thereof both valid and enforceable, and all other provisions hereof shall be given effect separately therefrom and shall not be affected thereby.

7.9 Fees and Expenses. Each of the Company and the Fund Manager shall pay its own expenses incurred in connection with the negotiation, preparation and execution of this Agreement and the transactions contemplated hereby, including fees and expenses of attorneys, accountants, consultants and financial advisors.

7.10 Confidentiality. (a) Each party hereto shall keep in confidence, and shall not use (except for the purposes of the transactions contemplated hereby) or disclose, any non-public information disclosed to it or its Affiliates, representatives or agents in connection with this Agreement or the transactions contemplated hereby, other than to its members, managers, directors, officers, employees, partners, co-investors, auditors, counsels, consultants and other advisors and representatives who have a need to know such information, and (b) each party hereto shall ensure that its Affiliates, representatives and agents keep in confidence, and do not use (except for the purposes of the transactions contemplated hereby) or disclose, any such non-public information, provided, however, that nothing in this Agreement shall restrict any party from disclosing information (i) that is already publicly available not as a result of a breach of this section, or (ii) that may be required by applicable law, statute, treaty, rule, regulation, order, right, privilege, qualification, license or franchise or determination of an arbitrator or a Governmental Entity.

7.11 Specific Performance. The parties hereto agree that irreparable damage would occur in the event any provision of this Agreement were not performed in accordance

with the terms hereof and that the parties hereto shall be entitled to specific performance of the terms hereof, in addition to any other remedy at law or equity.

7.12 Termination. In the event that the Closing shall not have occurred by December 31, 2019, the Company or the Fund Manager may terminate this Agreement, except for the provisions of Article 7, which shall survive any termination under this Section 7.12, provided that (a) any party hereto who is then in a material breach of this Agreement shall not be entitled to terminate this Agreement pursuant to this Section 7.12.

7.13 Headings. The headings of the various articles and sections of this Agreement are inserted merely for the purpose of convenience and do not expressly or by implication limit, define or extend the specific terms of the article or section so designated.

7.14 Counterparts. For the convenience of the parties hereto and to facilitate execution, this Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, and all of which together shall constitute but one and the same instrument.

7.15 No Waiver. Except as specifically set forth herein, the rights and remedies of the parties to this Agreement are cumulative and not alternative. No failure or delay on the part of any party hereto in exercising any right, power or remedy under this Agreement will operate as a waiver of such right, power or remedy, and no single or partial exercise of any such right, power or remedy will preclude any other or further exercise of such right, power or remedy or the exercise of any other right, power or remedy. To the maximum extent permitted by applicable law, (a) no claim or right arising out of this Agreement can be discharged by one party hereto, in whole or in part, by a waiver or renunciation of the claim or right unless in writing signed by the other party hereto; (b) no waiver that may be given by a party hereto will be applicable except in the specific instance for which it is given; and (c) no notice to or demand on one party hereto will be deemed to be a waiver of any obligation of that party or of the right of the party hereto giving such notice or demand to take further action without notice or demand as provided in this Agreement.

[*Remainder of Page Intentionally Left Blank*]

IN WITNESS WHEREOF, the parties hereto have executed this Convertible Note Purchase Agreement as of the date first above written.

Uxin Limited

By: /s/ Kun Dai
Name: Kun Dai
Title:Director and CEO

IN WITNESS WHEREOF, the parties hereto have executed this Convertible Note Purchase Agreement as of the date first above written.

PacificBridge Asset Management, acting in its capacity as the fund manager of each of the Purchasers

By: /s/ DK LEE
Name: DK LEE
Title: CEO

SCHEDULE 1

PURCHASERS AND ALLOCATIONS

[*]

SCHEDULE 2

ADVERSE PERSONS

[*]

EXHIBIT A
FORM OF 10.0% NOTE

THIS NOTE AND THE SECURITIES ISSUABLE UPON THE CONVERSION HEREOF HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR UNDER ANY OTHER SECURITIES LAWS. THIS NOTE AND THE SECURITIES ISSUABLE UPON THE CONVERSION HEREOF ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE SOLD, OFFERED FOR SALE, PLEDGED, HYPOTHECATED, OR OTHERWISE TRANSFERRED EXCEPT AS PERMITTED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND OTHER APPLICABLE SECURITIES LAWS, PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT OR AN EXEMPTION THEREFROM.

CONVERTIBLE PROMISSORY NOTE

[·], 2019 ("Date of Issuance")

US$[·]

FOR VALUE RECEIVED, and subject to the terms and conditions of this convertible promissory note (this "Note"), Uxin Limited, an exempted company with limited liability incorporated under the laws of the Cayman Islands (the "Company"), hereby promises to pay to the order of [•], a [company incorporated under the laws of [•]](the "Purchaser"), or its assigns, in lawful money of the United States of America the principal amount of [•] Dollars (US$[•]) (the "Principal Amount"), plus accrued interest thereon, on [·], 2020 (the "Maturity Date"), unless earlier duly converted in full into the Conversion Shares pursuant to and in accordance with the terms of this Note.

This Note is issued pursuant to the Convertible Note Purchase Agreement, dated July 12, 2019, by and between the Company, the Purchaser and certain other parties thereto (the "Convertible Note Purchase Agreement"), and is subject to the terms and conditions thereof. In case of any conflict between this Note and the Convertible Note Purchase Agreement, the provisions of the Convertible Note Purchase Agreement shall control and govern. Capitalized terms used but not defined herein shall have the respective meanings given to such terms in the Convertible Note Purchase Agreement.

The following is a statement of the rights of the Purchaser and the conditions to which this Note is subject, and to which the Purchaser, by the acceptance of this Note, agrees:

1. Interest Rate. This Note shall bear interest on the outstanding Principal Amount at a simple interest rate of ten percent (10.0%) per annum from the Date of Issuance until this Note is fully repaid or redeemed; provided, that if any portion of this Note is duly converted into the Conversion Shares pursuant to and in accordance with Section 4 hereof, interest shall cease to accrue on the portion of the Principal Amount being converted (and, for the avoidance of doubt, continue to accrue on any outstanding Principal Amount not being converted). Accrued interest on this Note shall be computed on the basis of a 365-day year and actual days elapsed.

2. Repayment of this Note.

(a) Unless to the extent earlier converted into Conversion Shares pursuant to Section 4 hereof, the outstanding Principal Amount (other than any portion of the Principal Amount converted pursuant to Section 4 hereof) and the interest accrued thereon shall be due and payable by the Company upon the earlier of (i) the Maturity Date, and (ii) the occurrence of an Event of Default set forth in Section 5 hereof (the "Due Date"). Upon the due conversion in full of this Note pursuant to and in accordance with Section 4 hereof, any and all payment obligations of the Company under this Note and the Convertible Note Purchase Agreement shall be fully discharged.

(b) All amounts payable on or in respect of this Note or the indebtedness evidenced hereby shall be paid to the Purchaser in lawful money of the United States of America within three (3) Business Days after the Due Date. The Company shall make such payments of the unpaid Principal Amount (other than any portion of the Principal Amount converted pursuant to Section 4 hereof), together with accrued and unpaid interest thereon, to the Purchaser by wire transfer of immediately available funds for the account of the Purchaser as the Purchaser may designate and notify in writing to the Company at least five (5) Business Days prior to the payment date. Payment shall be credited first to accrued interest due and payable, and any remainder shall be applied to the outstanding Principal Amount.

(c) All payments of principal and interest in respect of this Note by or on behalf of the Company shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the Cayman Islands or the PRC or any political subdivision thereof or any authority therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law.

3. Seniority. This Note ranks senior in right of payment to any of the Company's other indebtedness that is expressly subordinated in right of payment to this Note, *pari passu* in right of payment to any of the Company's other indebtedness and liabilities that are not so subordinated, junior in right of payment to any of the Company's secured indebtedness to the extent of the value of the assets securing such indebtedness, and structurally junior to all indebtedness and liabilities incurred by the Company's Subsidiaries.

4. Conversion.

(a) Conversion.

(i) During the period from and including the 181st day after the Date of Issuance to and including the Maturity Date, the Purchaser shall, by written notice to the Company, have the right but not the obligation to convert all or any portion of the outstanding Principal Amount to a number of Conversion Shares at the applicable Conversion Price, provided, however, that the Purchaser shall not exercise such right to convert more than twice. As used in this Note, "Conversion Price" means US$1.663, as may be adjusted pursuant to Section 4(d) hereof.

(ii) The number of the Conversion Shares to be issued upon any conversion pursuant to this Section 4(a) shall be equal to the quotient obtained by dividing the Principal Amount subject to such conversion by the Conversion Price.

(b) No Fractional Shares. Upon the conversion of this Note into the Conversion Shares, in lieu of any fractional shares to which the Purchaser would otherwise be entitled, the Company shall pay the holder of this Note cash equal to such fraction multiplied by the Conversion Price.

(c) Mechanics of Conversion. In the event that the Purchaser has delivered to the Company a written notice in accordance with Section 4(a)(i) hereof specifying that the Purchaser irrevocably elects to convert this Note (whether in part or in full), the Company shall at its expense take all actions and execute all documents necessary to effect the issuance of all the Conversion Shares (including giving all necessary instructions to update the register of members to effect such issuance) within two (2) weeks of delivery of the applicable written notice to convert, and deliver to the Purchaser, upon surrender of this Note, a certificate or certificates for the number of fully paid Conversion Shares issuable upon such conversion and the updated register of members of the Company indicating that the Purchaser is the holder of such Conversion Shares. The Company shall not be required to issue or deliver the Conversion Shares until the Purchaser has surrendered this Note to the Company.

(d) Adjustments to Conversion Price. The Conversion Price shall be adjusted according to the following items: When any of the Principal Amount is outstanding at any time, (a) if the Company: (i) pays dividends in the form of securities or security equivalents of the Company; (ii) splits the outstanding securities of the Company in order to increase the number of shares; or (iii) incorporates outstanding securities of the Company (including in the form of a reverse share split) to decrease the number of shares, the then-existing Conversion Price shall be multiplied by a fraction, whose numerator is the number of outstanding securities of the Company immediately before the occurrence of the matter, and whose denominator is the number of outstanding securities of the Company immediately after the occurrence of the matter; (b) if the Company issues Ordinary Shares to all or substantially all shareholders as a class by way of rights issue, or issue or grant to all or substantially all shareholders as a class, by way of rights issue, of options, warrants or other rights to subscribe for or purchase any Ordinary Shares, in each case at less than 95 per cent of the closing price of the ADSs divided by the ratio of ADS to share (the “Market Price Per Share”) on the last trading day preceding the date of the announcement of the terms of the issue or grant, the Conversion Price shall be multiplied by a fraction, whose numerator is the number of Ordinary Shares in issue immediately before such announcement plus the number of Ordinary Shares which the aggregate amount (if any) payable for the Ordinary Shares issued by way of rights issue or for the options or warrants or other rights issued or granted by way of rights issue and for the total number of Ordinary Shares comprised therein would subscribe, purchase or otherwise acquire at Market Price Per Share, and the denominator is the number of Ordinary Shares in issue immediately before such announcement plus the aggregate number of Ordinary Shares issued or, as the case may be, comprised in the issue or grant, or (c) if the Company makes (or fixes a record date for the determination of holders of Ordinary Shares entitled to receive) a dividend or other distribution to the holders of Ordinary Shares payable in any other asset or property (including cash, but excluding dividends by securities or security equivalents of the Company), then, and in each such event, provision shall be made so that, upon conversion of the Note thereafter, the Purchaser shall receive, in addition to the number of Ordinary Shares issuable thereon, such other asset or property which the holder of such Ordinary Shares would have received in connection with such event had the

outstanding Principal Amount been converted into Ordinary Shares immediately prior to each such event, all subject to further adjustment as provided herein. Any adjustment made according to the aforesaid conditions shall come into effect immediately after the record date of deciding the shareholders having rights to obtain dividends or allocations and, for the purpose of any share split, incorporation or reclassification, shall come into effect immediately after such matters come into effect.

5. Events of Default. Each of the following events shall be considered an event of default (the "Event of Default") with respect to this Note:

(a) Failure to Pay. The Company shall fail to pay when due (i) any principal payment or (ii) any interest payment or other payment required under the terms of this Note on the date due, and such payment shall not have been made within ten (10) Business Days after the date due.

(b) Voluntary Bankruptcy or Insolvency Proceedings. The Company or any of its Significant Subsidiaries shall (i) apply for or consent to the appointment of a receiver, trustee, liquidator or custodian of itself or of all or a substantial part of its property, (ii) admit in writing its inability to pay its debts generally as they mature, (iii) make a general assignment for the benefit of its or any of its creditors, (iv) be dissolved or liquidated, (v) commence a voluntary case or other proceeding seeking liquidation, reorganization or other relief with respect to itself or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or consent to any such relief or to the appointment of or taking possession of its property by any official in an involuntary case or other proceeding commenced against it, or (vi) take any action for the purpose of effecting any of the foregoing. As used in this Note, "Significant Subsidiary" means any Subsidiary of the Company, the total assets (after intercompany eliminations) of which exceeds twenty percent (20%) of the consolidated total assets of the Company and its subsidiaries as of the end of the Company's most recently completed fiscal year.

(c) Involuntary Bankruptcy or Insolvency Proceedings. Proceedings for the appointment of a receiver, trustee, liquidator or custodian of the Company or any of its Significant Subsidiaries, or of all or a substantial part of their property, or an involuntary case or other proceedings seeking liquidation, reorganization or other relief with respect to the Company or its Significant Subsidiaries, or the debts thereof, under any bankruptcy, insolvency or other similar law now or hereafter in effect shall be commenced and either (i) an order for relief shall be entered or (ii) such proceeding shall not be dismissed or discharged within 45 days of commencement.

(d) Cessation to be a Public Company. The Company's securities shall cease to be publicly traded on the Nasdaq Global Select Market.

(e) Change of Control. Any Change of Control shall occur. For the purpose of this provision 5(e), a "Change of Control" occurs if any "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act) other than (i) Mr. Kun Dai, or any of his Affiliates, (ii) any of Warburg Pincus, TPG Capital, 58.com Holdings Inc. or any of its respective Affiliates, or (iii) any "group" solely consisting of the Persons set forth in clauses (i) and (ii) above, is or becomes the "beneficial owner" (as such term is used in Rule 13d-3 of the Exchange Act), directly or indirectly, of 50% or more voting power of the Company's issued and outstanding securities.

(f) Breach of Other Obligations. The Company fails to perform or comply with one or more of its other obligations in this Note or the Convertible Note Purchase Agreement in any material respect, or breach any representation or warranty of the Company contained in the Convertible Note Purchase Agreement in any material respect, and in each case such failure is not capable of being cured or is not cured within thirty (30) days.

(g) Material Adverse Effect. Any one or more events, facts, conditions, changes or developments shall have occurred that have caused or constituted or could be reasonably expected to cause or constitute, either individually or in the aggregate, a Material Adverse Effect.

(h) Cross-Default. Any Significant Indebtedness (as defined below) of the Company or its Subsidiaries is not paid when due or (as the case may be) within any originally applicable grace period, or any such Significant Indebtedness becomes (or becomes capable of being declared) due and payable prior to its stated maturity otherwise than at the option of the Company or its Subsidiaries, or the Company or its Subsidiaries fails to pay when due any amount payable by it under any guarantee or indemnity of any Significant Indebtedness. For the purpose of this Section 5(i), "Significant Indebtedness" means, with respect to each event mentioned above, one or more indebtedness with an aggregate amount of no less than US$10,000,000 or its equivalent in any other currency or currencies.

(i) Unsatisfied Judgment. One or more judgment(s) or order(s) for the payment of an aggregate amount of no less than US$10,000,000 is rendered against the Company or its Subsidiaries and continue(s) unappealed, unsatisfied and unstayed for a period of sixty (60) days after the date(s) thereof or, if later, the date therein specified for payment.

(j) Security Enforced. A secured party takes possession, or a receiver, manager or other similar officer is appointed, of the whole or a material part of the undertaking, assets and revenues of the Company and its Subsidiaries taken as a whole.

(k) Enforcement Proceedings. A distress, attachment, execution, seizure before judgment or other legal process is levied, enforced or sued out on or against any material part of the property, assets or revenue of the Company or its Significant Subsidiaries.

(l) Winding up, etc. An order is made by any Governmental Entity having jurisdiction or an effective resolution is passed for the winding up, liquidation or dissolution of the Company or any of its Significant Subsidiaries (other than, in the case of a Significant Subsidiary of the Company, for the purposes of or pursuant to an amalgamation, reorganization or restructuring whilst solvent).

6. Remedies. Upon the occurrence of an Event of Default under Section 5 hereof, at the option and upon the written declaration of the Purchaser at the Purchaser's sole discretion, the entire unpaid Principal Amount and unpaid interest accrued thereon shall become forthwith due and payable, and the Purchaser may immediately enforce payment of all amounts due and owing under this Note and exercise any and all other remedies granted to it at law, in equity or otherwise. Without limiting the generality of the foregoing, upon the occurrence of an Event of Default under Section 5(e) hereof, the Company shall, if so requested by the Purchaser, cooperate in good faith with the Purchaser with respect to the Purchaser's efforts to receive equity securities of the

surviving entity (if any) in lieu of the acceleration of the Principal Amount and unpaid interest accrued thereon.

7. Prepayment. The Principal Amount or interest accrued thereon may not be prepaid prior to the Maturity Date without the written consent of the Purchaser.

8. No Rights as Shareholder Prior to Conversion. For the avoidance of doubt, the Purchaser has not been conferred with any of the rights of a shareholder of the Company, including the right to vote as such, by any of the provisions hereof or any provisions under the Convertible Note Purchase Agreement, or any right (a) to vote for the election of directors or upon any matter submitted to shareholders at any meeting thereof, (b) to give or withhold consent to any corporate action (whether upon any recapitalization, issuance of shares, reclassification of shares, change of par value, or change of shares to no par value, consolidation, merger, scheme of arrangement, conveyance, or otherwise), (c) to receive notice of meetings or to receive in-kind dividends or subscription rights or otherwise, in each case until this Note shall have been converted in whole or in part and all the Conversion Shares issuable upon such whole or partial conversion hereof shall have been issued, as provided for in this Note and the Convertible Note Purchase Agreement. For the avoidance of doubt, the Purchaser shall be conferred with all rights of a shareholder of the Company immediately upon any partial or full conversion of the Note with respect to such Conversion Shares.

10. Termination of Rights.All rights under this Note shall automatically terminate when (a) all amounts owing on this Note have been paid in full or (b) this Note is converted in full pursuant to Section 4 hereof. Upon the termination of all rights under this Note, this Note shall be surrendered by the Purchaser to the Company and this Note so surrendered shall be cancelled and shall not be reissued. For the avoidance of doubt, the Convertible Note Purchase Agreement shall not be terminated merely due to a termination of all rights under this Note, and shall remain in force and effect or terminate pursuant to the terms thereof.

11. Amendments and Waivers; Notice. The amendment or waiver of any term of this Note shall be subject to the written consent of the Company and the Purchaser. The provision of notice shall be conducted pursuant to the terms of the Convertible Note Purchase Agreement.

12. Successors and Assigns. This Note applies to, inures to the benefit of, and binds, the successors and assigns of the parties hereto; provided, however, that no party hereto may assign its obligations under this Note without the written consent of the other party hereto. Notwithstanding anything to the contrary, the Purchaser may, subject to applicable laws, transfer this Note to any of its Affiliates. Any transfer of this Note may take effect by surrender of this Note to the Company and reissuance of a new note to the transferee.

13. Governing Law; Dispute Resolution. This Note shall be governed by and construed under the laws of the State of New York without regards to principles of conflict of laws. The resolution of any controversy or claim arising out of or relating to this Note shall be conducted pursuant to the terms of the Convertible Note Purchase Agreement.

[*Remainder of Page Intentionally Left Blank*]

IN WITNESS WHEREOF, the Company has executed this Note as of the date first above written.

Uxin Limited

By: _____

Name:
Title:

EXHIBIT B
FORM OF 11.0% NOTE

THIS NOTE AND THE SECURITIES ISSUABLE UPON THE CONVERSION HEREOF HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR UNDER ANY OTHER SECURITIES LAWS. THIS NOTE AND THE SECURITIES ISSUABLE UPON THE CONVERSION HEREOF ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE SOLD, OFFERED FOR SALE, PLEDGED, HYPOTHECATED, OR OTHERWISE TRANSFERRED EXCEPT AS PERMITTED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND OTHER APPLICABLE SECURITIES LAWS, PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT OR AN EXEMPTION THEREFROM.

CONVERTIBLE PROMISSORY NOTE

[·], 2019 ("Date of Issuance")

US$[·]

FOR VALUE RECEIVED, and subject to the terms and conditions of this convertible promissory note (this "Note"), Uxin Limited, an exempted company with limited liability incorporated under the laws of the Cayman Islands (the "Company"), hereby promises to pay to the order of [•], a [company incorporated under the laws of [•]](the "Purchaser"), or its assigns, in lawful money of the United States of America the principal amount of [•] Dollars (US$[•]) (the "Principal Amount"), plus accrued interest thereon, on [·], 2020 (the "Maturity Date"), unless earlier duly converted in full into the Conversion Shares pursuant to and in accordance with the terms of this Note.

This Note is issued pursuant to the Convertible Note Purchase Agreement, dated July 12, 2019, by and between the Company, the Purchaser and certain other parties thereto (the "Convertible Note Purchase Agreement"), and is subject to the terms and conditions thereof. In case of any conflict between this Note and the Convertible Note Purchase Agreement, the provisions of the Convertible Note Purchase Agreement shall control and govern. Capitalized terms used but not defined herein shall have the respective meanings given to such terms in the Convertible Note Purchase Agreement.

The following is a statement of the rights of the Purchaser and the conditions to which this Note is subject, and to which the Purchaser, by the acceptance of this Note, agrees:

1. Interest Rate. This Note shall bear interest on the outstanding Principal Amount at a simple interest rate of eleven percent (11.0%) per annum from the Date of Issuance until this Note is fully repaid or redeemed; provided, that if any portion of this Note is duly converted into the Conversion Shares pursuant to and in accordance with Section 4 hereof, interest shall cease to accrue on the portion of the Principal Amount being converted (and, for the avoidance of doubt, continue to accrue on any outstanding Principal Amount not being converted). Accrued interest on this Note shall be computed on the basis of a 365-day year and actual days elapsed.

2. Repayment of this Note.

(a) Unless to the extent earlier converted into Conversion Shares pursuant to Section 4 hereof, the outstanding Principal Amount (other than any portion of the Principal Amount converted pursuant to Section 4 hereof) and the interest accrued thereon shall be due and payable by the Company upon the earlier of (i) the Maturity Date, and (ii) the occurrence of an Event of Default set forth in Section 5 hereof (the "Due Date"). Upon the due conversion in full of this Note pursuant to and in accordance with Section 4 hereof, any and all payment obligations of the Company under this Note and the Convertible Note Purchase Agreement shall be fully discharged.

(b) All amounts payable on or in respect of this Note or the indebtedness evidenced hereby shall be paid to the Purchaser in lawful money of the United States of America within three (3) Business Days after the Due Date. The Company shall make such payments of the unpaid Principal Amount (other than any portion of the Principal Amount converted pursuant to Section 4 hereof), together with accrued and unpaid interest thereon, to the Purchaser by wire transfer of immediately available funds for the account of the Purchaser as the Purchaser may designate and notify in writing to the Company at least five (5) Business Days prior to the payment date. Payment shall be credited first to accrued interest due and payable, and any remainder shall be applied to the outstanding Principal Amount.

(c) All payments of principal and interest in respect of this Note by or on behalf of the Company shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the Cayman Islands or the PRC or any political subdivision thereof or any authority therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law.

3. Seniority. This Note ranks senior in right of payment to any of the Company's other indebtedness that is expressly subordinated in right of payment to this Note, *pari passu* in right of payment to any of the Company's other indebtedness and liabilities that are not so subordinated, junior in right of payment to any of the Company's secured indebtedness to the extent of the value of the assets securing such indebtedness, and structurally junior to all indebtedness and liabilities incurred by the Company's Subsidiaries.

4. Conversion.

(a) Conversion.

(i) During the period from and including the 181st day after the Date of Issuance to and including the Maturity Date, the Purchaser shall, by written notice to the Company, have the right but not the obligation to convert all or any portion of the outstanding Principal Amount to a number of Conversion Shares at the applicable Conversion Price, provided, however, that the Purchaser shall not exercise such right to convert more than twice. As used in this Note, "Conversion Price" means US$1.663, as may be adjusted pursuant to Section 4(d) hereof.

(ii) The number of the Conversion Shares to be issued upon any conversion pursuant to this Section 4(a) shall be equal to the quotient obtained by dividing the Principal Amount subject to such conversion by the Conversion Price.

(b) No Fractional Shares. Upon the conversion of this Note into the Conversion Shares, in lieu of any fractional shares to which the Purchaser would otherwise be entitled, the Company shall pay the holder of this Note cash equal to such fraction multiplied by the Conversion Price.

(c) Mechanics of Conversion. In the event that the Purchaser has delivered to the Company a written notice in accordance with Section 4(a)(i) hereof specifying that the Purchaser irrevocably elects to convert this Note (whether in part or in full), the Company shall at its expense take all actions and execute all documents necessary to effect the issuance of all the Conversion Shares (including giving all necessary instructions to update the register of members to effect such issuance) within two (2) weeks of delivery of the applicable written notice to convert, and deliver to the Purchaser, upon surrender of this Note, a certificate or certificates for the number of fully paid Conversion Shares issuable upon such conversion and the updated register of members of the Company indicating that the Purchaser is the holder of such Conversion Shares. The Company shall not be required to issue or deliver the Conversion Shares until the Purchaser has surrendered this Note to the Company.

(d) Adjustments to Conversion Price. The Conversion Price shall be adjusted according to the following items: When any of the Principal Amount is outstanding at any time, (a) if the Company: (i) pays dividends in the form of securities or security equivalents of the Company; (ii) splits the outstanding securities of the Company in order to increase the number of shares; or (iii) incorporates outstanding securities of the Company (including in the form of a reverse share split) to decrease the number of shares, the then-existing Conversion Price shall be multiplied by a fraction, whose numerator is the number of outstanding securities of the Company immediately before the occurrence of the matter, and whose denominator is the number of outstanding securities of the Company immediately after the occurrence of the matter; (b) if the Company issues Ordinary Shares to all or substantially all shareholders as a class by way of rights issue, or issue or grant to all or substantially all shareholders as a class, by way of rights issue, of options, warrants or other rights to subscribe for or purchase any Ordinary Shares, in each case at less than 95 per cent of the closing price of the ADSs divided by the ratio of ADS to share (the “Market Price Per Share”) on the last trading day preceding the date of the announcement of the terms of the issue or grant, the Conversion Price shall be multiplied by a fraction, whose numerator is the number of Ordinary Shares in issue immediately before such announcement plus the number of Ordinary Shares which the aggregate amount (if any) payable for the Ordinary Shares issued by way of rights issue or for the options or warrants or other rights issued or granted by way of rights issue and for the total number of Ordinary Shares comprised therein would subscribe, purchase or otherwise acquire at Market Price Per Share, and the denominator is the number of Ordinary Shares in issue immediately before such announcement plus the aggregate number of Ordinary Shares issued or, as the case may be, comprised in the issue or grant, or (c) if the Company makes (or fixes a record date for the determination of holders of Ordinary Shares entitled to receive) a dividend or other distribution to the holders of Ordinary Shares payable in any other asset or property (including cash, but excluding dividends by securities or security equivalents of the Company), then, and in each such event, provision shall be made so that, upon conversion of the Note thereafter, the Purchaser shall receive, in addition to the number of Ordinary Shares issuable thereon, such other asset or property which the holder of such Ordinary Shares would have received in connection with such event had the

outstanding Principal Amount been converted into Ordinary Shares immediately prior to each such event, all subject to further adjustment as provided herein. Any adjustment made according to the aforesaid conditions shall come into effect immediately after the record date of deciding the shareholders having rights to obtain dividends or allocations and, for the purpose of any share split, incorporation or reclassification, shall come into effect immediately after such matters come into effect.

5. Events of Default. Each of the following events shall be considered an event of default (the "Event of Default") with respect to this Note:

(a) Failure to Pay. The Company shall fail to pay when due (i) any principal payment or (ii) any interest payment or other payment required under the terms of this Note on the date due, and such payment shall not have been made within ten (10) Business Days after the date due.

(b) Voluntary Bankruptcy or Insolvency Proceedings. The Company or any of its Significant Subsidiaries shall (i) apply for or consent to the appointment of a receiver, trustee, liquidator or custodian of itself or of all or a substantial part of its property, (ii) admit in writing its inability to pay its debts generally as they mature, (iii) make a general assignment for the benefit of its or any of its creditors, (iv) be dissolved or liquidated, (v) commence a voluntary case or other proceeding seeking liquidation, reorganization or other relief with respect to itself or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or consent to any such relief or to the appointment of or taking possession of its property by any official in an involuntary case or other proceeding commenced against it, or (vi) take any action for the purpose of effecting any of the foregoing. As used in this Note, "Significant Subsidiary" means any Subsidiary of the Company, the total assets (after intercompany eliminations) of which exceeds twenty percent (20%) of the consolidated total assets of the Company and its subsidiaries as of the end of the Company's most recently completed fiscal year.

(c) Involuntary Bankruptcy or Insolvency Proceedings. Proceedings for the appointment of a receiver, trustee, liquidator or custodian of the Company or any of its Significant Subsidiaries, or of all or a substantial part of their property, or an involuntary case or other proceedings seeking liquidation, reorganization or other relief with respect to the Company or its Significant Subsidiaries, or the debts thereof, under any bankruptcy, insolvency or other similar law now or hereafter in effect shall be commenced and either (i) an order for relief shall be entered or (ii) such proceeding shall not be dismissed or discharged within 45 days of commencement.

(d) Cessation to be a Public Company. The Company's securities shall cease to be publicly traded on the Nasdaq Global Select Market.

(e) Change of Control. Any Change of Control shall occur. For the purpose of this provision 5(e), a "Change of Control" occurs if any "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act) other than (i) Mr. Kun Dai, or any of his Affiliates, (ii) any of Warburg Pincus, TPG Capital, 58.com Holdings Inc. or any of its respective Affiliates, or (iii) any "group" solely consisting of the Persons set forth in clauses (i) and (ii) above, is or becomes the "beneficial owner" (as such term is used in Rule 13d-3 of the Exchange Act), directly or indirectly, of 50% or more voting power of the Company's issued and outstanding securities.

(f) Breach of Other Obligations. The Company fails to perform or comply with one or more of its other obligations in this Note or the Convertible Note Purchase Agreement in any material respect, or breach any representation or warranty of the Company contained in the Convertible Note Purchase Agreement in any material respect, and in each case such failure is not capable of being cured or is not cured within thirty (30) days.

(g) Material Adverse Effect. Any one or more events, facts, conditions, changes or developments shall have occurred that have caused or constituted or could be reasonably expected to cause or constitute, either individually or in the aggregate, a Material Adverse Effect.

(h) Cross-Default. Any Significant Indebtedness (as defined below) of the Company or its Subsidiaries is not paid when due or (as the case may be) within any originally applicable grace period, or any such Significant Indebtedness becomes (or becomes capable of being declared) due and payable prior to its stated maturity otherwise than at the option of the Company or its Subsidiaries, or the Company or its Subsidiaries fails to pay when due any amount payable by it under any guarantee or indemnity of any Significant Indebtedness. For the purpose of this Section 5(i), "Significant Indebtedness" means, with respect to each event mentioned above, one or more indebtedness with an aggregate amount of no less than US$10,000,000 or its equivalent in any other currency or currencies.

(i) Unsatisfied Judgment. One or more judgment(s) or order(s) for the payment of an aggregate amount of no less than US$10,000,000 is rendered against the Company or its Subsidiaries and continue(s) unappealed, unsatisfied and unstayed for a period of sixty (60) days after the date(s) thereof or, if later, the date therein specified for payment.

(j) Security Enforced. A secured party takes possession, or a receiver, manager or other similar officer is appointed, of the whole or a material part of the undertaking, assets and revenues of the Company and its Subsidiaries taken as a whole.

(k) Enforcement Proceedings. A distress, attachment, execution, seizure before judgment or other legal process is levied, enforced or sued out on or against any material part of the property, assets or revenue of the Company or its Significant Subsidiaries.

(l) Winding up, etc. An order is made by any Governmental Entity having jurisdiction or an effective resolution is passed for the winding up, liquidation or dissolution of the Company or any of its Significant Subsidiaries (other than, in the case of a Significant Subsidiary of the Company, for the purposes of or pursuant to an amalgamation, reorganization or restructuring whilst solvent).

6. Remedies. Upon the occurrence of an Event of Default under Section 5 hereof, at the option and upon the written declaration of the Purchaser at the Purchaser's sole discretion, the entire unpaid Principal Amount and unpaid interest accrued thereon shall become forthwith due and payable, and the Purchaser may immediately enforce payment of all amounts due and owing under this Note and exercise any and all other remedies granted to it at law, in equity or otherwise. Without limiting the generality of the foregoing, upon the occurrence of an Event of Default under Section 5(e) hereof, the Company shall, if so requested by the Purchaser, cooperate in good faith with the Purchaser with respect to the Purchaser's efforts to receive equity securities of the

surviving entity (if any) in lieu of the acceleration of the Principal Amount and unpaid interest accrued thereon.

7. Prepayment. The Principal Amount or interest accrued thereon may not be prepaid prior to the Maturity Date without the written consent of the Purchaser.

8. No Rights as Shareholder Prior to Conversion. For the avoidance of doubt, the Purchaser has not been conferred with any of the rights of a shareholder of the Company, including the right to vote as such, by any of the provisions hereof or any provisions under the Convertible Note Purchase Agreement, or any right (a) to vote for the election of directors or upon any matter submitted to shareholders at any meeting thereof, (b) to give or withhold consent to any corporate action (whether upon any recapitalization, issuance of shares, reclassification of shares, change of par value, or change of shares to no par value, consolidation, merger, scheme of arrangement, conveyance, or otherwise), (c) to receive notice of meetings or to receive in-kind dividends or subscription rights or otherwise, in each case until this Note shall have been converted in whole or in part and all the Conversion Shares issuable upon such whole or partial conversion hereof shall have been issued, as provided for in this Note and the Convertible Note Purchase Agreement. For the avoidance of doubt, the Purchaser shall be conferred with all rights of a shareholder of the Company immediately upon any partial or full conversion of the Note with respect to such Conversion Shares.

10. Termination of Rights.All rights under this Note shall automatically terminate when (a) all amounts owing on this Note have been paid in full or (b) this Note is converted in full pursuant to Section 4 hereof. Upon the termination of all rights under this Note, this Note shall be surrendered by the Purchaser to the Company and this Note so surrendered shall be cancelled and shall not be reissued. For the avoidance of doubt, the Convertible Note Purchase Agreement shall not be terminated merely due to a termination of all rights under this Note, and shall remain in force and effect or terminate pursuant to the terms thereof.

11. Amendments and Waivers; Notice. The amendment or waiver of any term of this Note shall be subject to the written consent of the Company and the Purchaser. The provision of notice shall be conducted pursuant to the terms of the Convertible Note Purchase Agreement.

12. Successors and Assigns. This Note applies to, inures to the benefit of, and binds, the successors and assigns of the parties hereto; provided, however, that no party hereto may assign its obligations under this Note without the written consent of the other party hereto. Notwithstanding anything to the contrary, the Purchaser may, subject to applicable laws, transfer this Note to any of its Affiliates. Any transfer of this Note may take effect by surrender of this Note to the Company and reissuance of a new note to the transferee.

13. Governing Law; Dispute Resolution. This Note shall be governed by and construed under the laws of the State of New York without regards to principles of conflict of laws. The resolution of any controversy or claim arising out of or relating to this Note shall be conducted pursuant to the terms of the Convertible Note Purchase Agreement.

[*Remainder of Page Intentionally Left Blank*]

IN WITNESS WHEREOF, the Company has executed this Note as of the date first above written.

Uxin Limited

By: _____

Name:
Title:

Exhibit 4.33

AMENDMENT TO THE CONVERTIBLE NOTE PURCHASE AGREEMENT

CERTAIN INFORMATION HAS BEEN EXCLUDED FROM THE EXHIBIT BECAUSE IT IS NOT MATERIAL AND WOULD LIKELY CAUSE COMPETITIVE HARM TO THE COMPANY IF PUBLICLY DISCLOSED.

[*] indicates the redacted confidential portions of this exhibit.

THIS AMENDMENT TO THE CONVERTIBLE NOTE PURCHASE AGREEMENT (this "Amendment"), dated August 13th, 2019, is made by and between each of the undersigned parties.

Reference is made to that certain Convertible Note Purchase Agreement, dated July 12, 2019, by and between Uxin Limited (the "Company") and PacificBridge Asset Management, acting in its capacity as the fund manager of PacificBridge Global Mezzanine 1, PacificBridge Global Mezzanine 2, PacificBridge Overseas Pioneer 1 and PacificBridge Overseas Pioneer 2 ("PacificBridge") (the "Convertible Note Purchase Agreement"). Capitalized terms used and not defined in this Amendment shall have the meanings given to them in the Convertible Note Purchase Agreement, unless the context requires otherwise.

WHEREAS, each of the undersigned, being a party to the Convertible Note Purchase Agreement, desires to effect certain amendments to the Convertible Note Purchase Agreement; and

WHEREAS, pursuant to Section 7.3 of the Convertible Note Purchase Agreement, the Convertible Note Purchase Agreement may be amended by another agreement in writing executed by the Company and PacificBridge.

NOW, THEREFORE, each of the undersigned agrees to amend the Convertible Note Purchase Agreement as set forth below.

Section 1. Definition of "Conversion Price" in the 10.0% Note. The last sentence of Section 4(a)(i) of Exhibit A (Form of 10.0% Note) to the Convertible Note Purchase Agreement shall be deleted in its entirety and replaced by the following sentence:

As used in this Note, "Conversion Price" means US$1.7, as may be adjusted pursuant to Section 4(d) hereof.

Section 2. Definition of "Conversion Price" in the 11.0% Note. The last sentence of Section 4(a)(i) of Exhibit B (Form of 11.0% Note) to the Convertible Note Purchase Agreement shall be deleted in its entirety and replaced by the following sentence:

As used in this Note, "Conversion Price" means US$1.7, as may be adjusted pursuant to Section 4(d) hereof.

Section 3. Closing Date. The last sentence of Section 2.2 to the Convertible Note Purchase Agreement shall be deleted in its entirety and replaced by the following sentence:

"The date of the Closing (the "Closing Date") will be October 8, 2019 or such other date as the Company and the Fund Manager may mutually agree in writing."

Section 4. SCHEDULE 1. Schedule 1 to the Convertible Note Purchase Agreement shall be deleted in its entirety and replaced by the following:

SCHEDULE 1

PURCHASERS AND ALLOCATIONS

[*]

For the avoidance of doubt, the detailed allocations between the Purchasers may be adjusted by the Fund Manager at its sole discretion upon a 10-day advance written notice to the Company, as long as the total principal amounts remain US$10,690,000.

Section 5. Effectiveness. This Amendment shall become effective immediately on the date hereof.

Section 6. Effect. Except as expressly amended by this Amendment, the Convertible Note Purchase Agreement shall remain in full force and effect as the same was in effect immediately prior to the effectiveness of this Amendment. All references in the Convertible Note Purchase Agreement to "this Agreement" shall be deemed to refer to the Convertible Note Purchase Agreement as amended by this Amendment.

Section 7. Further Assurance. Each of the undersigned hereby agrees to execute and deliver all such other and additional instruments and documents and do all such other acts and things as may be necessary or appropriate to effect this Amendment.

Section 8. Miscellaneous. Section 7.2 *(Governing Law; Dispute Resolution)*, Sections 7.6 *(Notices)*, 7.8 *(Severability)*, 7.10 *(Confidentiality)*, 7.13 *(Headings)* and 7.14 *(Counterparts)* are hereby incorporated into this Amendment, *mutatis mutandis.*

[remainder of this page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have executed this Amendment on the date first written above.

Uxin Limited

By: /s/ Kun Dai
Name: Kun Dai
Title: Director and CEO

IN WITNESS WHEREOF, the parties hereto have executed this Amendment on the date first written above.

PacificBridge Asset Management, acting in its capacity as the fund manager of each of the Purchasers

By: /s/ DK LEE
Name: DK LEE
Title: CEO

Exhibit 4.34

SECOND AMENDMENT TO
THE CONVERTIBLE NOTE PURCHASE AGREEMENT

CERTAIN INFORMATION HAS BEEN EXCLUDED FROM THE EXHIBIT BECAUSE IT IS NOT MATERIAL AND WOULD LIKELY CAUSE COMPETITIVE HARM TO THE COMPANY IF PUBLICLY DISCLOSED.

[*] indicates the redacted confidential portions of this exhibit.

THIS SECOND AMENDMENT TO THE CONVERTIBLE NOTE PURCHASE AGREEMENT (this "Second Amendment"), dated October 10, 2019, is made by and between each of the undersigned parties.

Reference is made to that certain Convertible Note Purchase Agreement, dated July 12, 2019, by and between Uxin Limited (the "Company") and PacificBridge Asset Management, acting in its capacity as the fund manager of PacificBridge Global Mezzanine 1, PacificBridge Global Mezzanine 2, PacificBridge Overseas Pioneer 1 and PacificBridge Overseas Pioneer 2 ("PacificBridge") (as amended by the Amendment to the Convertible Note Purchase Agreement, dated August 13, 2019, by and between the Company and PacificBridge, the "Convertible Note Purchase Agreement"). Capitalized terms used and not defined in this Second Amendment shall have the meanings given to them in the Convertible Note Purchase Agreement, unless the context requires otherwise.

WHEREAS, each of the undersigned, being a party to the Convertible Note Purchase Agreement, desires to effect certain further amendments to the Convertible Note Purchase Agreement; and

WHEREAS, pursuant to Section 7.3 of the Convertible Note Purchase Agreement, the Convertible Note Purchase Agreement may be amended by another agreement in writing executed by the Company and PacificBridge.

NOW, THEREFORE, each of the undersigned agrees to further amend the Convertible Note Purchase Agreement as set forth below.

Section 1. Definition of "Closing". The definition of "Closing" in the Convertible Note Purchase Agreement shall be deleted in its entirety and replaced by the following sentence:

> "Closing" with respect to the 10.0% Note or the 11.0% Note, as the case may be, shall have the meaning specified in Section 2.2 of this Agreement.

Section 2. Definition of "Closing Date". The definition of "Closing Date" in the Convertible Note Purchase Agreement shall be deleted in its entirety and replaced by the following sentence:

> "Closing Date" shall mean (a) with respect to the 10.0% Note, October 10, 2019 or such other date as the Company and the Fund Manager may mutually agree in writing, or (b) with respect to the 11.0% Note, November 8, 2019 or such other date as the Company and the Fund Manager may mutually agree in writing.

Section 3. Closing Date. The last sentence of Section 2.2 to the Convertible Note Purchase Agreement shall be deleted in its entirety and replaced by the following sentence:

> The date of the Closing of 10.0% Note will be October 10, 2019 or such other date as the Company and the Fund Manager may mutually agree in writing. The date of the Closing of 11.0% Note will be November 8, 2019 or such other date as the Company and the Fund Manager may mutually agree in writing.

Section 4. SCHEDULE 1. Schedule 1 to the Convertible Note Purchase Agreement shall be deleted in its entirety and replaced by the following:

SCHEDULE 1

PURCHASERS AND ALLOCATIONS

[*]

For the avoidance of doubt, the detailed allocations between the Purchasers may be adjusted by the Fund Manager at its sole discretion upon a 10-day advance written notice to the Company, as long as the total principal amounts remain US$10,690,000.

Section 5. Consequential Amendments. Necessary consequential amendments to the Convertible Note Purchase Agreement shall be deemed to be made to account for the fact that two Closings rather than one single Closing are to occur pursuant to the Convertible Note Purchase Agreement.

Section 6. Effectiveness. This Second Amendment shall become effective immediately on the date hereof.

Section 7. Effect. Except as expressly amended by this Second Amendment, the Convertible Note Purchase Agreement shall remain in full force and effect as the same was in effect immediately prior to the effectiveness of this Second Amendment. All references in the Convertible Note Purchase Agreement to "this Agreement" shall be deemed to refer to the Convertible Note Purchase Agreement as amended by this Second Amendment.

Section 8. Further Assurance. Each of the undersigned hereby agrees to execute and deliver all such other and additional instruments and documents and do all such other acts and things as may be necessary or appropriate to effect this Second Amendment.

Section 9. Miscellaneous. Section 7.2 (*Governing Law; Dispute Resolution)*, Sections 7.6 (*Notices*), 7.8 (*Severability*), 7.10 (*Confidentiality*), 7.13 (*Headings*) and 7.14 (*Counterparts*) are hereby incorporated into this Second Amendment, *mutatis mutandis*.

[*remainder of this page intentionally left blank*]

IN WITNESS WHEREOF, the parties hereto have executed this Second Amendment on the date first written above.

Uxin Limited

By: /s/ Kun Dai
Name: Kun Dai
Title: Director and CEO

IN WITNESS WHEREOF, the parties hereto have executed this Second Amendment on the date first written above.

PacificBridge Asset Management, acting in its capacity as the fund manager of each of the Purchasers

By: /s/ DK LEE
Name: DK LEE
Title: CEO

Exhibit 4.35

ASSETS TRANSFER AGREEMENT

September 30, 2019

CERTAIN INFORMATION HAS BEEN EXCLUDED FROM THE EXHIBIT BECAUSE IT IS NOT MATERIAL AND WOULD LIKELY CAUSE COMPETITIVE HARM TO THE COMPANY IF PUBLICLY DISCLOSED.

[*] indicates the redacted confidential portions of this exhibit.

Assets Transfer Agreement

This Assets Transfer Agreement (this "**Agreement**") is made on September 30, 2019 by and between:

(1) **Kai Feng Finance Lease (Hangzhou) Co., Ltd.,** a limited liability company incorporated and existing in accordance with the laws of the People's Republic China, with its registered address at: Room 1814, Unit 1, Building 3, Wanda Commercial Center, Gongshu District, Zhejiang Province ("**Kai Feng**");

(2) **Youqin (Shanxi) Finance Lease Co., Ltd.,** a limited liability company incorporated and existing in accordance with the laws of the People's Republic of China, with its registered address at: Block A-702, Midwest Lugang Finance Town, No.99 Gangwu Avenue, International Harbor District, Xi'an, Shaanxi Provin**c**e ("**Youqin**");

(3) **Youxin (Shanghai) Used Car Business Co., Ltd.,** a limited liability company incorporated and existing in accordance with the laws of the People's Republic of China, with its registered address at: Room D-09, Floor 2, Building 1, No.198 Huashen Road, China (Shanghai) Pilot Free Trade Zone ("**Youxin**");

(4) **Boyu Finance Lease (Tianjin) Co., Ltd.,** a limited liability company incorporated and existing in accordance with the laws of the People's Republic of China, with its registered address at: No. 565 Lanzhou Road (6-4-47 Haize Logistics Park), Tianjin Pilot Free Trade Zone (Dongjiang Bonded Port Area) ("**Boyu**");

(5) **Shenzhen Youxin Pengda Used Car Broker Co., Ltd.,** a limited liability company incorporated and existing in accordance with the laws of the People's Republic of China, with its registered address at: Door 5, Youxin Pengcheng Used Car Transaction Market, at the intersection of Chaguang Road and Shigu Road, Xili Street, Nanshan District, Shenzhen ("**Pengda**");

(6) **Chebole (Beijing) Information Technology Co., Ltd.,** a limited liability company incorporated and existing in accordance with the laws of the People's Republic of China, with its registered address at: Room 323609, Building 5, Yard 1, Futong East Street, Chaoyang District, Beijing ("**Chebole**");

(7) **Youfang (Beijing) Information Technology Co., Ltd.,** a limited liability company incorporated and existing in accordance with the laws of the People's Republic of China, with its registered address at: Room 323609, Building 5, Yard 1, Futong East Street, Chaoyang District, Beijing ("**Youfang**");

(8) **Youxin (Shanxi) Information Technology Group Co., Ltd.,** a limited liability company incorporated and existing in accordance with the laws of the People's Republic of China, with its registered address at: Block A-701, Midwest Lugang Finance Town, No.99 Gangwu Avenue, International Harbor District, Xi'an (**"Youxin Shanxi",** hereinafter referred to as **"Transferor"** individually or collectively with Kai Feng, Youqin, Youxin, Pengda, Autobole and Youfang);

(9) **Uxin Limited,** a limited liability company incorporated and existing in accordance with the laws of the Cayman Islands, with its registered office at the offices of Maples Corporate Services Limited at PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands ("**Uxin Cayman**");

(10) **The entities listed in Exhibit I** ("**Uxin Affiliates**", and each a "**Uxin Affiliate**"; Uxin Affiliates, Uxin Cayman and the Transferors are referred to as "**Uxin Group Companies**" and/or "**Warrantors**", and each a "**Uxin Group Company**" and/or "**Warrantor**");

(11) **Tianjin Wuba Rongxin Information Technology Co., Ltd.,** a limited liability company incorporated and existing in accordance with the laws of the People's Republic of China, with its registered address at: Room 1840-130, Floor 18, Baofeng Building, No. 3678, Xinhua Road, Tianjin Pilot Free Trade Zone (CBD) ("**Tianjin Wuba Rongxin**" or "**Transferee**");

(12) **Tianjin Wuba Jinfu Co., Ltd.,** a limited liability company incorporated and existing in accordance with the laws of the People's Republic of China, with its registered address at: Room 1902, Floor 19, Jinzuo Plaza, No.5 Meiyuan Road, Huayuan Industrial Zone, Binhai Hi-tech District, Tianjin ("**Tianjin Wuba Jinfu**"); and

(13) **Wuba (Shenzhen) Finance Lease Co., Ltd.**, a limited liability company incorporated and existing in accordance with the laws of the People's Republic of China, with its registered address at: Room 201, Building A, No.1 Qianwan Road (No. 1), Qianhai Shenzhen-Hong Kong Cooperation Zone, Shenzhen (resided in Shenzhen Qianhai Business Secretary Co., Ltd.) ("**Wuba Finance Lease**", hereinafter referred to as "**Wuba Parties**" collectively with Tianjin Wuba Rongxin and Tianjin Wuba Jinfu).

For the purpose herein, each of the undersigned parties listed above is referred to herein individually as a "Party" and collectively as the "Parties".

WHEREAS:

(1) Each Transferor agrees to transfer or authorize all the Underlying Assets (as defined below) and all corresponding rights and interests related to such Underlying Assets to the Transferee, and the Transferee agrees to pay corresponding consideration to the Transferor in accordance with this Agreement.

(2) The Transferee agrees to accept all the Underlying Assets from the Transferor in accordance with this Agreement, and enter into this Agreement with respect to such matters relating to the transfer of the Underlying Assets.

(3) The Transferee has set up a Red Chip and VIE structure (the "**VIE structure**"), and the shareholders of the Transferee have, whether through its affiliate or not, set up a Cayman company, Golden Pacer ("**Wuba Jinfu Cayman**", a limited liability company incorporated and existing under the laws of the Cayman Islands, with its registered address at Harnees Fiduciary (Cayman) Limited, 4th Floor, Harbourplace, 103 South Church Street, P.O. Box 10240, Grand Cayman KY 1-1002, Cayman Islands), which in turn set up a series of onshore and offshore companies and which entered into a series control agreements in order to form the contractual control Tianjin Wuba Rongxin by Wuba Jinfu Cayman.

NOW, THEREFORE, the Parties hereto agree as follows:

1 Definitions

1.1 For the purpose herein, the following terms shall have the meaning assigned to them respectively hereunder, unless otherwise definition is given in the text of this Agreement:

"this Transaction" shall mean the Transfer of Assets (as defined in Section 2.1 herein) as well as the Capital Increase of the Transferor (as defined in Section 3.2.2 herein).

"Underlying Business" shall mean the loan facilitation business faced to C-end customers.

"Underlying Intellectual Property Rights" shall mean the intellectual property rights relating to the Underlying Business that the Transferor and/or the corresponding Uxin Group Company purposes to transfer or authorize (as the case maybe) to the Transferee (or its designated Person) in accordance with the terms and conditions provided herein, including but not limited to the Underlying Copyrights, the Underlying Patents and Other Intellectual Property Rights.

"Underlying Copyrights" shall mean the computer software copyrights that the Transferor and/or the corresponding Uxin Group Company purposes to authorize to the Transferor (or its designated Person) in accordance with the terms and conditions provided herein, as listed in Appendix II hereto.

"Underlying Patents" shall mean the patents or patent application rights that the Transferor and/or the corresponding Uxin Group Company purposes to authorize to the Transferor (or its designated Person) in accordance with the terms and conditions provided herein, as listed in Appendix III hereto.

"Other Underlying Intellectual Property Rights" shall mean other the Underlying Intellectual Property Rights that the Transferor and/or the corresponding Uxin Group Company purposes to authorize to the Transferor (or its designated Person) in accordance with the terms and conditions provided herein, (including but not limited to the Underlying Business related systems and its related programs, source codes, object codes, executable codes and related files, as well as data and information therein; he Underlying Business related risk control data, blacklist, operation data as well as other data and information).

"Underlying Prepayment" shall mean the expenses for advertising promotion of the Underlying Business prepaid by corresponding Uxin Group Company, which amounts to RMB[*].

"Underlying Interest Income Payable to Banks" shall mean the interest income that is payable but has not yet been paid to the relevant banks in relation to the Assets with Transferable Security Deposit and Assets with Non-Transferable Security Deposit.

"Underlying Assets" shall mean the Assets with Transferable Security Deposit, the Assets with Non-Transferable Security Deposit, the Underlying Overdue Repurchased Assets, the Underlying Self-Held Assets, the Underlying Repurchased Assets Upon Repayment, the Underlying Re-Transferred Assets, the Underlying ICBC Loan Facilitation Assets, the Underlying Intellectual Property Rights, the Underlying Prepayment and the Underlying Interest Income from Interest Payable to Banks as set forth in Article 2 herein (the Assets with Transferable Security Deposit, the Assets with Non-Transferable Security Deposit, the Underlying Overdue Repurchased Assets, the Underlying Self-Held Assets, Underlying Repurchased Assets Upon Repayment, the Underlying Re-Transferred Assets and the Underlying ICBC Loan Facilitation Assets are subject to any adjustment (if necessary) as agreed by the Transferor and the Transferee under the Financing Partner Contract (as defined hereunder)).

"Laws" shall mean laws, regulations, ordinances, provisions, detailed rules, standards, orders, provisions or regulatory documents of the PRC or other jurisdictions.

"**Encumbrance"** shall mean any security interest, pledge, mortgage, lien (including without limitation the right of cancellation and right of subrogation), lease, license, encumbrance, preferential arrangement, restrictive covenant, condition or restriction of any kind, including without limitation any restriction on the use, voting, transfer, receipt of income or exercise of any other attributes of ownership.

"Liabilities" shall mean any and all debts, liabilities and obligations, whether cumulative or fixed, absolute or contingent, due or not due, determined or determinable, including but not limited to debts, liabilities and obligations arising from any laws, demands or government instructions and arising from any contracts, agreements, arrangements or commitments.

"Business Day" shall mean a business day for banks in China or Hong Kong or the United States to open to the public (except Saturday, Sunday and statutory holidays).

"Related Party" includes Related Enterprises and Related Persons. "Related Enterprise" shall mean, in respect of one party, any entity that, directly or indirectly, Controls, is Controlled by, or is under common Control with such party; "Related Person" shall mean the close relatives of a natural person, including parents, spouses, siblings and their spouses, adult children and their spouses.

"Transaction Document" shall mean this Agreement and its Exhibits, the Domestic Capital Increase Agreement of the Transferor (as defined in Section 3.2.2) and other legal documents relating to this Transaction, as well as resolutions and other legal documents relating to this Transaction executed at the request of the Transferee.

"Control", with respect to the relationship between or among two or more persons or entities, means the possession, directly or indirectly or as trustee or executor, of the power to direct or cause the direction of the affairs, business, management or decisions of another Person, this Control may be exercised through ownership of equity interest, voting or voting securities, as trustee or executor, by contract, agreement arrangement, trust arrangement or otherwise.

"Accounting Standards" shall mean the laws, statues, rules, regulations, standards and systems on finance and accounting promulgated by any Governmental Authority in China.

"Cut-Off Date" shall mean June 30, 2019 (the specific date of closing date is subject to the adjustment mechanism mentioned in Section 7.1.12 herein).

"U.S. Dollars" shall mean **US$**, or the official currency of the United States of America.

"Claims" shall mean any actions, suits, petitions, appeals, arbitration applications, demands, claims, and notices on noncompliance, investigations, settlement rulings or settlement agreements initiated by any Governmental Authority or initiated towards any Governmental Authority.

"Renminbi" (RMB) shall mean the legal currency of the People's Republic of China.

"Trade Secret" shall mean commercial secret, know-how and other confidential or proprietary technologies, business and other materials, including but not limited to the manufacturing or production process and know-how, research and development materials, technologies, drawings, standards, designs, planning, proposals, technical specification, data for financial, marketing and business, pricing and cost materials, business and marketing planning, list and materials of customers and suppliers, and all rights available in any jurisdiction to restrict the use or disclosure of each item above.

"Tax" or "Taxation" shall mean any and all taxes, fees, levies, duties, tariffs, and other similar charges of any kind (together with any and all interests, penalties, additions to tax and additional amounts imposed with respect thereto) imposed by any government or taxing authority, including, without limitation, taxes or other charges on or with respect to income, franchises, windfall or other profits, gross receipts, property, sales, use, payroll, employment, social security, unemployment compensation; taxes or other charges in the nature of excise, withholding, transfer, value added, or business taxes; and customs' duties, tariffs, and similar charges. "Tax," "Taxation," as used in this Agreement shall, unless otherwise specified, be construed as taxes and duties.

"Mall Business" shall mean all vehicle selling and trading business completed online through the online platform of Uxin Group Company only (for avoidance of doubt, the above-mentioned online platform of Uxin Group Company shall refer to xin.com, Youxin second-hand vehicle APP and other online platforms independently developed and used by Uxin Group Companies).

"Market Business" shall mean any vehicle selling and trading business and related businesses that are not conducted through the Mall Business.

"Financial Business of the Market Business" shall mean the financial businesses relating to the Market Business (including but not limited to finance lease business, auto loan business and loan facilitation business).

"Action" shall mean any claim, suit, petition, arbitration, administrative proceeding, inquiry, investigation and other legal proceedings initiated by or before any Governmental Authority.

"Business License" shall mean the business license issued by the administrative department for industry and commerce.

"Liability" shall mean all payment obligations, whether accrued or fixed, absolute or contingent, matured or unmatured or determined or determinable, including, without limitation, debts, liabilities and obligations arising under any Law, Action or Governmental Order and any contract, agreement, arrangement, covenant or undertaking, including, without limitation, (i) amounts borrowed or raised, (ii) acceptance credit, documentary letter of credit or commercial paper loan, (iii) any bond, paper, loan, draft or similar instruments, (iv) deferred payment as to the procured assets or services, amount payable as to the performance of contractual obligations, any liquidated damages, (v) payment under the lease agreement with its primary purpose to raise funds or to finance in order to purchase the leased property (whether the lease agreement is in relation to land, machinery, equipment, or other items); (vi) guarantee, performance bond, stand-by letter of credit, or other documents to secure the performance of a contract, and (vii) mortgage, security or other guaranty on financial losses in respect of the obligations of any Person.

"Governmental Authority" shall mean any central, local government, regulatory, approval or administrative agency, department or commission, or any court, tribunal, judicial or arbitral institution of the PRC or of any country with competent jurisdiction other than the PRC.

"Governmental Order" shall mean any order, judgment, injunction, decree, stipulation, determination or award entered by or with any Governmental Authority.

"Intellectual Property Rights" shall mean all worldwide rights, regardless of if it is protected, created, and generated by PRC Law and any other jurisdictions, arising out of or in connection with (i) inventions, creations, utility models, industrial designs, whether or not patentable or physically used or patentable under PRC Laws and other foreign laws and regulations; (ii) patents, patent applications, invention registrations or any improvements thereto, whether or not registered; (iii) trademarks, service marks, trade dress, logos, trade names or business names, whether or not registered; (iv) copyrights (whether or not registered), copyright registrations or applications for copyright registrations; (v) software and systems, including computer programs, source code, object code, executable code and related documentation, and the data and information contained therein; (vi) trade secrets (including but not limited to manufacturing and production processes and know-how, research and development materials, technology, drawings, designs, schemes, technical data, financial, marketing and business data, pricing and cost information, Business and marketing plans, customer and supplier directories and information, and other confidential or proprietary information), commercial information (whether confidential or not), proprietary or non-patent technology(vii) industrial designs, whether or not registered; (viii) databases and data; (ix) domain names, web sites, and web pages (x) goodwill; (xi) accounts and account numbers on third-party platforms such as the Apple Store and Android platforms, and new media platforms such as Weibo and WeChat; (xii) any medium in any form for any of the foregoing; (xi) any right to obtain or apply for patent rights or register trademark rights, copyrights and domain names; (xiii) any right to claim damages, expenses or attorney's fees for infringement or misuse of any of the foregoing.

"Material Adverse Impact" shall mean any of the following circumstances, changes or impacts that (i) may cause or have sufficient evidence to show that they may cause adverse impacts on the existence, business, assets, intellectual property rights, liabilities, operating results or financial status of any Underlying Assets, and such impacts reach or exceed RMB500,000; or (ii) may cause material adverse impact to the government authorization of the Underlying Assets, or there is sufficient evidence to show that it may have a significant adverse impact; (iii) it has or has sufficient evidence to show that it may have a significant adverse impact on the ability of the corresponding parties to perform this Agreement and other transaction documents.

"China" shall mean the People's Republic of China, for purpose of this Agreement only, excluding the Hong Kong Special Administrative Region, Macau Special Administrative Region and Taiwan.

"Person" means any natural person, partnership, proprietorship, enterprise legal person (limited liability company or company limited by shares), unincorporated enterprise (association or trust social organization), unincorporated organization or other Person and Governmental Authority.

1.2 Unless otherwise specified, any reference to a section, clause, list, exhibit or appendix of this Agreement is a reference to the section, clause, list, exhibit or appendix of this Agreement.

1.3 Any reference to a statute, statute, regulation or ordinance shall be construed as a reference to such statute, statute, regulation or ordinance as from time to time in force, as amended, replaced or re-enacted and shall include any subordinate legislation made under it.

1.4 Words such as "including" and other similar expressions are not intended to be restrictive and shall be construed as "including, without limitation."

1.5 Words importing the singular shall include the plural and vice versa; words importing a gender shall include all gender meanings.

1.6 The table of contents and headings for this Agreement are for convenience only and do not affect in any way the content or interpretation of any term of this Agreement.

1.7 The appendices and schedules are integral parts of this Agreement and have the same effect as the main content of this Agreement. All references to this Agreement include the Appendices and Schedules.

1.8 References to writing or written shall include any mode of reproducing words in a legible and non-transitory form.

2 Transfer of Assets

2.1 Subject to the terms and conditions contained herein, each Transferor hereby agrees to assign, authorize, transfer and deliver to the Transferee prior to the Cut-Off Date (as defined below), and the Transferee agrees to accept the assignment, authorization of the Underlying Assets from each Transferor prior to the Cut-Off Date.

The parties hereto further confirm and agree that, with respect to the aforesaid Underlying Assets accepted by the Transferee from the Transferor or authorized by the Transferor, the Transferee will be the Person accepting the said Underlying Assets according to its own instruction or at its own option; and the Transferor shall transfer, authorize, assign and deliver the Underlying Assets to the Person designated by the Transferee, and the Transferee shall notify the Transferor of the information of the Person accepting the transfer of the Underlying Assets in a timely manner.

(hereinabove referred to as the " **Transfer of Assets**").

2.2 Underlying Assets Transfer Arrangement

(1) Assets with Transferable Security Deposit

Such assets as listed in Appendix V hereto, to the extent that the security deposit of which as of the Cut-off Date can be transferred to the bank account of the Transferee or its designated Person (excluding the assets in the list of sued assets under Appendix XVII hereto) (the "**Assets with Transferable Security Deposit**"), shall be transferred and related rights and obligations of which shall be carried on pursuant to the following mechanism:

(i) Prior to the Cut-Off Date, the Transferors and the corresponding Uxin Group Companies shall cause all of the security deposit of such the Assets with Transferable Security Deposit ("**Transferable Security Deposit**") to be wired to the bank account of the Transferee or its designated Person opened at the corresponding bank to the Assets with Transferable Security Deposit in such way and mechanism satisfactory to the Transferors and the Transferee;

The Transferors and the corresponding Uxin Group Companies hereby agree and undertake that, they shall ensure that the bank corresponding to such Assets with Transferable Security Deposit shall confirm, acknowledge and agree under the corresponding Financing Partner Contract (as defined below) that such Person that actually enjoys the ownership rights and accompanied rights (if any) to such Transferable Security Deposit shall change from the Transferor to the Transferee or its designated Person from the date when the corresponding Financing Partner Contract is executed, from which the Transferee or its designated Person shall be entitled to all rights and accompanied rights (if any) to and in the Transferable Security Deposit, and it shall provide the Transferee with corresponding T/T memo and bank statement affixed with the official stamp of the bank;

The Transferors and the corresponding Uxin Group Companies shall undertake that the balance of the Transferable Security Deposit as of the Closing Date shall not be less than RMB[*], and the change of the Transferable Security Deposit beginning from the Cut-Off Date shall comply with the principles stated in Section 7.10 herein, and shall be adjusted and settled accordingly pursuant to the Supplementary Agreement described under Section 4.5.14.

(ii) At the same time when the agreement under paragraph (i) above is completed and subject to the following conditions, with respect to the consumer overdue repayment generated from the Assets with Transferable Security Deposit in the future, the Transferee or its designated Person agrees to assume guarantee obligation of repayment pursuant only to paragraph (b) below (the "**Guarantee Obligation for Assets with Transferable Security Deposit**"); the Parties hereto further confirm and agree that, the Transferee and its designated Person shall assume the aforesaid guarantee obligation subject to the following conditions:

(a) The Transferable Security Deposit of the Assets with Transferable Security Deposit has been transferred to the bank account of the Transferee or its designated Person opened at the corresponding bank to the Assets with Transferable Security Deposit, and the Transferee or its designated Person is entitled to the ownership rights and other accompanied rights to and in the Transferable Security Deposit;

(b) With respect to the Guarantee Obligation for Assets with Transferable Security Deposit, the Transferors will provide all scope and details of the guarantee obligation to the Transferee and disclose the same in Appendix VI hereto; notwithstanding the forgoing, particularly, the Transferors and Uxin Group Companies understand, acknowledge and agree that the Guarantee Obligation for Assets with Transferable Security Deposit of the Transferee shall be subject to what is expressly specified under the corresponding Financing Partner Contract then executed. The Transferee and its Related Parties will not assume any other guarantee or warranty obligation and/or responsibility for the Assets with Transferable Security Deposit other than those expressly specified in the corresponding Financing Partner Contracts;

(c) The Transferors and the corresponding Uxin Group Companies shall transfer and deliver the data and documents relating to the Assets with Transferable Security Deposit (including but not limited to the contracts and agreements signed with debtors (consumers), automobile mortgage data, automobile mortgage registration data, automobile registration ownership certificates, all agreements and documents for repayment demand, risk control examination and approval records and supporting data and information) to the Transferee and its designated Person in such way and mechanism satisfactory to the Transferee before the Cut-Off Date;

(d) The Transferors and the corresponding Uxin Group Companies have taken the measures satisfactory to the Transferee (including but not limited to the issuance of a power of attorney, etc.) to ensure the Transferee (or its designated Person) may in future make loan collection from the corresponding consumers of the Assets with Transferable Security Deposit in the name of Uxin Group Company;

(e) The Transferors shall ensure the corresponding entity of the Transferors to the Assets with Transferable Security Deposit (i.e., the corresponding entity of the Transferor corresponding to the Assets with Transferable Security Deposit listed in Appendix V) shall maintain good operation and existence, and there has been no circumstances under which such Transferor and/or corresponding Uxin Group Company are unable to collect payment and assets and/or to pay the aforesaid amounts and assets collected to the Transferee (or its designated Person).

(iii) From the Closing Date, the actual ownership rights and accompanied rights (if any) to and in the Assets with Transferable Security Deposit (Transferable Security Deposit and its accompanied rights and property rights, the rights to collect loan, the vehicle or similar assets from consumers corresponding to the Assets with Transferable Security Deposit) shall be entitled to the Transferee and its designated Person; and subject to paragraph (ii) above, the Guarantee Obligation for the Assets with Transferable Security Deposit expressly agreed in the corresponding Financing Partner Contract shall be assumed by the Transferee or its designated Person.

Notwithstanding the forgoing, the Transferors and Uxin Group Companies hereby understand, acknowledge and undertake that, in order to ensure that the Transferee or its designated Person has the power to collect loan from consumers and receive the collected amount, vehicle or similar assets from consumers corresponding to the Assets with Transferable Security Deposit in the future after it performs its Guarantee Obligations for the Assets with Transferable Security Deposit, the Transferors and the corresponding Uxin Group Companies shall provide cooperation, assistance and support pursuant to such method and mechanism reasonably requested by the Transferee (including but not limited to notifying the consumers corresponding to the Assets with Transferable Security Deposit that the Transferee or its designated Person is the lawful owner and collecting Person (if necessary), assisting in settling the lawsuits of the Assets with Transferable Security Deposit and any other issues requiring the cooperation, assistance and support from the Transferors or the corresponding Uxin Group Companies).

(2) Assets with Non-Transferable Security Deposit

Such assets as listed in Appendix V hereto, to the extent that the security deposit of which as of the Cut-off Date cannot be transferred to the bank account of the Transferee or its designated Person (excluding the assets in the list of sued assets under Appendix XVII hereto) (the "**Assets with Non-Transferable Security Deposit**") shall be transferred and related rights and obligations shall be taken over pursuant to the following mechanism:

(i) The Transferors hereby confirm and procures the bank corresponding to the Assets with Non-Transferable Security Deposit to confirm and undertake before the Cut-Off Date, in such way and through such mechanism (including but not limited to through express confirmation in the corresponding Financing Partner Contract) accepted by the Transferee, that: (a) such Person that actually enjoys the ownership rights and accompanied rights (if any) to the security deposit of the Assets with Non-Transferable Security Deposit (the "**Non-Transferable Security Deposit**") shall change from the Transferor to the Transferee or its designated Person from the date when the corresponding Financing Partner Contract is executed, from which the Transferee or its designated Person shall be entitled to all rights and accompanied rights (if any) to and in the Non-Transferable Security Deposit; (b) if, after the execution date of the Financing Partner Contract for the Assets with Non-Transferable Security Deposit any of Non-Transferable Security Deposit is released, all of such amount shall be released to the settlement account of the Transferee or its designated Person opened in the corresponding bank to such Assets with Non-Transferable Security Deposit.

(ii) The Transferor and Uxin Group Company hereby irrevocably acknowledge, understand, undertake and ensure that: (a) as of the Cut-Off Date, the balance of Non-Transferable Security Deposit shall not be less than RMB[*]; (b) the amount of Non-Transferable Security Deposit released pursuant to forgoing Paragraph (i)(b) to the Transferee and its designated Person shall not be less than RMB[*], and if the amount of Non-Transferable Security Deposit received by the Transferee or its designated Person pursuant to the forgoing Paragraph (i)(b) after the release of the non-Transferable Security Deposit is lower than the aforesaid amount, then the Transferors and Uxin Group Companies shall, jointly and severally and within three (3) days, compensate the gap to the Transferee or its designated Person in such a way or through such a mechanism as accepted by the Transferee or its designated Person, except only when the amount of Non-Transferable Security Deposit released to the Transferee or its designated Person pursuant to Paragraph (i)(b) which is lower than RMB[*] is attributable to reasons accountable by the Person controlled Wuba Parties and Wuba Jinfu Cayman, in which case, the Transferor and Uxin Group Company shall not be obligated to make the aforesaid compensation. In order to realize the undertaking hereunder made by the Transferors and Uxin Group Companies, the Transferors and Uxin Group Companies shall agree to issue a letter of guarantee satisfactory to the Transferee and its designated Person on the date hereof.

(iii) At the same time when the agreement under paragraph (i) and (ii) above is completed and subject to the following conditions, with respect to the consumer overdue repayment generated from the Assets with Non-Transferable Security Deposit in the future, the Transferee or its designated Person agrees to assume guarantee obligation of repayment pursuant only to paragraph (b) below (the "**Guarantee Obligation for Assets with Non-Transferable Security Deposit**"); the Parties hereto further confirm and agree that, the Transferee and its designated Person shall assume the aforesaid guarantee obligation subject to the following conditions:

(a) The Non-Transferable Security Deposit has, pursuant to the mechanism under Paragraph (i) and (ii), been confirmed by the Transferors and related banks that the corresponding rights has been transferred to the Transferee and its designated Person, and the Transferors and the corresponding Uxin Group Companies have issued a letter of guarantee to the Transferee pursuant to the mechanism under paragraph (ii) above.

(b) With respect to the Guarantee Obligation for Assets with Non-Transferable Security Deposit, the Transferors will provide all scope and details of the guarantee obligation to the Transferee and disclose the same in Appendix VI hereto; notwithstanding the forgoing, particularly, the Transferors and Uxin Group Companies understand, acknowledge and agree that the Guarantee Obligation for Assets with Non-Transferable Security Deposit of the Transferee shall be subject to what is expressly specified under the corresponding Financing Partner Contract then executed. The Transferee and its Related Parties will not assume any other guarantee or warranty obligation and/or responsibility for the Assets with Non-Transferable Security Deposit other than those expressly specified in the corresponding Financing Partner Contracts;

(c) The Transferors and the corresponding Uxin Group Companies shall transfer and deliver the data and documents relating to the Assets with Transferable Security Deposit (including but not limited to the contracts and agreements signed with debtors (consumers), automobile mortgage data, automobile mortgage registration data, automobile registration ownership certificates, all agreements and documents for repayment demand, risk control examination and approval records and supporting data and information) to the Transferee and its designated Person in such way and mechanism satisfactory to the Transferee before the Cut-Off Date;

(d) The Transferors and the corresponding Uxin Group Companies have taken the measures satisfactory to the Transferee (including but not limited to the issuance of a power of attorney, etc.) to ensure the Transferee (or its designated Person) may in future make loan collection and receive the collected amount, assets or similar rights from the corresponding consumers of the Assets with Non-Transferable Security Deposit in the name of Uxin Group Company;

(e) The Transferors shall ensure the corresponding entity of the Transferors to the Assets with Non-Transferable Security Deposit (i.e., the corresponding entity of the Transferor corresponding to the Assets with Non-Transferable Security Deposit listed in Appendix V) shall maintain good operation and existence, and there has been no circumstances under which such Transferor and/or corresponding Uxin Group Company are unable to collect payment and assets and/or to pay the aforesaid amounts and assets collected to the Transferee (or its designated Person).

(iv) From the Closing Date, the actual ownership rights and accompanied rights (if any) to and in the Assets with Non-Transferable Security Deposit (Non-Transferable Security Deposit and its accompanied rights and property rights, the rights to collect loan, the vehicle or similar assets from consumers corresponding to the Assets with Non-Transferable Security Deposit) shall be entitled to the Transferee and its designated Person; and subject to paragraph (ii) above, the Guarantee Obligation for the Assets with Non-Transferable Security Deposit expressly agreed in the corresponding Financing Partner Contract shall be assumed by the Transferee or its designated Person.

Notwithstanding the forgoing, the Transferors and Uxin Group Companies hereby understand, acknowledge and undertake that, in order to ensure that the Transferee or its designated Person has the power to collect loan from customers and receive the collected amount, vehicle or similar assets from consumers corresponding to the Assets with Transferable Security Deposit in the future after it performs its Guarantee Obligations for the Assets with Transferable Security Deposit, the Transferors and the corresponding Uxin Group Companies shall provide cooperation, assistance and support pursuant to such method and mechanism reasonably requested by the Transferee (including but not limited to notifying the consumers corresponding to the Assets with Transferable Security Deposit that the Transferee or its designated Person is the lawful owner and collecting Person (if necessary), assisting in settling the lawsuits of the Assets with Transferable Security Deposit and any other issues requiring the cooperation, assistance and support from the Transferors or the corresponding Uxin Group Companies).

(3) **Underlying Overdue Repurchased Assets**

(i) With respect to the Underlying Overdue Repurchased Assets listed in Appendix VII hereto (excluding the assets listed in Appendix XVII hereto the list of sued assets), the Parties hereto shall transfer and settle such assets in accordance herewith:

(a) The Transferors and the corresponding Uxin Group Companies shall ensure that the book value of the Underlying Overdue Repurchased Assets listed in Appendix VII hereto as of the Cut-Off Date shall be RMB[*];

In order to enable Wuba Parties to carry on the Underlying Overdue Repurchased Assets, the Transferors and corresponding Uxin Group Companies shall pay in one installment before the Closing Date RMB[*] in cash to the bank account designated by the Transferee;

(b) The Transferors and corresponding Uxin Group Companies shall complete before the Closing Date the repurchase of the Underlying Overdue Repurchased Assets listed in Appendix VII hereto from corresponding financing partner in such way and mechanism satisfactory to the Transferee, and further ensure that it has complete ownership right over the Underlying Overdue Repurchased Assets after the repurchase (that is, the rights to collect debt from consumers and take back vehicles corresponding to such Underlying Overdue Repurchased Assets, the charge over the vehicle and other related property rights), and further ensure that such Underlying Overdue Repurchased Assets have not be transferred or assigned in any way (including but not limited to asset securitization) to any third parties;

(c) The Transferors and the corresponding Uxin Group Companies shall, before the Closing Date, transfer and deliver the data and documents relating to the Underlying Overdue Repurchased Assets (including but not limited to the contracts and agreements with debtors (consumers) relating to the Underlying Overdue Repurchased Assets, the collateral data of the Underlying Overdue Repurchased Assets, the collateral registration data of the Underlying Overdue Repurchased Assets, vehicle ownership certificates relating to the of the Underlying Overdue Repurchased Assets, all agreements and documents with third parties for debt collection relating to the of the Underlying Overdue Repurchased Assets, risk control approval and review records and supporting data and information relating to the Underlying Overdue Repurchased Assets) to the Transferee and its designated Person in such way and mechanism satisfactory to the Transferee;

(d) The Transferors and the corresponding Uxin Group Companies have taken the measures satisfactory to the Transferee (including but not limited to the issuance of a power of attorney, etc.) to ensure the Transferee (or its designated Person) may in future make loan collection and receive the collected amount, assets or similar rights from the corresponding consumers of the Underlying Overdue Repurchased Assets in the name of Uxin Group Company.

(ii) From the Cut-off date, the ownership of the Underlying Overdue Repurchased Assets (that is, the rights to collect money and vehicle from consumers corresponding to such Underlying Overdue Repurchased Assets, and the collateral rights to corresponding vehicles and other property rights) as well as accompanied rights (if any) shall be fully transferred to the Transferee or designated Person. On or prior to the Closing Date, the Transferors shall deliver the Underlying Overdue Repurchased Assets and ownership document as well as all related data (if any) to the Transferee or its designated Person.

The Transferors hereby undertake that, with respect to the Underlying Overdue Repurchased Assets legally owned by the Transferee or its designated Person as well as any debt-collection issues relating to any Underlying Overdue Repurchased Assets (if any), the Transferors and corresponding Uxin Group Companies shall cooperate in such time and way reasonably instructed by the Transferee then. In order to realize the fund recovery and collection of the Underlying Overdue Repurchased Assets, the Transferors and corresponding Uxin Group Companies shall provide cooperation, assistance and support in such way and mechanism reasonably requested by the Transferee (including but not limited to informing the consumers of the Underlying Overdue Repurchased Assets that the Transferee or its designated Person is the lawful owner and collection entity (if necessary), cooperating to settle lawsuits relating to the Underlying Overdue Repurchased Assets and any other issues requiring cooperation, assistance and support from the Transferors and corresponding Uxin Group Companies).

(4) **Underlying Self-held Assets**

(i) With respect to the Underlying Self-Held Assets listed in Appendix VIII hereto (excluding the assets listed in Appendix XVII hereto the list of sued assets), the Parties hereto shall transfer and settle such assets in accordance herewith:

(a) The Transferors and corresponding Uxin Group Companies shall ensure that the book value of the Underlying Self-Held Assets listed in Appendix VIII hereto and the receivables from consumers as of the Cut-off Date shall be no less than RMB[*];

(b) The Transferors and corresponding Uxin Group Companies shall ensure complete ownership to the Underlying Self-Held Assets listed in Appendix VIII (that is, the rights to collect debt and take back vehicles of such Underlying Self-Held Assets, the collateral and ownership rights to the vehicles and other related property rights), and such Underlying Self-Held Assets has not been transferred or assigned to any third parties in any form (including but not limited to asset securitization);

(c) The Transferors and the corresponding Uxin Group Companies shall, before the Closing Date, transfer and deliver the data and documents relating to the Underlying Self-Held Assets (including but not limited to the contracts and agreements with debtors (consumers) relating to the Underlying Self-Held Assets, the collateral data of the Underlying Self-Held Assets, the collateral registration data of the Underlying Self-Held Assets, vehicle ownership certificates relating to the of the Underlying Self-Held Assets, all agreements and documents with third parties for debt collection relating to the of the Underlying Self-Held Assets, risk control approval and review records and supporting data and information relating to the Underlying Self-Held Assets) to the Transferee and its designated Person in such way and mechanism satisfactory to the Transferee;

(d) The Transferors and the corresponding Uxin Group Companies have taken the measures satisfactory to the Transferee (including but not limited to the issuance of a power of attorney, etc.) to ensure the Transferee (or its designated Person) may in future make loan collection and receive the collected amount, assets or similar rights from the corresponding consumers of the Underlying Self-Held Assets in the name of Uxin Group Company.

(ii) From the Cut-off date, the ownership of the Underlying Self-Held Assets (that is, the rights to collect money and vehicle from consumers corresponding to such Underlying Self-Held Assets, and the collateral rights to corresponding vehicles and other property rights) as well as accompanied rights (if any) shall be fully transferred to the Transferee or designated Person. On or prior to the Closing Date, the Transferors shall deliver the Underlying Self-Held Assets and ownership document as well as all related data (if any) to the Transferee or its designated Person.

The Transferors and the corresponding Uxin Group Companies hereby undertake that, with respect to the Underlying Self-Held Assets legally owned by the Transferee or its designated Person as well as any debt-collection issues relating to any Underlying Self-Held Assets (if any), the Transferors and corresponding Uxin Group Companies shall cooperate in such time and way reasonably instructed by the Transferee then. In order to realize the fund recovery and collection of the Underlying Self-Held Assets, the Transferors and corresponding Uxin Group Companies shall provide cooperation, assistance and support in such way and mechanism reasonably requested by the Transferee (including but not limited to informing the consumers of the Underlying Self-Held Assets that the Transferee or its designated Person is the lawful owner and collection entity (if necessary), cooperating to settle lawsuits relating to the Underlying Self-Held Assets and any other issues requiring cooperation, assistance and support from the Transferors and corresponding Uxin Group Companies).

(5) **Underlying Repurchased Assets Upon Repayment**

(i) With respect to the Underlying Repurchased Assets Upon Repayment listed in Appendix IX hereto (excluding the assets listed in Appendix XVII hereto the list of sued assets), the Parties hereto shall transfer and settle such assets in accordance herewith:

(a) The Transferors and corresponding Uxin Group Companies shall ensure that the book value of the Underlying Repurchased Assets Upon Repayment listed in Appendix IX hereto and the receivables from consumers as of the Closing Date shall be no less than RMB[*];

Notwithstanding the forgoing, the Transferors and corresponding Uxin Group Companies further undertake that, with respect to the business cooperation between the Transferors and/or corresponding Uxin Group Companies with WeBank (the "**Business Cooperation**"): (i) for all assets satisfying consumer overdue compensatory repurchase conditions under the Business Cooperation before the Cut-off Date, the Transferors and corresponding Uxin Group Companies shall complete compensatory repurchase and/or perform the guarantee obligation before the Closing Date; (ii) if all assets satisfying consumer overdue compensatory repurchase conditions under the Business Cooperation before the Cut-off Date fail to complete compensatory repurchase or fail to perform guarantee obligation due to whatsoever reasons before the Closing Date, the Transferors and corresponding Uxin Group Companies shall complete compensatory repurchase and/or perform corresponding guarantee obligation within a period after the Closing Date accepted by the Transferee. The assets subject to compensatory repurchase and/or guarantee obligation by the Transferor and corresponding Uxin Group Company, as mentioned in the preceding paragraph, shall be deemed as a part of the Underlying Repurchased Assets Upon Repayment, which are subject to the agreements and restrictions herein relating to the Underlying Repurchased Assets Upon Repayment; in addition, the Transferors and corresponding Uxin Group Companies shall acknowledge and undertake that the compensatory repurchase and/or guarantee obligation as mentioned in the preceding paragraph shall be completed by its own, and Wuba Parties and its Related Parties shall not assume any costs and expenses, unless otherwise provided for in the following paragraph (i)(b).

(b) The Transferors and corresponding Uxin Group Companies shall ensure that the Underlying Repurchased Assets Upon Repayment listed in Appendix IX shall be repurchased from the corresponding financing partner in such way and mechanism satisfactory to the Transferee, and enable the Transferee the complete ownership and disposal rights to such Underlying Repurchased Assets Upon Repayment before the Closing Date; in order to realize the repurchase of the aforesaid Underlying Repurchased Assets Upon Repayment from the corresponding financing partner, the Transferee agrees to assume a sum of repurchase cost no greater than RMB[*], i.e., the Transferors, corresponding Uxin Group Companies and the Transferee shall pay such repurchase cost to corresponding financing partner pursuant to this section upon repurchase before the Closing.

(c) The Transferors and the corresponding Uxin Group Companies shall, before the Closing Date, transfer and deliver the data and documents relating to the Underlying Repurchased Assets Upon Repayment listed in Appendix IX (including but not limited to the contracts and agreements with debtors (consumers) relating to the Underlying Repurchased Assets Upon Repayment, the collateral data of the Underlying Repurchased Assets Upon Repayment, the collateral registration data of the Underlying Repurchased Assets Upon Repayment, vehicle ownership certificates relating to the of the Underlying Repurchased Assets Upon Repayment, all agreements and documents with third parties for debt collection relating to the of the Underlying Repurchased Assets Upon Repayment, risk control approval and review records and supporting data and information relating to the Underlying Repurchased Assets Upon Repayment) to the Transferee and its designated Person in such way and mechanism satisfactory to the Transferee;

(d) The Transferors and the corresponding Uxin Group Companies have taken the measures satisfactory to the Transferee (including but not limited to the issuance of a power of attorney, etc.) to ensure the Transferee (or its designated Person) may in future make loan collection and receive the collected amount, assets or similar rights from the corresponding consumers of the Underlying Repurchased Assets Upon Repayment in the name of Uxin Group Company.

(ii) From the Cut-off date, the ownership of the Underlying Repurchased Assets Upon Repayment (that is, the rights to collect money and vehicle from consumers corresponding to such Underlying Repurchased Assets Upon Repayment, and the collateral rights to corresponding vehicles and other property rights) as well as accompanied rights (if any) shall be fully transferred to the Transferee or designated Person. On or prior to the Closing Date, the Transferors shall deliver the Underlying Repurchased Assets Upon Repayment and ownership document as well as all related data (if any) to the Transferee or its designated Person.

The Transferors hereby undertake that, with respect to the Underlying Repurchased Assets Upon Repayment legally owned by the Transferee or its designated Person as well as any debt-collection issues relating to any Underlying Repurchased Assets Upon Repayment (if any), the Transferors and corresponding Uxin Group Companies shall cooperate in such time and way reasonably instructed by the Transferee then. In order to realize the fund recovery and collection of the Underlying Repurchased Assets Upon Repayment, the Transferors and corresponding Uxin Group Companies shall provide cooperation, assistance and support in such way and mechanism reasonably requested by the Transferee (including but not limited to informing the consumers of the Underlying Repurchased Assets Upon Repayment that the Transferee or its designated Person is the lawful owner and collection entity (if necessary), cooperating to settle lawsuits relating to the Underlying Repurchased Assets Upon Repayment and any other issues requiring cooperation, assistance and support from the Transferors and corresponding Uxin Group Companies).

(6) **Underlying Re-transferred Assets**

With respect to the Underlying Re-Transferred Assets listed in Appendix X hereto (excluding the assets listed in Appendix XVII the list of sued assets), and subject to the corresponding Financing Partner Contract and its specific content, the rights and obligations originally assumed by the Transferors under the contracts with financing partner and contracts with consumers for the Underlying Re-Transferred Assets shall be transferred to the Transferee (or its designated Person), and the Transferee (or its designated Person) shall assumed such rights and obligations. If it is impossible to implement the transfer of the Underlying Re-Transferred Assets according to the aforesaid mechanism, then the Transferors and the Transferee shall otherwise negotiate and agree on the transfer mechanism for the Underlying Re-Transferred Assets.

From the Cut-off Date, the ownership and accompanied rights to and in the Underlying Re-Transferred Assets shall be transferred to the Transferee or its designated Person. Prior to the Closing, the Transferors shall deliver the Underlying Re-Transferred Assets and their ownership documents as well as all related data (if any) to the Transferee or its designated Person.

The Transferors hereby undertake that, with respect to the Underlying Re-Transferred Assets legally owned by the Transferee or its designated Person as well as any debt-collection issues relating to anyUnderlying Re-Transferred Assets (if any), the Transferors and corresponding Uxin Group Companies shall cooperate in such time and way reasonably instructed by the Transferee then. In order to realize the fund recovery and collection of the Underlying Re-Transferred Assets, the Transferors and corresponding Uxin Group Companies shall provide cooperation, assistance and support in such way and mechanism reasonably requested by the Transferee (including but not limited to informing the consumers of the Underlying Re-Transferred Assets that the Transferee or its designated Person is the lawful owner and collection entity (if necessary), cooperating to settle lawsuits relating to the Underlying Re-Transferred Assets and any other issues requiring cooperation, assistance and support from the Transferors and corresponding Uxin Group Companies).

(7) **Underlying ICBC Loan Facilitation Assets**

With respect to the Underlying ICBC Loan Facilitation Assets listed in Appendix XI hereto (excluding the assets in the list of sued assets under Appendix XVII hereto), and subject to the corresponding Financing Partner Contract and its specific content, the Transferors and the Transferee (or its designated Person) shall execute agreements with corresponding financing partner to specify the way and mechanism of transfer of such Underlying ICBC Loan Facilitation Assets, and the Underlying ICBC Loan Facilitation Assets shall be transferred pursuant to such agreement. If the Transferors and the Transferee (or its designated Person) are unable to reach an agreement with respect to the way and mechanism of transfer for the Underlying ICBC Loan Facilitation Assets, then the Transferors and the Transferee shall otherwise negotiate and agree on the transfer mechanism for the Underlying ICBC Loan Facilitation Assets.

From the Cut-off Date, the ownership and accompanied rights to and in the Underlying ICBC Loan Facilitation Assets shall be transferred to the Transferee or its designated Person. Prior to the Closing, the Transferors shall deliver the Underlying ICBC Loan Facilitation Assets and their ownership documents as well as all related data (if any) to the Transferee or its designated Person.

The Transferors hereby undertake that, with respect to the Underlying ICBC Loan Facilitation Assets legally owned by the Transferee or its designated Person as well as any debt-collection issues relating to any Underlying ICBC Loan Facilitation Assets (if any), the Transferors and corresponding Uxin Group Companies shall cooperate in such time and way reasonably instructed by the Transferee then. In order to realize the fund recovery and collection of the Underlying ICBC Loan Facilitation Assets, the Transferors and corresponding Uxin Group Companies shall provide cooperation, assistance and support in such way and mechanism reasonably requested by the Transferee (including but not limited to informing the consumers of the Underlying ICBC Loan Facilitation Assets that the Transferee or its designated Person is the lawful owner and collection entity (if necessary), cooperating to settle lawsuits relating to the Underlying ICBC Loan Facilitation Assets and any other issues requiring cooperation, assistance and support from the Transferors and corresponding Uxin Group Companies).

(8) With respect to the Assets with Transferable Security Deposit, the Assets with Non-Transferable Security Deposit, the Underlying Overdue Repurchased Assets, the Underlying Self-Held Assets, the Underlying Repurchased Assets Upon Repayment, the Underlying Re-Transferred Assets and the Underlying ICBC Loan Facilitation Assets under this Section 2.2, the Transferors and Uxin Group Companies shall cause the corresponding Transferor, the Transferee (or its designated Person) and the financing partner for the aforesaid assets to execute legal and valid corresponding agreements pursuant the transfer mechanism of the assets described in Section 2.2(1)-(7) in such way and mechanism satisfactory to the Transferee (the "**Financing Partner Contract**"). The Parties hereto understand, confirm and acknowledge that the ownership and liabilities for the assets described in Section 2.2(1)-(7) shall be allocated from the date when each Financing Partner Contract is executed, and become effective and legally binding among the Transferors, the Transferee (or its designated Person) and such financing partner corresponding to such assets.

(9) For the Underlying Interest Income Payable to Banks, the Transferors and corresponding Uxin Group Companies shall ensure:

(i) The book value of such Underlying Interest Income Payable to Banks shall be no greater than RMB[*];

(ii) For the amount of RMB[*] in the Underlying Interest Income Payable to Banks under above paragraph (i) (the "**Interest Income Payable to Banks in the Security Deposit**"), the Parties hereto understand and acknowledge that the carrying-on of the Transferee for such Underlying Interest Income Payable to Banks shall meet the following pre-conditions, if such conditions are not satisfied, the Transferee and its affiliates shall not assume any obligation for the aforesaid RMB[*] Interest Income Payable to Banks in the Security Deposit.

- The security deposit of the Interest Income Payable to Banks in the Security Deposit (no less than RMB[*]) has been transferred to the bank account of the Transferee or its designated Person, and the Transferee or its designated Person shall enjoy the ownership and other rights of over such security deposit, and provide the Transferee with the T/T bill and bank statement affixed with official bank stamp; the Transferors and Uxin Group Companies shall cause the corresponding bank for Interest Income Payable to Banks in the Security Deposit under paragraph (ii) to irrevocably confirm and agree that the right holder of the ownership and accompanied rights (if any) of such security deposit shall be changed from the Transferors and Uxin Group Companies to the Transferee or its designated Person; or

- If the corresponding bank for Interest Income Payable to Banks in the Security Deposit fails to perform the aforesaid obligation and undertaking to transfer the security deposit, then Uxin Group Companies undertake to transfer such amount of the Interest Income Payable to Banks in the Security Deposit (i.e., RMB[*]) to the corresponding bank; subject to the premise that Uxin Group Companies have fulfilled the aforesaid undertaking, the security deposit released from the Interest Income Payable to Banks in the Security Deposit shall belong to Uxin Group Companies;

(iii) With respect to the remaining balance of the Underlying Interest Income Payable to Banks deducting by the Interest Income Payable to Banks in the Security Deposit under paragraph (i), the Transferors and corresponding Uxin Group Companies undertake that they shall cause the corresponding bank to Underlying Interest Income Payable to Banks to execute agreement with the Transferee (or its designated Person) and corresponding Transferor (or Uxin group Company) and agree on the matters relating to the transfer of the i Underlying Interest Income Payable to Banks.

2.3 Licensing and Transfer of the Underlying Intellectual Property Rights

(1) Underlying Copyrights

The Transferors agree to execute the exclusive license agreement for the Underlying Copyrights as shown in Appendix XII hereto to license such Underlying Copyrights for free, permanently and exclusively (that is, the Transferors shall not license such Underlying Copyrights to any entities for their use to other than the Transferee (or its designated Person) and Uxin Group Companies) to the Transferee (or its designated Person) for its use of such Underlying Copyrights. The Transferors and Uxin Group Companies shall ensure continually the good standing of the Underlying Copyrights after execution of this Agreement, payments in due time for necessary expenses to maintain the good standing of such Underlying Copyrights, and to take other necessary measures to ensure the continuous use of such Underlying Copyrights by the Transferee or its designated Person.

(2) Underlying patents

The Transferors hereby agree that, prior to the Closing Date, it shall execute an exclusive license agreement as shown in Appendix XIII with the Transferee (or its designated Person) for the underlying patents listed in Appendix XIII hereto to grant the Transferee (or its designated Person) a permanent, free of charge and exclusive (that is, the Transferor shall not license the Underlying Patents to any entities other than the Transferee (or its designated) and Uxin Group Company). The Transferors shall be responsible for completing the registration formalities with relevant patent office for such Underlying Patents within six (6) months after the Closing Date, and the Transferee shall give necessary cooperation and assistance, and all the expenses for the registration formalities shall be assumed solely by the Transferors. The Transferors and Uxin Group Companies shall ensure continually the good standing of the Underlying Patents after the execution of this Agreement, payments in due time for necessary expenses to maintain the good standing of such Underlying Patents, and to take other necessary measures to ensure the continuous use of such Underlying Patents by the Transferee or its designated Person.

(3) Other Underlying Intellectual Property Rights

a. The Transferors agree to deliver Other Underlying Intellectual Property Rights to the Transferee or its designated Person in such way and mechanism that is satisfactory to the Transferee; and at the time delivering Other Underlying Intellectual Property Rights, the Transferors shall deliver the source codes, data, documentation and electronic files and other written documents and data to the Transferee (or its designated Person) in such a way and mechanism that is satisfactory to the Transferee.

b. From the Cut-off Date, the ownership and accompanied rights to and in Other Underlying Intellectual Property Rights shall be transferred to the Transferee or its designated Person.

2.4 Underlying Prepayment

With respect to the Underlying Prepayment of RMB [*], the Transferors shall cause the qualified Person to provide the Transferee (or its designated Person) with the VAT special invoices with corresponding amount that is satisfactory to the Transferee as the voucher of the Transferee (or its designated Person) to assume the Underlying Prepayment.

2.5 The Guarantors hereby jointly and severally confirm, guarantee and undertake that:

(1) Subject to Section 7.10 herein, the transfer of the Underlying Assets under Article 2 herein shall be made in such way and mechanism satisfactory to the Transferee, and further ensure that the expenses arising from such transfer of the Underlying Assets from the Transferor or corresponding Uxin Group Company to the Transferee or its designated Person shall be assumed solely by the Transferors and corresponding Uxin Group Companies, unless otherwise agreed in writing between the Transferors (or its designated Person) and the Transferee (or its designated Person).

(2) The Guarantors and Uxin Group Companies hereby irrevocably understand, confirm and undertake that, with respect to the representations, warranties, covenants and obligations made by the Transferors and Uxin Group Companies hereunder, the Guarantors and other Uxin Group Companies shall assume several and joint obligation for any liability for breach against such representations, warranties, commitments and obligations.

(3) At any time after the Closing Date, each Transferor agrees to take all legitimate, reasonably necessary and reasonably required acts to ensure that the Transferee is entitled to the relevant rights and interests of the Underlying Assets after the Closing Date. If the Transferee discovers any discrepancy between the delivered Underlying Assets and the provisions of this Agreement after the Closing Date, then the Transferee shall have the right to require the Transferors to rectify the aforesaid issues in such manner and mechanism satisfactory to the Transferee, but such rectification shall not affect the Transferee’s right to claim compensation in accordance with this Agreement.

(4) On the premise that the normal operation of the Transferor will not be affected, the Transferee or its designated Person shall have the right to inspect and check any materials, documents, data, information or any other relevant assets that need to be delivered, transferred and assigned to the Transferee on or before the Closing Date for the transfer of the Underlying Assets under this Agreement in accordance with the methods and mechanisms satisfactory to the Transferee. In case of any adjustment, change, reduction or impairment, the Transferors and the Transferee shall negotiate and reach a mutual agreement on the complement, amendment, remedy and other adjustment methods and mechanisms.

(5) Each Transferor shall continue to operate and exist in good condition, and there will be no circumstance where such Transferor and/or corresponding Uxin Group Company cannot collect payment and assets from consumers and/or pay the aforesaid payment and assets to the Transferee (or its designated Person).

Particularly, the collection account of the Transferor for the Underlying Assets towards consumers (the "**Fund Collection Account**") described in Section 2.2 shall be disclosed to the Transferee completely and truthfully (as listed in Appendix XIV); the Transferors and Uxin Group Companies shall change the Fund Collection Account to an account jointly controlled by the Transferors and the Transferee in such way and mechanism satisfactory to the Transferee, so that any payments, withdrawals and other payments for expenses from such Fund Collection Account shall be made only upon the signature and authorization of the Transferee's representative. Any fund collection and asset recovery (including but not limited to the collection and disposal of vehicles) from consumers or relevant party corresponding to the Underlying Assets mentioned in Article 2 shall be settled by month to the Transferee or its designated Person (unless otherwise agreed in writing by the Transferee, such payment and/or assets (including but not limited to the collection and disposal of vehicles) collected and recovered from consumers or related parties in each calendar month shall be paid to the Transferee or its designated Person within 15 days after the end of each month in a manner satisfactory to the Transferee).

After the date hereof, the Transferors and the corresponding Uxin Group Companies shall cooperate, assist and support in such a way and mechanism as required by the Transferee (including but not limited to informing consumers corresponding to the Underlying Assets described under Section 2.2 that the Transferee or its designated Person is the legitimate owner of corresponding Underlying Assets and the collecting entity (if necessary), and cooperate to settle any lawsuits relating to the Underlying Assets under Section 2.2 as well as any other issues requiring cooperation, assistance and support from the Transferors and the corresponding Uxin Group Companies; upon the request of the Transferee, the Transferors and the corresponding Uxin Group Companies shall transfer the collateral registration and the ownership of the vehicles as well as accompanied rights corresponding to the Underlying Assets under Section 2.2 to the Transferee or its designated Person in such way and at such time as required by the Transferee or its designated Person, and cooperate in completing required registration and filing of change; upon the request of the Transferee, the Transferors and the corresponding Uxin Group Companies shall assist in providing other necessary materials for debt collection relating to the Underlying Assets (such as the business license, other certificates and license, company stamp and legal representative stamp of the Transferors and the corresponding Uxin Group Companies).

3 Transfer Consideration and Payment and Transferee Restructuring

3.1 **Transfer Consideration**. The Parties agree that the following provisions shall apply to the total amount of consideration for the purchase and transfer by the Transferee of the Underlying Assets in accordance with this Agreement (the "**Transfer Consideration**"):

Subject to Section 7.10 hereof, except for the Transfer Consideration, the Transferee and any of its Related Parties shall not be required to pay to the Transferors or their shareholders or their Related Parties and any third party any other purchase price or any other expenses in connection with this Transfer of Asset, unless otherwise determined by the Transferors (or its designated Person) and Transferee (or its designated Person) through consultation in writing.

3.2 **Payment of Transfer Consideration**. The Parties acknowledge that the above Transfer Consideration will be paid in the following manner:

3.2.1 The Renminbi equivalent to US$100,000,000 in the Transfer Consideration (the "**Cash Consideration**") shall be paid by the Transferee to the Transferors in cash according to the following payment schedule and arrangements:

(1) 20% of the Cash Consideration (i.e. RMB equivalent to US$[*] (calculated based on the middle price between the US Dollars and Renminbi published by the People's Bank of China on the actual payment date of the first Cash Consideration) (the "**First Cash Consideration**", subject to the adjustment mechanism set forth in Section 3.2.1 (1) (iii) below) shall be paid by the Transferee at the following mechanism and time to the Transferor's Designated Bank Account (as defined below):

(i) If the business integration (as defined in Section 7.3 hereof) is completed within three (3) months after the Closing Date and based on the mechanism set forth in Section 7.3 hereof, the First Cash Consideration shall be paid within fifteen (15) Business Days after the expiration of three (3) months after the Closing Date;

(ii) If the business integration does not completed in accordance with the mechanism set forth in Section 7.3 hereof within three (3) months after the Closing Date, the First Cash Consideration shall be paid within fifteen (15) Business Days after the business integration is completed in accordance with the mechanism set forth in Section 7.3 hereof;

(iii) For the avoidance of doubt, the Transferors and Uxin Group Companies hereby understand, acknowledge and agree that the First Cash Consideration shall be subject to the following adjustment mechanism:

(x) With respect to the cooperation agreement entered into among Kai Feng, Youyuan (Beijing) Information Technology Co., Ltd. and Wuba Finance Lease on August 1, 2019, if there are relevant fees and amounts payable by Kai Feng and Youyuan (Beijing) Information Technology Co., Ltd. to Wuba Finance Lease which have not been paid (the "**Outstanding Cooperation Agreement Amount**") under such cooperation agreement, the amount of all outstanding Cooperation Agreement Amounts payable as of the date of payment of the First Cash Consideration shall be deducted from the amount of the First Cash Consideration;

(y) As of the payment date of the First Cash Consideration, if there are funds and/or assets (including, without limitation, vehicles and disposal proceeds of such assets) received by any Transferor and/or the Uxin Group Company from consumers but fail to be settled into the bank account designated by the Transferee in accordance with Section 2.2 (the "**Unsettled Assets Amount**") with respect to the Underlying Assets set forth in Section 2.2 hereof, all Unsettled Assets Amount as of the payment date of the First Cash Consideration shall be deducted from the First Cash Consideration;

(z) as of the payment date of the First Cash Consideration, the amount of the security deposit on the Underlying Assets which shall be released or transferred to Transferee or its designated Person in accordance with Section 2.2 hereof but fails to be released or transferred to Transferee or its designated Person;

(xx) other expenses which the Parties agree to deduct from the First Cash Consideration;

(2) Within twelve (12) months after the payment date of the First Cash Consideration, the Transferee shall pay 80% of the Cash Transfer Consideration (i.e. an amount in RMB equivalent to US$[*] (converted at the middle price between the US Dollars and Renminbi published by the People's Bank of China on the actual payment date of the second Cash Consideration) (the "**Second Cash Consideration**") to the bank account designated by the Transferors according to the following mechanism and time. Each of the Transferors hereby irrevocably acknowledges and agrees that it shall jointly designate the following bank account and acknowledge and undertake that the Transferee shall pay the Second Cash Consideration to the following bank account information and its obligation hereunder to pay the Second Cash Consideration to the Transferors shall be deemed to have been fulfilled.

For the avoidance of doubt, the Transferors and Uxin Group Companies hereby understand, acknowledge and agree that the Second Cash Consideration shall be subject to the following adjustment mechanism:

(x) The amount of Outstanding Cooperation Agreement Amount accrued during from the payment date of the First Cash Consideration to the payment date of the Second Cash Consideration shall be deducted from the amount of the Second Cash Consideration;

(y) All unsettled amounts regarding the assets accrued during the period from the payment date of the First Cash Consideration to the payment date of the Second Cash Consideration shall be deducted from the Second Cash Consideration;

(z) the amount of the security deposits on the Underlying Assets which shall be released or transferred to Transferee or its designated Person in accordance with Section 2.2 hereof but fails to be released or transferred to Transferee or its designated Person during the period from the payment date of the First Cash Consideration to the payment date of the Second Cash Consideration;

(xx) other expenses the Parties agree to deduct from the Second Cash Consideration.

The Transferors hereby irrevocably acknowledge and agree that they shall jointly designate the following account as its account to receive the Cash Consideration (the "**Transferor Designated Account**"), and that its obligation to pay the corresponding Cash Consideration to the Transferors hereunder shall be deemed to have been fulfilled after the Transferee pays the Cash Consideration to the following bank account information.

Account Name: Youxin (Shanghai) Used Car Operation Co., Ltd.

Beneficiary Bank: Beijing Guangqumen Sub-branch of GF Bank Co., Ltd.

Beneficiary Bank Address: 1/F, Dingxin Building, No. 27 Guangqumennei Avenue, Dongcheng District, Beijing

Beneficiary Bank Account Number: *

3.2.2 The RMB amount equivalent to US$[*] in the Transfer Consideration (converted at the middle price between US Dollars and Renminbi published by Renminbi Bank of China on the Closing Date) (the "**Equity Consideration**") shall be paid by Tianjin Wuba Rongxin by way of issuance of additional equity interests to Kai Feng on the Closing Date; such Equity Consideration shall be calculated based on the overall valuation of the Wuba Parties and its related group companies under the VIE structure (the "**Wuba Group Companies**") of US$[*]. Kai Feng shall subscribe the increased capital of Tianjin Wuba Rongxin and therefore obtain [*]% of equity interests in Tianjin Wuba Rongxin immediately after this Transaction (the "**Capital Increase of the Transferor**"; the equity interests in Tianjin Wuba Rongxin obtained by the Transferor through the Transferor's Capital Increase of the Transferor shall be referred to as the "**Transferor's Increased Capital**"). Unless otherwise provided for in Section 2 hereof, Kai Feng shall not be required to pay any additional consideration for the Capital Increase of the Transferor.

For the purpose of effecting the Capital Increase of the Transferor, the Parties agree that:

(i) The Transferors and Tianjin Wuba Rongxin shall execute at the date hereof the capital increase agreement as set forth in Appendix XV hereto regarding the Capital Increase of the Transferor (the "**Domestic Capital Increase Agreement**");

(ii) The Transferor and the Guarantors hereby understand, acknowledge and agree that the governmental registration may not be completed temporarily with respect to the Transferor's Increased Capital acquired by the Transferor for now. Such governmental registration shall completed within the time limit as agreed upon by the Transferors and the Transferee if the Transferors so request after the Closing Date.

3.2.3 Tianjin Wuba Jinfu and Wuba Finance Lease shall assume joint and several liability for the Transferee's obligation to pay the consideration hereunder.

3.3 **Restructuring of the Transferee.**

3.3.1 Considering that the Transferee has implemented the restructuring and established the red-chip and VIE structures, that the holding company and the subsequent offshore financing and listing entity under the red-chip and VIE structures of the Transferee shall be Wuba Jinfu Cayman, and that as part of such Restructuring, the shareholders of Tianjin Wuba Rongxin have held, directly or through their Related Parties or overseas entities wholly owned by them, shares of Wuba Jinfu Cayman and pledged their equity interest in Tianjin Wuba Rongxin to the wholly foreign-owned enterprises under the VIE structures through the VIE agreements (the "**Wuba Jinfu WFOE**"); the Transferor's Increased Capital acquired by Kai Feng through the Capital Increase of the Transferor will also be restructured, and Uxin Cayman shall hold the shares in Wuba Jinfu Cayman and execute a share subscription agreement with Wuba Jinfu Cayman on the date hereof (the "**Offshore Share Subscription Agreement**") and subscribe for and acquire [*] Series Angel Preferred Shares (equivalent to [*]% of the equity interest in Wuba Jinfu Cayman on the Closing Date) (such transactions, the "**Transferor Offshore Shares**", and each, the "**Offshore Share Subscription**").

3.3.2 With respect to the Transferor's Offshore Shares, on the Closing Date or any other date acknowledged by Uxin Cayman, Wuba Jinfu Cayman, the relevant shareholders of Wuba Jinfu Cayman and other relevant parties shall execute the Amended and Restated Shareholders Agreement ("**SHA**");

3.3.3 With respect to the Transferor's Offshore Shares, Uxin Cayman, Wuba Jinfu Cayman, the relevant shareholders of Wuba Jinfu Cayman and other relevant parties shall approve the Second Amended and Restated Memorandum and Sections of Association ("**MA**") on the Closing Date or any other date acknowledged by Uxin Cayman.

3.3.4 At the same time as Uxin Cayman obtains shares in Wuba Jinfu Cayman in accordance with this Agreement, with respect to the Transferor's Increased Capital acquired by Kai Feng through the Capital Increase of the Transferor, Wuba Jinfu WFOE, Kai Feng, Tianjin Wuba Rongxin and their respective shareholders shall enter into control agreements (the "**Control Agreements**") in order to realize the consolidation of the equity interest held by the Transferor in Tianjin Wuba Rongxin in the Capital Increase of the Transferor into Wuba Jinfu WFOE. Kai Feng as a Transferor undertakes to cooperate with Tianjin Wuba Rongxin in completing the registration of pledge of the equity interest held by Kai Feng in Tianjin Wuba Rongxin to Wuba Jinfu WFOE at such time and in such manner as requested by the Transferee after the Closing Date, provided that Kai Feng has become a registered shareholder of Tianjin Wuba Rongxin under the SAMR registration.

3.3.5 Wuba Parties agree that the calculation of the investment amount of the Transferor's Offshore Shares may be based on the same mechanism as the Series Angel Preferred Shares held by 58.com Inc., a shareholder of Wuba Jinfu Cayman on or prior to the Closing Date.

4 Closing

4.1 After the satisfaction or written waiver by the Transferee of all the conditions precedent set forth in Section 4.4 hereof, the closing of this Transaction (the "**Closing**"), i.e., the acts set out in Section 4.3 and Section 4.4, shall take place within ten (10) Business Days. The date on which the Closing takes place shall be referred to as the "**Closing Date**"). For the avoidance of doubt, the Parties agree and confirm that the Transferors shall have the right to waive the Offshore Share Subscription as a condition to the Closing of this Transaction. And if the Transferors so agree, the Offshore Share Subscription shall become a matter after the Closing and be completed at the time requested by the Transferors.

4.2 If the Closing of this Transaction fails to be completed within ninety (90) days after the date hereof or other time limit acknowledged by the Transferors and the Transferee, this Transaction may be terminated and no longer be implemented upon mutual written acknowledgement by the Transferor and the Transferees. If this Transaction is so terminated pursuant to the foregoing mechanism, the Parties shall then negotiate and determine the arrangement after the termination of this Agreement.

4.3 On or prior to the Closing Date, each Transferor and Uxin Group Company shall deliver and deliver to the Transferee or its designated Person:

a. With respect to the Underlying Intellectual Property, provide, in the form of scanned copies or photocopies, all competent authorities' registration and/or application materials corresponding to such Underlying Intellectual Property, ownership certificates of such Underlying Intellectual Property and technical materials corresponding to such Underlying Intellectual Property (including, without limitation, underlying code, domain name migration code, coding, software source code, software communication agreements, technical information, technical solutions and brands);

b. Resolutions of the shareholders' meeting/board of directors, as the case may be, approving and of each of the Transferors and Uxin Cayman;

c. The assets, cash, documents and materials required to be submitted or delivered to Transferee or its designated Person in accordance with Section 2 hereof.

4.4 At the Closing Date, the Transferee shall submit and deliver to the Transferors and Uxin Cayman the following documents. To avoid any discrepancy, the Parties agree and acknowledge that the Transferors shall have the right to waive the provision of the following documents (b) - (d):

a. The register of shareholder affixed with the seal of Tianjin Wuba Rongxin, indicating that Kai Feng has become a shareholder of Tianjin Wuba Rongxin and holds such amount of equity interest set forth herein;

b. The updated register of members of Wuba Jinfu Cayman, reflecting that Uxin Cayman holds the Transferor Offshore Shares in Wuba Jinfu Cayman;

c. The share certificate of Wuba Jinfu Cayman, showing that Wuba Jinfu Cayman's issuance of the Transferor Offshore Shares to Uxin Cayman;

d. The updated register of directors of Wuba Jinfu Cayman shall reflect the director appointed by Uxin Cayman as the director of Wuba Jinfu Cayman.

4.5 Unless waived by the Transferee in writing, the Closing under Clause 4.1 shall be subject to the satisfaction on or before the Closing Date of all of the following conditions:

4.5.1 The representations and warranties made by the Warrantors in Section 6.2 below shall be true, accurate, complete and not misleading in any respect as of the Cut-off Date, the date of this Agreement and the Closing Date;

4.5.2 The covenants required to be complied with by the Warrantors under this Agreement and the other Transaction Documents prior to the Closing Date and the obligations required to be performed by the Warrantors prior to the Closing Date have been complied with and performed, and the Warrantors have not committed any breach of the Transaction Documents;

4.5.3 As of the date hereof and the Closing Date, there is no occurrence of any event or circumstance (including, without limitation, any litigation, arbitration, tax inspection, tax penalty, or any investigation or penalty procedures conducted by Governmental Authority with respect to the Underlying Assets or the Underlying Business relating thereto) that shall or may have any Material Adverse Effect on the Underlying Assets and/or this Transaction;

4.5.4 As of the date hereof and the Closing Date, there is no judgment, ruling, decree or injunction of any law, court, arbitral body or competent governmental authority restraining, prohibiting or cancelling this Transaction;

4.5.5 The Transferors, Uxin Cayman and other Uxin Group Companies that have entered into this Agreement have obtained all approvals and permits necessary for the execution of relevant Transaction Documents and the completion of this Transaction, including, without limitation, approval of shareholders/shareholders' meeting and executive director/board of directors;

4.5.6 All Transaction Documents relating to this Transaction have been duly executed and delivered by the relevant parties, and have become effective in accordance with their terms;

4.5.7 The transfer of the Underlying Assets set forth in Section 2 hereof that shall have been completed prior to the Closing Date shall have been completed in accordance with the manner and mechanism set forth herein, and the Transferee shall have been provided with satisfactory evidence;

4.5.8 The Transferee's due diligence on the Underlying Business and the Underlying Assets is satisfactory to the Transferee;

4.5.9 The Transferee has obtained the necessary internal approvals for this Transaction;

4.5.10 The Transferors have delivered the documents set forth in Section 4.3 hereof to the Transferee;

4.5.11 The counsel of the Transferors shall have issued a legal opinion to the satisfaction of the Transferee in connection with the Transfer of Assets;

4.5.12 The Transferors and Uxin Group Companies shall have issued the letter of guarantee under Section 2.2 (2) (ii) to the Transferee, the form and substance of which shall be reasonably satisfactory to the Transferee;

4.5.13 The Financing Partner Contract has been executed and become effective in the manner and mechanism set forth in Section 2.2(8);

4.5.14 The Transferors, the relevant Uxin Group Company, Wuba Parties and their respective Related Parties shall have entered into a supplementary agreement (the "**Supplementary Agreement**") to the satisfaction of the Transferee, which shall provide for the rights and obligations relating to the Underlying Business during the period from the Cut-off Date to the Closing Date and settlement of payment;

4.5.15 The Warrantor has executed closing certificate, confirming to the Transferee in writing that each of the above closing conditions has been satisfied and provided the Transferee with relevant supporting documents.

5 Taxes

Each Transferor shall jointly and severally bear any taxes relating to the transaction hereunder, while Wuba Parties and its designated entities shall not assume any taxes relating to this Transaction. Wuba Parties shall make reasonable commercial efforts to actively cooperate with the Transferors and Uxin Group Company in paying taxes relating to this Transaction, including but not limited to executing format documents required by Governmental Authorities and assisting in handling procedures of Governmental Authorities.

6 REPRESENTATIONS AND WARRANTIES

6.1 Representations and Warranties of the Parties. Each Party hereto represents and warrants to the other Parties as of the date hereof and the Closing Date as follows:

6.1.1 Such Party is a company duly registered and validly existing under relevant laws;

6.1.2 The execution and delivery, performance of all obligations under the Transaction Documents and consummation of the Transaction Documents and other actions by such Party have been made by all necessary actions and have obtained full and necessary authorization; such Party has full capacity for civil conduct and capacity for civil rights to execute the Transaction Documents, perform all obligations thereunder and consummate the Transaction Documents; upon execution, the Transaction Documents shall be legally binding upon such Party;

6.1.3 The execution of this Agreement and other Transaction Documents by such Party does not conflict with its articles of association or any contracts or documents to which it is a party, nor does it violate any court judgments, arbitration awards or decisions of any administrative authorities;

6.2 Representations and Warranties of the Warrantors. Except for matters listed in Appendix XVI (Disclosure Schedule), the Warrantors hereby jointly and severally make the following representations and warranties to the Transferee and ensure that the following representations and warranties are true, accurate, complete and not misleading or omitted as of the Cut-off Date, the date hereof and the Closing Date:

6.2.1 All reports, documents and information with respect to the Underlying Assets provided by each Transferor and Uxin Group Company to the Transferee are true, accurate, complete, not misleading and not omitted in all aspects;

6.2.2 Except for the security deposit arrangement with the corresponding bank, what is provided under Section 2.2 and other provisions in the Financing Partner Contracts, all Transferors have the entire ownership of the Assets with Transferable Security Deposit, the Assets with Non-Transferable Security Deposit.

6.2.3 Unless otherwise expressly provided for in Section 2.2, each of the Transferors and Uxin Group Company shall have the ownership and the right to dispose of the Underlying Self-Held Assets, and except as disclosed in the Disclosure Schedule, the Underlying Self-Held Assets are free and clear of any Encumbrance, Liabilities or other Encumbrance or any other defect or problem, including, without limitation, granting to any third party any license of, pledge of, or purchase right or any other security interest in the Underlying Assets, except where failure to comply with this Section would not have a Material Adverse Effect on the Underlying Assets;

Unless otherwise expressly provided for in Section 2.2, each of the Transferors and Uxin Group Companies shall have the ownership and mortgage of the vehicles corresponding to the Underlying Repurchased Assets Upon Repayment, and except as disclosed in the Disclosure Schedule, the Underlying Repurchased Assets Upon Repayment are free and clear of any Encumbrance, liability or other Encumbrance or any other Liabilities or problem, including, without limitation, granting of license to any third party with respect to the Underlying Assets, pledge of the Underlying Assets or purchase right or any other security interest over the Underlying Assets by any third party, except that failure to comply with this Section will not have Material Adverse Effect on the Underlying Assets, For the avoidance of doubt, the Warrantors make the representations and warranties hereunder only with respect to the circumstances as of the Closing Date;

Unless otherwise expressly stipulated under Section 6.2.2, the above Section 6.2.3, Section 2.2 and the Financing Partner Contracts, none of the Transferors and Uxin Group Companies has imposed any Encumbrance, Liabilities or other restrictions on any of the Underlying Assets, including, without limitation, grant of license of use or pledge of the Underlying Assets to any third party or purchase right or any other security interest of any third party in respect of the Underlying Assets;

All of the Underlying Assets are not and are not involved in any arbitration, litigation, claim, dispute or dispute, or any seizure, attachment, freezing, penalty and restrictions imposed by other governmental actions;

6.2.4 None of the Underlying Assets contains any state-owned or collective assets; none of such Underlying Assets is subject to any disclosable factual or legal defects;

6.2.5 The transfer by the Transferors of the Underlying Assets to the Transferee in accordance with this Agreement is not subject to the approval by, registration or filing with, or license of, any relevant Governmental Authorities (if applicable), except for the approval, registration, filing or license provided for herein;

6.2.6 Unless otherwise expressly stipulated by the Financing Partner Contracts required to be executed under Section 2.2, the Transferor has obtained the written consent of the Transferors' bank creditors and other third party written consents (if any) in connection with its transfer of the Underlying Assets to the Transferee in accordance with this Agreement;

6.2.7 To the knowledge of the Warrantors, there is no adverse effect, delay, restriction or hindrance caused or likely to be caused by any obligations and liabilities of the Transferors and each Uxin Group Company in performing this Agreement and the other Transaction Documents, and no pending, or threatened, litigation, claim, litigation, prosecution, arbitration, administrative proceeding or other legal proceedings are pending or threatened;

6.2.8 All records, documents and materials submitted by each of the Transferors and/or Uxin Group Company to the Transferee or its designated person in accordance with the Transaction Documents are true and complete and truthfully reflect the current status of all the Underlying Business and Underlying Assets transferred by the Transferors and/or Uxin Group Company to the Transferee or its designated Person in accordance with this Agreement;

6.2.9 The Underlying Assets do not constitute any interference with, infringement upon or misappropriation of, or otherwise conflict with, the intellectual property of any third party, and each Transferor and each Uxin Group Company has taken all necessary actions to preserve and protect all Underlying Assets;

6.2.10 All of the Underlying Assets are duly registered or filed for registration (if applicable) in accordance with the PRC Laws, and the registrations or applications that have been obtained or filed have not been cancelled, rejected or declared invalid (if applicable), each Transferor and each Uxin Group Company has paid relevant registration fees and the overdue fine, if applicable, for annual fee in a timely manner;

6.2.11 Each of the Transferors and Uxin Group Companies has maintained the Underlying Assets in accordance with market practice and all applicable Laws in order to ensure that the Underlying Assets are valid and can be used for the operation of the Underlying Business in a lawful manner.

The Underlying Assets are free of any tax-related violations or irregularities, or involve in any disputes or lawsuits in respect of taxes and fees; Each Transferor and Uxin Group Company has submitted information required to any requesting taxation authority with respect to the Underlying Assets, and no dispute over the taxation liability or potential taxation liability or taxation preference concerning the Underlying Assets shall exist between the Underlying Assets and the taxation authority; and Each Uxin group company shall keep in possession such financial information as is used for normal tax recording and payment in respect of the Underlying Assets.

(i) Each Uxin Group Company has completed all tax registrations required by applicable Laws with respect to the Underlying Assets, has timely and fully declared and paid all taxes (including the taxes which shall be withheld and remitted by it) in accordance with applicable laws and regulations, and is not required to pay any penalty, surcharge, fine or interest payable in connection with such taxes;

(ii) No Uxin Group Company has entered into, or entered into, any contract with respect to the Underlying Assets for the purpose of illegal tax avoidance;

(iii) There is no tax-related violation or irregularity by any Uxin Group Company with respect to the Underlying Assets, no notice has been received from any tax authority in respect of calls for payment or retrospective payment of taxes or request for inspection or audit of any tax returns, and there is no pending dispute or litigation relating to taxes. There is no pending litigation or legal proceedings or dispute on tax preference between the Underlying Assets and tax authority in connection with assessment, adjustment, penalty or recovery of taxes.

Except that any failure to comply with this Section will not have a Material Adverse Effect on the Underlying Assets.

6.2.12 The Warrantors will not take any action which may cause damage to the Underlying Assets. From the date hereof to the Closing Date, without the prior written consent of the Transferee, the Warrantors shall:

(a) Not dispose of, or cause to be disposed of, any of the Underlying Assets;

(b) Not enter into any agreement in conflict with this Agreement; and

(c) Not to engage in any transaction or action that may have any Material Adverse Effect on the Underlying Assets.

6.2.13 The use, operation and transfer of any Underlying Assets will not violate any PRC laws or the articles of association of each Transferor and each Uxin Group Company and the relevant agreements or documents executed by them;

6.2.14 To the knowledge of the Warrantors, there are no pending or, to the knowledge of the Transferors, threatened litigation, arbitration, administrative proceedings or disputes against the Transferors or the Underlying Assets (for the purpose of this clause only, excluding the Underlying Intellectual Property); there is no pending or, to the knowledge of the Transferors, threatened objection, dispute, request for revocation or request for declaration of invalidity proposed by governmental authorities or any third party with respect to the Underlying Assets; no event or circumstance has occurred or is reasonably expected to occur which has Material Adverse Effect on the transfer of the Underlying Assets or any part of the transactions contemplated hereby;

6.2.15 The Transferors are not insolvent or unable to pay its debts as they fall due, nor have the Transferors filed any liquidation application or appointed a receiver for all or part of the Transferors' Underlying Assets; and

6.2.16 The Transferors have provided the Transferee with the financial statements of entities relating to the Underlying Business as of June 30, 2019 (including, without limitation, balance sheet, income statement, cash flow statement, consolidated financial reports, etc., the same hereinafter), and such financial statements (together with the notes thereto) have completely, accurately and fairly reflected the financial status, operating results and cash flow of such companies and are consistent with the books, vouchers and financial records of Uxin Group Companies, except that any failure to be in compliance with this provision will not have any Material Adverse Effect on the Underlying Assets. Since the issuance of such financial statements, no event has occurred which has had or may have Material Adverse Effect on the financial or operation status of such Underlying Assets. The Underlying Assets do not contain any Liabilities and contingent Liabilities that shall be disclosed in accordance with the PRC GAAP and the U.S. GAAP but have not been disclosed in its financial statements (or notes thereto). There are no Liabilities and contingent Liabilities that are not required to be disclosed in accordance with the PRC GAAP and the U.S. GAAP but that have or may have Material Adverse Effect on the financial condition or operation of such Underlying Assets.

6.2.17 Representations and Warranties with Respect to Underlying Intellectual Property

(1) The Underlying Patent and the Underlying Copyright referred to in Appendix III and Appendix II are all patents and copyrights owned and/or used exclusively by the Transferors and Uxin Group Companies in the Underlying Business, except where failure to comply with this provision would not have a Material Adverse Effect on the Underlying Assets;

(2) The owners of the Underlying Intellectual Property hereunder have full ownership and the right of disposal of all the Underlying Intellectual Property, and all the Underlying Intellectual Property is free and clear of any Encumbrance, indebtedness or other Encumbrances, including, without limitation, license to use or pledge the Underlying Intellectual Property granted to any third party or purchase right or any other security interest granted to any third party with respect to the Underlying Intellectual Property;

(3) The Underlying Intellectual Property does not constitute any interference, infringement, misappropriation or otherwise conflict with the Intellectual Property of any third party, and the owner of the Underlying Intellectual Property has taken all necessary actions to retain and protect all Underlying Intellectual Property;

(4) The Underlying Intellectual Property is legally registered or applies for registration in accordance with PRC laws, and has been registered or applied for registration which has not been cancelled, rejected or declared invalid; the right holders of each Underlying Intellectual Property have paid the corresponding registration fees and annual fee overdue fine on time;

(5) No litigation, arbitration, administrative proceedings or dispute is pending or, to the knowledge of the Transferors, threatened against the Underlying Intellectual Property; no objection, dispute, request for revocation or declaration of invalidity is pending or, to the knowledge of the Transferors, threatened against the Underlying Intellectual Property, nor is there any event or circumstance that has occurred or is reasonably expected to occur and has a Material Adverse Effect on the Underlying Intellectual Property;

(6) Each Underlying Intellectual Property is valid and enforceable in accordance with Laws and nothing has occurred which might render any Underlying Intellectual Property invalid or unenforceable. Each right holder of the Underlying Intellectual Property has not infringed upon, or illegally used, any Intellectual Property in respect of the Underlying Intellectual Property in respect of which any third party has any right, ownership or interest, and has not licensed or allowed any third party to use any Underlying Intellectual Property; neither the Underlying Intellectual Property holders have infringed upon others' Intellectual Property, trade secrets, proprietary information or other similar rights in respect of which they have obtained or enjoyed, and there is no pending or foreseeable claim, dispute or litigation proceeding requiring the Underlying Intellectual Property holder to claim for infringement upon any third party's Intellectual Property, trade secrets, proprietary information or other similar rights in respect of the Underlying Intellectual Property, and no known third party has infringed upon the Underlying Intellectual Property;

6.2.18 Representations and Warranties regarding the Underlying Prepayment

To the knowledge of the Warrantor, the Underlying Prepayment shall be payment realized in connection with the Underlying Business and paid to relevant parties at reasonable price generally determined based on the market value, and the transactions and expenses underlying the Underlying Prepayment shall have reasonable and fair market pricing and reasonable and fair commercial purposes.

6.2.19 From the Cut-off Date until the Closing Date, except for acts acknowledged by the Transferee in writing or otherwise provided for herein or which would not have any adverse effect on this Transaction and the Warrantors' performance of any obligations under the Transaction Documents, none of Uxin Group Companies has committed or omitted the following acts in connection with the Underlying Assets:

(i) Suffered material losses;

(ii) Transfer or license others to use the Underlying Intellectual Property;

(iii) Material adverse change shall have occurred to the financial status of the Underlying Assets, or transactions or activities outside the ordinary course of business shall have occurred, which have a Material Adverse Effect on the Underlying Assets;

(iv) Except for the ordinary course of business, (a) the sale, mortgage, pledge, lease, transfer and other disposal of any assets in the aggregate transaction amount exceeding RMB 200,000, (b) disposal of any Underlying Assets with an original value exceeding RMB 200,000 or consent to the disposal or acquisition of any Underlying Assets with an original value exceeding RMB 200,000, and waiver of the possession of any Underlying Assets; (c) any expenditure exceeding RMB 200,000 in the aggregate, or purchase of any tangible or intangible assets;

(v) Breach of the representations and warranties under this Agreement by way of action or omission; and

(vi) Any act or omission that may cause any of the foregoing to occur.

6.2.20 The Assets with Transferable Security Deposit, the Assets with Non-Transferable Security Deposit, the Underlying Overdue Repurchased Assets, the Underlying Self-Held Assets, the Underlying Repurchased Assets Upon Repayment, the Underlying Re-Transferred Assets and the Underlying ICBC Loan Facilitation Assets listed in the appendixes are true and accurate with respect to the Underlying Assets, and there is no omission, misleading or inaccurate statement.

6.2.21 All facts in material respect relating to the Warrantors and the Underlying Assets have been fully disclosed to the Transferee. All documents, materials and information provided by the Warrantors to the Transferee or its Related Parties before and after the execution of this Agreement are true, accurate, without any omission or misleading.

6.3 Representations and Warranties of Wuba Parties.

As of the Closing Date, Wuba Parties hereby jointly and severally represent and warrant to each Transferor and each Uxin Group Company that the financial statements provided by Wuba Parties to the Transferors pursuant to Section 7.11 have completely, accurately and fairly reflected the financial status, operation results and cash flow of the relevant entity in material respects and are consistent with the books, vouchers and financial records of the relevant entity, except that failure to comply with this provision will not have any Material Adverse Effect on the valuation of the Underlying Assets and/or this Transaction conducted by the Transferors and/or the overall operation and financial status of Wuba Group Companies. The other materials provided by Wuba Parties to the Transferors pursuant to Section 7.11 are true and accurate in material respects, except where failure to comply with this section would not have a Material Adverse Effect on the Underlying Assets and/or the valuation of this Transaction and/or the overall operation and financial status of Wuba Group Company.

7 Covenants

7.1 From the date hereof to the Cut-Off Date, the Guarantors jointly and severally undertake the following matters to Wuba Parties:

7.1.1 The Transferors shall and Uxin Cayman shall cause Uxin Group Companies to conduct the Underlying Business in the ordinary course of business, preserve intact the business organization of the entities relating to the operation of the Underlying Business, maintain relationships with third parties, retain existing officers and employees, and preserve current status, except for normal wear and tear, of all assets and properties owned or used by the entities relating to the operation of the Underlying Business, except for the acts carried out strictly in accordance with this Agreement for the purpose of this Transfer of Assets;

7.1.2 The Transferor shall and Uxin Cayman shall cause Uxin Group Companies to ensure that the Underlying Business is operated in the manner prior to the date hereof and to maintain business cooperation relationships with consumers, suppliers, banks and other entities involved in the Underlying Business; to ensure that the operation of the Underlying Business complies with all applicable laws and regulations in all aspects, except for the behavior strictly in accordance with this Agreement for the purpose of this Transfer of Assets;

7.1.3 To ensure the normal operation of the Underlying Business, safeguard and maintain the good condition and stability of the Underlying Assets, not engage in or permit any acts or omissions that may violate any representations, warranties or covenants set forth herein, and maintain the validity of the Underlying Assets, including, without limitation, timely and fully payment of annual fees, and diligently and diligently handling relevant administrative proceedings, disputes, lawsuits, arbitration or other legal proceedings;

7.1.4 Contact and discuss with the its partner so as to cause the partner to agree to transfer the relevant Underlying Assets in such manner as specified by this Agreement so as to transfer the Underlying Assets to the Transferee or its designated Person. With respect to the Underlying Assets that the Partners agree to transfer and the Transferee acknowledges in writing, the Transferor shall arrange the execution of relevant agreements, contracts and/or other documents by the Parties respectively within the practicable time.

7.1.5 Take all necessary actions and reasonable efforts to cause the ownership or relevant rights of the Underlying Assets to be fully vested or transferred in accordance with this Agreement, take all necessary actions and execute all necessary documents to cause the ownership of the Underlying Assets and any rights with respect thereto to be fully vested in the Transferee in accordance with this Agreement and successfully complete the Closing;

7.1.6 Maintain the operation of the Underlying Business in the same manner prior to the date hereof and keep the Underlying Assets in good condition;

7.1.7 Upon becoming aware of any act or omission in breach of any representation or warranty contained in this Agreement, it shall immediately disclose the same in writing to the Transferee. In particular, once the Transferors become aware of any assets which should be included in the scope of the Underlying Assets set forth herein but are not included therein, the Transferors shall immediately transfer such assets to the Transferee in accordance with this Agreement for free and complete the relevant amendment registration (if necessary);

7.1.8 Prepare financial statements relating to the Underlying Assets in accordance with applicable general accounting standards, and provide the financial statements to the Transferee at such time and in such manner required by the Transferee, and the financial statements are true, accurate and complete;

7.1.9 The Transferors and Uxin Group Company shall provide the Transferee and their representatives with such information relating to the Underlying Assets as they reasonably require, including but not limited to providing all accounts, records, contracts, technical data, personnel data, management information and other documents relating to the Underlying Assets to their counsels, accountants and other representatives. In addition, the Transferors, the Warrantors and Uxin Group Companies shall notify the Transferee in writing once any breach of this Agreement has taken place or is expected to take place;

7.1.10 The Transferors, the Warrantors and Uxin Cayman shall cause Uxin Group Companies, and the aforementioned parties shall cause their respective Related Parties and consultants, as well as their respective directors, officers and representatives to, (i) on an exclusive basis, deal with the matters relating to this Transaction together with Transferee, Wuba Jinfu Cayman and its respective Related Parties, (ii) not enter into any similar transaction or any other transaction in conflict with the transactions contemplated in the Transaction Documents (any of such transactions being referred to as the "**Third Party Transaction**"), (iii) immediately terminate any discussions or negotiations with any Person in respect of the Third Party Transaction, and thereafter refrain from entering into any discussions or negotiations with any Person in respect of the Third Party Transaction or providing any information to any Person in respect of the Third Party Transaction; and (iv) not encourage or take any other action to make, or facilitate any inquiry or proposal with respect to the possible Third Party Transaction. The Transferors, the Warrantors or Uxin Group Companies shall promptly notify the Transferee of any enquiry it receives from any other party in respect of a possible Third Party Transaction;

7.1.11 Without the prior written consent of the Transferee, the Transferors and Uxin Group Company in connection with the operation of the Underlying Business shall not take the following actions with respect to the underlying assets (if applicable), except for such actions that will not cause any adverse effect on the execution and performance of this Agreement and the implementation of this Transfer of Assets by the Transferor and the relevant Uxin Group Company or the normal operation of Uxin Group Company in connection with the operation of the Underlying Business (provided that such normal operation by Uxin Group Company will not cause any adverse effect on the execution and performance of this Agreement and the implementation of this Transfer of Assets by the Transferors and Uxin Group Company):

a. Increase, decrease, allot, issue, acquire, repay, assign, pledge or redeem any registered capital or equity;

b. Sell, lease, transfer, authorise or assign any of the assets other than in the ordinary course of business consistent with the terms prior to the date of this Agreement;

c. Assumed or incurred any Liabilities, liabilities, obligations or expenses in excess of RMB 100,000 (or the equivalent thereof in another currency) in the aggregate except in the ordinary course of business;

d. Made any capital expenditure in excess of RMB 100,000 (or the equivalent thereof in other currencies) other than in the ordinary course of business;

e. Creation of any Encumbrance on any assets;

f. Grant any license to any Underlying Intellectual Property, allow any Underlying Intellectual Property to expire or be forfeited, donated or waived, or disclose any material trade secrets, formulas, processes, know-how or other Underlying Intellectual Property in relation to the Underlying Business that are not pubic information prior to such disclosure, except as disclosed in accordance with legal requirements or confidentiality agreements;

g. Declare, pay and make any declaration or distribution of dividends;

h. Effect or become a party to any acquisition;

i. Sell, transfer, lease or in any other manner dispose of any Underlying Assets;

j. Cause the termination, expiration, invalidity, suspension or non-renewal of any authorization necessary for the operation of the Underlying Business or any adverse effect;

k. Release or waive any liability with respect to the Underlying Business;

l. Waive or transfer any rights or claims in connection with the Underlying Business;

m. Take other actions that may have actual or potential adverse effect on this Transaction hereunder;

n. Conduct or conduct any related party transaction with other Uxin Group Companies or their affiliates in connection with the Underlying Assets among the corresponding entities operating the Underlying Business on Uxin Group Companies.

7.1.12 Cut-off Date Adjustment Mechanism

For the avoidance of doubt, it is understood, acknowledged and agreed that the determination of the Cut-off Date as June 30, 2019 is conditional upon that the Transferors and Uxin Cayman procure the relevant Uxin Group Company to have the following matters be completed, satisfied, fulfilled and fully complied with in any respect. If any of the following has in any aspect fails to be completed, satisfied, fulfilled and fully complied with, the Cut-off Date will be adjusted to another date accepted and acknowledged by the Transferee based on the then request of the Transferee.

a. As of the date hereof, the lists and lists corresponding to the Underlying Assets have been provided to and acknowledged by the Transferee on or prior to the date hereof in the manner and mechanism set forth herein;

b. The lists and breakdown corresponding to the Underlying Assets as of the Closing Date have been provided to and acknowledged by the Transferee on or prior to the Closing Date in accordance with the manner and mechanism set forth herein;

c. From July 12, 2019 to the Closing Date, Uxin Group Company shall obtain the prior written consent of Transferee's designated representative (including the prior written consent and/or the prior email confirmation) for any expenditure and costs relating to the operation of the Underlying Assets in excess of RMB200,000 individually or in the aggregate;

d. The representations and warranties made by the Warrantors under Section 6.2 hereof are complete, true, accurate, without any omission and not misleading in any respect.

7.2 The Warrantors jointly and severally covenant to the Transferee as follows:

7.2.1 From the date hereof until the Closing Date, unless for the purpose of performing the obligations contemplated by this Agreement or obtaining the prior written consent of Transferee, the Transferors and each Uxin Group Company shall not (except for the circumstance that the Underlying Intellectual Property complies with and is in strict compliance with the provisions of this Agreement, where the Underlying Intellectual Property involves the Underlying Intellectual Property): (1) use, license, sell, lease, reproduce, pledge or dispose of the Underlying Assets or any part thereof; (2) claim the ownership or Intellectual Property of the Underlying Assets (or any update, upgrade or development part); (3) apply to register the name, similar name, or any Intellectual Property contained in the Underlying Assets (including, without limitation, any update, upgrade or development part) as a trademark, domain name, trade name, etc. or make copyright registration, or use the same without authorization; (4) disclose to a third party the trade secrets relating to the Underlying Assets; (5) cancel any application for the Underlying Assets under application, or require the Transferors to modify or take action for such application within a specified period of time as required by relevant Governmental Authorities, the Transferors shall not respond within the specified period;

7.2.2 After the Closing Date, the Transferors shall, and Uxin Cayman shall cause the relevant Uxin Group Company to, complete the matters set forth in Section 2 hereof which shall be completed after the Closing Date in accordance with the methods and mechanisms set forth herein and provide the Transferee with satisfactory evidence at the time and in the manner requested by the Transferee;

7.2.3 The Warrantors undertake that from the date hereof to the Closing Date, it shall operate the Underlying Assets in the ordinary course and will not create or permit the existence of any security or other debt Encumbrance which may affect the rights and interests of the Underlying Assets;

7.2.4 After the Closing Date, if the Underlying Assets hereunder are transferred to the Transferee, the Transferors shall not, and Uxin Cayman shall cause Uxin Group Company not to, do anything detrimental to the legality, validity and value of such Underlying Assets or impede the Transferee's full use of the Underlying Assets;

7.2.5 After the Closing Date, the Warrantors shall assist the Transferee in the operation of the business with respect to the Underlying Assets in accordance with this Agreement and give necessary support and cooperation to the Transferee to ensure the successful implementation of such business;

7.2.6 After the Closing Date, each of the Transferors shall, and Uxin Cayman shall cause Uxin Group Company to, assist the Transferee and the Transferors in conducting the transfer of the Underlying Assets in accordance with this Agreement and give support and cooperation to the Transferee or its designated Person or their respective Related Parties (in terms of business, technology, finance and personnel) for a long term and free of charge so as to cause the successful implementation of the transfer of the Underlying Assets. Specifically:

a. With respect to technology, the Transferors shall use reasonable efforts to provide the Transferee and its Related Parties with necessary technical support for the technology required by the Assets;

b. With respect to Intellectual Property, the Transferors shall complete the authorization and filing of the relevant Intellectual Property in accordance with this Agreement;

c. With respect to personnel, the Transferors shall arrange for designated person to communicate promptly and fully with the Transferee and its Related Parties with respect to the details of the performance of this Agreement;

d. After the transfer of the Underlying Assets hereunder to the Transferee, except for any matters arising in accordance with this Agreement or other Transaction Documents, the Transferors or their Related Parties will not take any action detrimental to the smooth operation of such Underlying Assets or impede the smooth operation of such Underlying Assets by the Transferee.

7.3 Within three (3) months after the Closing Date, with respect to the Transfer of Assets contemplated hereby, the Transferors and the relevant group companies, together with the Transferee and their designated entities, shall complete the integration of the relevant Underlying Assets and Underlying Business through mutual consultations.

7.4 After the Closing Date, without the prior written consent of the Transferee or Wuba Jinfu Cayman, the Guarantors shall not, and shall cause their respective Related Parties not to, individually or jointly with, through any other person (including using the rights to directly or indirectly own an interest) or on behalf of any other person (whether as a director, partner, consultant, manager, employee, agent or otherwise), directly or indirectly:

7.4.1 Carry on, be engaged or concerned in any business in any manner which competes with or is in any way interested (economic or otherwise) in the Financial Business of the Market Business ;

7.4.2 Purchase any interest in, or form or merge with, any business which competes with the Financial Business of the Market Business ;

7.4.3 Assist or license in any manner any third party in competition with the Financial Business of the Market Business to engage in the business which is the same as, or similar to or competes with, the Financial Business of the Market Business (including, without limitation, transfer or license of any assets and personnel of Uxin Group Company relating to the Financial Business of the Market Business and/or the business cooperation conducted under the business cooperation agreements to a third party, or assist any third party to carry out the business which is the same as, or similar to, or competes with, the Financial Business of the Market Business);

7.4.4 Interfere in any way with the relations of Transferee or its Related Parties with their customers, customers, employees or suppliers engaged in the Financial Business of the Market Business;

7.4.5 Contact any supplier or service provider who engages in the Financial Business of the Market Business in the way of competition.

7.5 The Parties acknowledge that, after the date hereof, in respect of the Financial Business of the Market Business conducted by Uxin Group Company, Wuba Parties or their affiliated group companies shall have the right of priority to cooperate in respect of such Financial Business of the Market Business under identical or substantially equivalent conditions and each Guarantor shall have the obligation to realize such right of priority to cooperate in respect of such Wuba Parties or their affiliated group companies.

7.6 Each of the Warrantors and Uxin Group Company understands, acknowledges and agrees that, in order to complete in such manner and mechanism as set forth herein the business integration set forth in Section 7.3, the obligations to assist with the collection of the Underlying Assets set forth in Section 2, and other matters required to be carried out by the Transferors and/or relevant Uxin Group Company after the Closing as set forth in this Agreement (the "**Post-Closing Covenants**"), the Warrantors shall, and Uxin Cayman shall cause Uxin Group Company to, maintain the good existence and operation of its relevant assets and business and shall not commit any event or act that may have adverse effect on the Transferors and/or the relevant Uxin Group Company in their performance of Post-Closing Covenants.

7.7 Each Guarantor and Uxin Group Company acknowledges and agrees that, after the Closing Date, the Transferors and/or the relevant Uxin Group Company shall complete the post-closing matters required to be completed after the Closing in accordance with Section 2 hereof.

7.8 The Parties agree and acknowledge that, unless otherwise provided in this Agreement, the Transfer Consideration shall constitute reasonable and sufficient consideration for the Transfer of Assets hereunder. If a separate transfer agreement is required for the Transfer of Assets by relevant parties for the purpose of registration procedures for the transfer, the Transferee shall not be required to pay any amount to the Transferors or the other Parties in accordance with such agreement. In addition, if there is any discrepancy between such separately executed agreement and this Agreement, this Agreement shall prevail.

7.9 The Guarantors hereby undertake to bear joint and several liability for the liabilities and obligations of the Transferors and Uxin Group Companies hereunder. Each of the Wuba Parties hereby undertakes that the liabilities and obligations they bear hereunder shall be on a joint and several basis.

7.10 If the Closing of the Transaction is completed in accordance with this Agreement,

(1) Subject to other provisions and arrangements of the supplementary agreements, from the Cut-off Date to the Closing Date, with respect to any payment incurred by Uxin Group Company for the operation of the Underlying Assets (the "**Amount Payable of Transferee**"), the Transferors or its designated Person shall provide documents satisfactory to the Transferee, and after the acknowledgement and confirmation by the Transferee (which acknowledgement or confirmation shall not be unreasonably withheld by the Transferee), the Transferee or its designated Person shall pay such amount acknowledged by the Transferee to the Transferors or its designated Person to the satisfaction of the Transferee within one hundred and twenty (120) days after the Closing Date or such longer period as agreed upon by Uxin Cayman and the Transferee;

(2) From the Cut-off Date, the assets, income, proceeds and attached interests corresponding to the Underlying Business of the Transferors and the relevant Uxin Group Company shall belong to Transferee or its designated Person and the costs and expenses corresponding to such assets, income, proceeds and attached interests shall be borne by Transferee or its designated Person (for the avoidance of doubt, the liabilities, costs, expenses, etc. corresponding to the litigation arising from the matters prior to the Cut-off Date and arising after the Cut-off Date shall still be borne by the Transferors and the relevant Uxin Group Company); the aforesaid allocation and settlement of interests shall be subject to the results of the audit and settlement conducted by Price Waterhouse Coopers, Deloitte Touche Tohmatsu, Klynveld Peat Marwick Goerdeler and Ernst & Young in accordance with the applicable Accounting Standards, and be subject to the adjustment made prior to the Closing as set forth in Section 4.5.14.

7.11 From the date hereof and prior to the Closing Date, solely for the purpose of the appraisal by the Transferors of this Transaction, Wuba Group Companies shall provide the Transferors with the following information of the Wuba Group Companies: (i) the financial statements as of June 30, 2019; (ii) the future financial model; (iii) key operation figures used to support the aforesaid financial model; and (iv) the financial data corresponding to this Transaction as reasonably requested by the other Transferors and solely for the purpose of the valuation by the Transferors of this Transaction.

8 Liabilities for Breach

8.1 The Warrantors jointly and severally agree to indemnify the Wuba Parties and the applicable Indemnitees (as defined below), defend and hold harmless Wuba Parties and their respective Related Parties, for any damages, losses, claims, lawsuits, payment demands, judgments, settlements, taxes, interest, expenses and costs (including but not limited to reasonable attorney fees) directly or indirectly relating to the following matters or actually suffered, sustained or occurred due to the following matters or brought against Wuba Parties and their respective Related Parties (the "**Indemnitees**"), and Wuba Parties and their respective Related Parties shall act on their own behalf or on behalf of the other Indemnitees, so that such party and each other Indemnitees shall receive compensation, whether or not they are parties hereto:

a. Breach by any Warrantor of any representations, warranties, covenants, agreements or obligations made by it under this Agreement, including, without limitation, that any representation or warranty made by any Party under this Agreement is untrue;

b. Failure of the Transferors and/or Uxin Group Companies to pay any due taxes in full (including, without limitation, any penalties, surcharges, fines and interest relating to taxes) payable or to be withheld by the Transferors with respect to the Assets on or prior to the Cut-off Date in accordance with the PRC Laws;

c. Penalty or liability imposed by the Transferee or its Related Parties and any other losses suffered by the Transferee or its Related Parties in connection with or relating to the Underlying Intellectual Property arising from the claim that the Transferee or its Related Parties' use of the Underlying Intellectual Property infringes upon its Intellectual Property Rights;

d. Any losses suffered by the Transferee or its Related Parties resulting from any litigation, claim, dispute, administrative penalty or other legal proceedings, damages, losses, judgments, legal actions and arbitration initiated against the Transferee or its Related Parties arising from the Underlying Assets and the actions taken by the Underlying Business on or prior to the Cut-off Date;

e. Any liabilities arising from non-compliance relating to the Underlying Assets of the Transferors and/or Uxin Group Companies prior to the Cut-off Date.

8.2 Wuba Parties jointly and jointly to indemnify Uxin Group Companies and their applicable Indemnitees (as defined below), defend and hold harmless Uxin Group Companies, for any damages, losses, claims, lawsuits, payment demands, judgments, settlements, taxes, interest, expenses and costs (including but not limited to reasonable attorney fees) directly or indirectly relating to the following matters or actually suffered, sustained or occurred due to the following matters or brought against Uxin Group Companies and their respective Related Parties (the "**Indemnitees**"):

a. Breach by any Wuba Party of any representations, warranties, covenants, agreements or obligations made by it under this Agreement, including, without limitation, that any representation or warranty made by any Wuba Party under this Agreement is untrue;

b. Failure by the Transferee to pay the Transferors the consideration for this Transfer of Assets (including Cash Consideration and Equity Consideration) in accordance with the Agreement.

9 Amendment and Termination

9.1 This Agreement may be amended or modified by the Parties through mutual consultation. Any amendment or modification shall be made in writing and become effective upon execution by the Parties hereto.

9.2 This Agreement may be terminated under any of the following circumstances:

9.2.1 Upon unanimous written consent by all parties hereto;

9.2.2 In case of any of the following circumstances, the Transferee shall have the right to notify the other Parties in writing at least ten (10) Business Days in advance to terminate this Agreement, and the effective date of termination shall be specified in the notice:

a. The Warrantors' representation, warranties or covenants hereunder contains material misrepresentation or omissions; or

b. The Warrantors' breach of the agreement, commitment and obligation hereunder in material aspects and fail to completely rectify within ten (10) Business Days after its receipt of the written notice from the Transferee.

9.3 In the event that this Agreement is terminated pursuant to Section 9.2 above, each party hereto shall refund the consideration or the Underlying Assets hereunder received from the other Parties hereto based on the principles of fairness, reasonableness, honesty and credibility and try to restore to the status when this Agreement is executed.

9.4 In the event the Transferee terminates this Agreement pursuant to Section 9.2.2 above, the Transferors shall refund all the Transfer Consideration to the Transferee if the Transferee has paid the Transferor the Transfer Consideration by then; Kai Feng, as a Transferor, shall transfer back the Transferor's Increased Capital and bear the corresponding tax and expenses arising therefrom at such time and in such manner satisfactory to the Transferee if Kai Feng has been transferred the Transferor's Increased Capital by then; Uxin Cayman shall transfer back the Transferor's Offshore Shares at such time and in such manner satisfactory to the Transferee and bear the corresponding tax and expenses arising therefrom if it has been transferred the Transferor's Offshore Shares by then; if the person designated by the Transferors has been appointed as director or holds any position in Wuba Jinfu Cayman or other Person designated by the Transferee by then, such person shall immediately resign from such position at such time and in such manner satisfactory to the Transferee.

9.5 After termination of this Agreement, all rights and obligations of the Parties hereunder shall terminate. Any Party shall have no other right of claim against the other Parties under this Agreement or for the termination of this Agreement, except for the liabilities assumed in accordance with Sections 8 and 9 hereof.

9.6 After termination of this Agreement, this Agreement (except for Article 8 (Liabilities for Breach), Article 9 (Amendment and Termination), Article 10 (Confidentiality), Article 11 (Governing Law and Dispute Resolution) and Article 12.6 (Expenses) hereof) shall lapse and cease to be binding and effective and there shall be no liability and obligation on the part of either Party hereunder. For the avoidance of doubt, notwithstanding the termination of this Agreement, any Party shall remain liable for any losses suffered by other Parties due to its breach of this Agreement prior to the rescission hereof

10 Confidentiality

10.1 The Parties shall keep the existence and contents of this Agreement (the "**Confidential Information**") confidential and without the prior written consent of the Parties, shall not disclose the Confidential Information to any third party other than the professional advisors of the Parties, and the directors, officers and employees of the Parties who actively participate in this Transfer of Assets (collectively the "**Authorized Persons**"). The Parties must cause and ensure their respective authorized persons to receive the Confidential Information to comply with the same confidentiality obligations as the Parties.

10.2 None of the Parties shall disclose the Confidential Information to any third party through press conference, industry or professional media, marketing materials or otherwise without the prior written consent of the Parties.

10.1 The restrictions set out in this Article 10 shall not apply to the disclosure of any information which:

10.1.1 The disclosure or use is required by the regulatory authorities;

10.1.2 The disclosure or use is required for the purpose of any judicial proceedings arising out of this Agreement or any other agreements entered into pursuant to this Agreement or the reasonable disclosure of relevant matters to tax authorities;

10.1.3 The information has come into the public domain not due to any reason attributable to any Party hereto.

If information is disclosed for any of the above reasons, the disclosing party shall discuss such disclosed matter with the other Parties within reasonable time before its disclosure or submission of information and shall give confidential treatment to the information disclosed or submitted by the Disclosing Party to the extent possible under the circumstance that other Party requests such disclosure or submission.

11 Governing Laws and Dispute Resolution

11.1 The conclusion, validity, interpretation and performance of this Agreement shall be governed by and bound by the PRC Laws.

11.2 All disputes arising out of or in connection with this Agreement shall be settled by the Parties through friendly consultations; if such dispute cannot be settled through consultation within thirty (30) days from the date on which any Party gives notice to the other Parties, such dispute shall be submitted to the Beijing Arbitration Commission for arbitration in Beijing in accordance with the Commission's arbitration rules in effect at the time of applying for arbitration. The arbitration tribunal shall consist of three arbitrators, and the arbitration proceedings shall be conducted in Chinese. The arbitral award shall be final and binding upon the Parties.

11.3 During the course of arbitration, the Parties shall continue to perform the other parts of this Agreement, except for the part in dispute.

12 Miscellaneous

12.1 This Agreement shall become effective upon signature or seal by the Parties.

For matters not covered by this Agreement, the Parties shall enter into a supplementary agreement through consultations. The supplementary agreement shall have the same legal effect as this Agreement. Modification of this Agreement shall be made in writing through consultations and become effective on the date when the Parties affix their signatures or seals to this Agreement.

12.2 None of the Parties shall assign their respective rights and obligations under this Agreement to any third party without the prior written consent from the other Parties.

12.3 This Agreement represents the entire agreement of the Parties with respect to the subject matter hereof and supersedes and replaces any other written or oral agreement or document executed by the Parties with respect to the subject matter hereof. All Parties hereto agree and shall cause their applicable affiliates to agree that, all terms and conditions contained in the INDICATIVE TERM SHEET by and between Uxin Cayman and Wuba Jinfu Cayman dated July 12, 2019 shall automatically become void and null and with no legal effect upon the relevant parties from the date hereof, except for the terms under the section of "Business Cooperation (ii)".

12.4 If any term of this Agreement is void or unenforceable due to any applicable Law, such term shall be deemed to have never existed and the validity of other terms of this Agreement shall not be affected. The Parties hereto shall negotiate and agree upon the new provisions to the extent compliance with the Laws so as to ensure that the original provisions are fulfilled to the greatest extent possible.

12.5 No delay or omission by any Party to exercise any right, power or remedy accruing to any other Party upon any breach or default of this Agreement, shall impair such right, power or remedy of such Party nor shall it be construed to be a waiver of such breach or default, or an acquiescence therein, or of or in any other breach or default theretofore or thereafter occurring. Any waiver, permit, consent, approval of breach or default of any nature or character of this Agreement, or any waiver of any terms or conditions of this Agreement, must be in writing and shall be effective only to the extent set forth in such writing. Any remedies provided for in this Agreement or by Law or otherwise to any party, shall be cumulative, and not alternative but exclusive.

12.6 Expense. Unless otherwise agreed in this Agreement, each Party shall bear its own expenses (including but not limited to professional service fees such as auditing, finance and legal and other expenses) arising from or in connection with the transaction contemplated herein.

12.7 All notices served hereunder shall be written in Chinese and shall be delivered by hand, registered mail or e-mail to the following addresses and e-mail boxes unless otherwise specified in this Agreement:

If to Wuba Parties:

Address: Building 101, No.10A Yard, Jiuxianqiao Road North, Chaoyang District, Beijing
Attn: Li Xiaoyang:
Email: *

If to the Warrantors:

Address: Floor 3rd, Tower E, LSHM Center, NO.8 Guangshun South Avenue, Chaoyang District, Beijing
Attn: ZENG Zhen
Tel: *
Email: *

If to the Transferors or the Uxin Group Companies

Address : Floor 3rd, Tower E, LSHM Center, NO.8 Guangshun South Avenue, Chaoyang District, Beijing
Attn: ZENG Zhen
Tel: *
Email: *

For any notices served or issued hereunder:

(1) If a notice is sent by person and a written receipt is received, and such notice is delivered at the destination before 17:00 in a Business Day, then such written receipt shall be the evidence that such notice is effectively delivered on that Business Day; if delivered later than 17:00 to the destination or any time in a non-Business Day, then it shall be deemed being delivered at 09:00 of the following day;

(2) If a notice is a domestic mail within the PRC and is delivered by prepaid postal express, it shall be deemed to be delivered five (5) Business Days after the mailing date;

(3) If mailed from or to any place outside the PRC by prepaid international courier service, it shall be deemed to have been delivered ten (10) Business Days after the mailing date; or in the case of postage prepaid postal express delivery, it shall be deemed to be delivered five Business Days after the mailing date;

(4) Any notice sent by e-mail shall be deemed to have been delivered on the day the e-mail is successfully transmitted, provided that the sender receives the system information indicating that the message was sent successfully or no system information has been delivered within 24 hours indicating that the e-mail has not been delivered or has been returned.

(5) During the term of this Agreement, either Party has the right to change its address or fax number for receiving the notice after giving written notice to the other Parties 15 days before the change.

12.8 In the event that a separate agreement is executed in accordance with the forms of the governmental authorities is required for the purpose of requesting performance of a specific act from any Governmental Authority in connection with the transactions contemplated by this Agreement, this Agreement shall have full priority over such separate agreement and such agreement may only be used to request performance of such specific act from the Governmental Authority and shall not be used to establish and prove the rights and obligations of relevant Parties with respect to the matters stipulated hereunder.

12.9 This Agreement is written in Chinese and executed in ten counterparts, five of which shall be held by the Transferors and Uxin Group Companies and five of which shall be held by Wuba Parties, all of which shall have the same effect.

[*The remainder of this page is intentionally left blank*]

[Signature Page to the Assets Transfer Agreement]

In witness whereof, this Agreement is signed by the duly authorized representatives of the following parties on the date first above written:

Kai Feng Finance Lease (Hangzhou) Co., Ltd. (company stamp)

Signature: /s/ Zhen Zeng
Name: Zhen Zeng

[Signature Page to the Assets Transfer Agreement]

In witness whereof, this Agreement is signed by the duly authorized representatives of the following parties on the date first above written:

Youqin (Shaanxi) Finance Lease Co., Ltd. (company stamp)

Signature: /s/ Xia Gao
Name: Xia Gao

[Signature Page to the Assets Transfer Agreement]

In witness whereof, this Agreement is signed by the duly authorized representatives of the following parties on the date first above written:

Youxin (Shanghai) Used Car Business Co., Ltd. (company stamp)

Signature: /s/ Xia Gao
Name: Xia Gao

[Signature Page to the Assets Transfer Agreement]

In witness whereof, this Agreement is signed by the duly authorized representatives of the following parties on the date first above written:

Boyu Finance Lease (Tianjin) Co., Ltd. (company stamp)

Signature: /s/ Zhen Zeng
Name: Zhen Zeng

[Signature Page to the Assets Transfer Agreement]

In witness whereof, this Agreement is signed by the duly authorized representatives of the following parties on the date first above written:

Shenzhen Youxin Pengda Used Car Broker Co., Ltd. (company stamp)

Signature: /s/ Yong Liu
Name: Yong Liu

In witness whereof, this Agreement is signed by the duly authorized representatives of the following parties on the date first above written:

Uxin Limited

Signature: /s/ Kun Dai
Name: Kun Dai

In witness whereof, this Agreement is signed by the duly authorized representatives of the following parties on the date first above written:

UcarEase Holding Limited

Signature: /s/ Kun Dai
Name: Kun Dai

In witness whereof, this Agreement is signed by the duly authorized representatives of the following parties on the date first above written:

GloryFin International Group Holding Company Limited
(錦融國際控股集團有限公司)

Signature: /s/ Zhen Zeng
Name: Zhen Zeng

In witness whereof, this Agreement is signed by the duly authorized representatives of the following parties on the date first above written:

HONGKONG QUEEN'S TECHNOLOGY CO., LIMITED
(香港皇后科技有限公司)

Signature: /s/ Kun Dai
Name: Kun Dai

In witness whereof, this Agreement is signed by the duly authorized representatives of the following parties on the date first above written:

Shenzhen Chunxinboye Co., Ltd.

Signature: /s/ Kun Dai
Name: Kun Dai

[Signature Page to the Assets Transfer Agreement]

In witness whereof, this Agreement is signed by the duly authorized representatives of the following parties on the date first above written:

Minrui Finance Lease (Shenzhen) Co., Ltd. (official stamp)

Signature: /s/ Zhen Zeng
Name: Zhen Zeng

[Signature Page to the Assets Transfer Agreement]

In witness whereof, this Agreement is signed by the duly authorized representatives of the following parties on the date first above written:

Xi’an Youxin Pengjia Used Car Broker Co., Ltd. (company stamp)

Signature: /s/ Yukai Ren
Name: Yukai Ren

[Signature Page to the Assets Transfer Agreement]

In witness whereof, this Agreement is signed by the duly authorized representatives of the following parties on the date first above written:

Xi'an Youxin Pengxin Used Car Broker Co., Ltd. (company stamp)

Signature: /s/ Yukai Ren
Name: Yukai Ren

[Signature Page to the Assets Transfer Agreement]

In witness whereof, this Agreement is signed by the duly authorized representatives of the following parties on the date first above written:

Youyuan (Beijing) Information Technology Co., Ltd. (company stamp)

Signature: /s/ Zhen Zeng
Name: Zhen Zeng

[Signature Page to the Assets Transfer Agreement]

In witness whereof, this Agreement is signed by the duly authorized representatives of the following parties on the date first above written:

Youxinpai (Beijing) Information Technology Co., Ltd. (company stamp)

Signature: /s/ Zhen Zeng
Name: Zhen Zeng

[Signature Page to the Assets Transfer Agreement]

In witness whereof, this Agreement is signed by the duly authorized representatives of the following parties on the date first above written:

Youxin Hulian (Beijing) Information Technology Co., Ltd. (company stamp)

Signature: /s/ Zhen Zeng
Name: Zhen Zeng

[Signature Page to the Assets Transfer Agreement]

In witness whereof, this Agreement is signed by the duly authorized representatives of the following parties on the date first above written:

Yougu (Shanghai) Information Technology Co., Ltd. (company stamp)

Signature: /s/ Zhen Zeng
Name: Zhen Zeng

In witness whereof, this Agreement is signed by the duly authorized representatives of the following parties on the date first above written:

Chebole (Beijing) Information Technology Co., Ltd. (company stamp)

Signature: /s/ Zhen Zeng
Name: Zhen Zeng

In witness whereof, this Agreement is signed by the duly authorized representatives of the following parties on the date first above written:

Youfang (Beijing) Information Technology Co., Ltd. (company stamp)

Signature: /s/ Zhen Zeng
Name: Zhen Zeng

[Signature Page to the Assets Transfer Agreement]

In witness whereof, this Agreement is signed by the duly authorized representatives of the following parties on the date first above written:

Youxin (Shaanxi) Information Technology Group Co., Ltd. (company stamp)

Signature: /s/ Zhen Zeng
Name: Zhen Zeng

In witness whereof, this Agreement is signed by the duly authorized representatives of the following parties on the date first above written:

Tianjin Wuba Rongxin Information Technology Co., Ltd. (company stamp)

Signature: /s/ Ligang Chang
Name: Ligang Chang
Title: Legal Representative

Wuba (Shenzhen) Finance Lease Co., Ltd.

Signature: /s/ Fudong Zhou
Name: Fudong Zhou
Title: Legal Representative

Tianjin Wuba Jinfu Co., Ltd. (company stamp)

Signature: /s/ Jinbo Yao
Name: Jinbo Yao
Title: Legal Representative

Exhibit 4.36

SUPPLEMENTARY AGREEMENT TO

ASSETS TRANSFER AGREEMENT

April 23, 2020

CERTAIN INFORMATION HAS BEEN EXCLUDED FROM THE EXHIBIT BECAUSE IT IS NOT MATERIAL AND WOULD LIKELY CAUSE COMPETITIVE HARM TO THE COMPANY IF PUBLICLY DISCLOSED.

[*] indicates the redacted confidential portions of this exhibit.

Supplementary Agreement to Assets Transfer Agreement

This Supplementary Agreement to Assets Transfer Agreement (this "**Agreement**" or this "**Supplementary Agreement**") is made on April 23, 2020 by and between:

(1) **Kai Feng Finance Lease (Hangzhou) Co., Ltd.,** a limited liability company incorporated and existing in accordance with the laws of the People's Republic China, with its registered address at: Room 1814, Unit 1, Building 3, Wanda Commercial Center, Gongshu District, Zhejiang Province ("**Kai Feng**");

(2) **Youqin (Shanxi) Finance Lease Co., Ltd.,** a limited liability company incorporated and existing in accordance with the laws of the People's Republic of China, with its registered address at: Block A-702, Midwest Lugang Finance Town, No.99 Gangwu Avenue, International Harbor District, Xi'an, Shaanxi Province ("**Youqin**");

(3) **Youxin (Shanghai) Used Car Business Co., Ltd.,** a limited liability company incorporated and existing in accordance with the laws of the People's Republic of China, with its registered address at: Room D-09, Floor 2, Building 1, No.198 Huashen Road, China (Shanghai) Pilot Free Trade Zone ("**Youxin**");

(4) **Boyu Finance Lease (Tianjin) Co., Ltd.,** a limited liability company incorporated and existing in accordance with the laws of the People's Republic of China, with its registered address at: No. 565 Lanzhou Road (6-4-47 Haize Logistics Park), Tianjin Pilot Free Trade Zone (Dongjiang Bonded Port Area) ("**Boyu**");

(5) **Shenzhen Youxin Pengda Used Car Broker Co., Ltd.,** a limited liability company incorporated and existing in accordance with the laws of the People's Republic of China, with its registered address at: Door 5, Youxin Pengcheng Used Car Transaction Market, at the intersection of Chaguang Road and Shigu Road, Xili Street, Nanshan District, Shenzhen ("**Pengda**");

(6) **Chebole (Beijing) Information Technology Co., Ltd.,** a limited liability company incorporated and existing in accordance with the laws of the People's Republic of China, with its registered address at: Room 323609, Building 5, Yard 1, Futong East Street, Chaoyang District, Beijing ("**Chebole**");

(7) **Youfang (Beijing) Information Technology Co., Ltd.,** a limited liability company incorporated and existing in accordance with the laws of the People's Republic of China, with its registered address at: Room 323609, Building 5, Yard 1, Futong East Street, Chaoyang District, Beijing ("**Youfang**");

(8) **Youxin (Shanxi) Information Technology Group Co., Ltd.,** a limited liability company incorporated and existing in accordance with the laws of the People's Republic of China, with its registered address at: Block A-701, Midwest Lugang Finance Town, No.99 Gangwu Avenue, International Harbor District, Xi'an (**"Youxin Shanxi",** hereinafter referred to as **"Transferor"** individually or collectively with Kai Feng, Youqin, Youxin, Pengda, Autobole and Youfang);

(9) **Uxin Limited,** a limited liability company incorporated and existing in accordance with the laws of the Cayman Islands, with its registered office at the offices of Maples Corporate Services Limited at PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands ("**Uxin Cayman**");

(10) **The entities listed in Exhibit I** ("**Uxin Affiliates**", and each a "**Uxin Affiliate**"; Uxin Affiliates, Uxin Cayman and the Transferors are referred to as "**Uxin Group Companies**" and/or "**Guarantors**", and each a "**Uxin Group Company**" and/or "**Guarantor**");

(11) **Tianjin Wuba Rongxin Information Technology Co., Ltd.,** a limited liability company incorporated and existing in accordance with the laws of the People's Republic of China, with its registered address at: Room 1840-130, Floor 18, Baofeng Building, No. 3678, Xinhua Road, Tianjin Pilot Free Trade Zone (CBD) ("**Tianjin Wuba Rongxin**" or "**Transferee**");

(12) **Tianjin Wuba Jinfu Co., Ltd.,** a limited liability company incorporated and existing in accordance with the laws of the People's Republic of China, with its registered address at: Room 1902, Floor 19, Jinzuo Plaza, No.5 Meiyuan Road, Huayuan Industrial Zone, Binhai Hi-tech District, Tianjin ("**Tianjin Wuba Jinfu**"); and

(13) **Wuba (Shenzhen) Finance Lease Co., Ltd.**, a limited liability company incorporated and existing in accordance with the laws of the People's Republic of China, with its registered address at: Room 201, Building A, No.1 Qianwan Road (No. 1), Qianhai Shenzhen-Hong Kong Cooperation Zone, Shenzhen (resided in Shenzhen Qianhai Business Secretary Co., Ltd.) ("**Wuba Finance Lease**", hereinafter referred to as "**Wuba Parties**" collectively with Tianjin Wuba Rongxin and Tianjin Wuba Jinfu).

For the purpose herein, each of the undersigned parties listed above is referred to herein individually as a "Party" and collectively as the "Parties".

WHEREAS:

(1) The Parties hereto have entered into the Assets Transfer Agreement (the "**Assets Transfer Agreement**" as set forth in in Exhibit II) on September 30, 2019. In accordance with such Assets Transfer Agreement, the Transferors agree to transfer the Underlying Assets (as defined in the Assets Transfer Agreement), as well as all corresponding rights and interests attached to such Underlying Assets, to the Transferee or its designated Persons.

(2) With respect to the assets transfer and closing under the Assets Transfer Agreement, the Parties agree, through friendly consultations, to amend and supplement the Assets Transfer Agreement accordingly and agree as follows.

Upon mutual agreement, the Parties hereby agree as follows:

1 Definitions Clause

1.1 In this Agreement, in addition to the terms defined in the text hereof, the following terms shall have the following meanings. For the avoidance of doubt, capitalized terms used in this Agreement shall have the meanings ascribed to them in the Assets Transfer Agreement unless otherwise stated in writing.

"**Vehicle Finance Business**" shall mean the used vehicle finance and leasing business for consumer users operated by Golden Pacer, a company incorporated under the Laws of the Cayman Islands ("**Wuba Jinfu Cayman**") and group companies under the VIE structure Controlled by Wuba Jinfu Cayman (collectively, "**Wuba Group Companies**") (for the avoidance of doubt, excluding the consumer finance business between Wuba Group Companies and consumers).

"Audited Net Profit Before Tax" shall mean the net profit that is determined by one of the Big Four accounting firms (PricewaterhouseCoopers, Deloitte, Ernst & Young, KPMG) appointed by Wuba Parties (the "**Auditor**") in accordance with the recognition principle of net profit before tax of the U.S. GAAP. For the purpose of this Section, the Audited Net Profit Before Tax does not include the net profit arising from the following acts: wrongful transfer of losses, costs or expenses, or wrongful transfer of income, profits or gains.

1.2 Unless otherwise specified, any reference to a section, clause, list, exhibit or schedule of this Agreement is a reference to the section, clause, list, exhibit or schedule of this Agreement.

1.3 Any reference to a decree, statute, regulation or ordinance shall be construed as a reference to such decree, statute, regulation or ordinance as from time to time in force, as amended, replaced or re-enacted and shall include any subordinate legislation made under it.

1.4 Words such as “including” and other similar expressions are not intended to be restrictive and shall be construed as “including, without limitation.”

1.5 Words importing the singular shall include the plural and vice versa; words importing a gender shall include all gender meanings.

1.6 The table of contents and headings for this Agreement are for convenience only and do not affect in any way the content or interpretation of any term of this Agreement.

1.7 The appendices and schedules are integral parts of this Agreement and have the same effect as the main content of this Agreement. All references to this Agreement include the appendices and schedules.

1.8 References to writing or written shall include any mode of reproducing words in a legible and non-transitory form.

2 Supplementary Agreement

2.1 **Adjustment and Supplementary Agreement of Equity Transfer Consideration in Transfer Consideration**

(1) From the date hereof, Section 3.2.1 of the Assets Transfer Agreement is deleted in its entirety and shall no longer be legally binding. The payment in cash to be made by the Transferee to the Transferors with respect to the transfer of the Underlying Assets shall be made by the Transferee in accordance with Section 2.3 of the Supplementary Agreement to the Assets Transfer Agreement (for the avoidance of doubt, if pursuant to Section 2.3 hereof, the Transferee is not obliged to make payment to the Transferors and Uxin Group Companies, then the Transferee shall not be obliged to make any payment in cash to the Transferors and Uxin Group Companies in respect of the transfer of the Underlying Assets).

(2) Upon the execution of this Agreement, Section 3.2.2 of the Assets Transfer Agreement is amended and replaced in its entirety as follows:

After the satisfaction of the following conditions, Uxin Cayman shall have the right to subscribe for the corresponding number of Series Angel Preferred Shares of Wuba Jinfu Cayman in accordance with this Agreement.

(i) Upon the completion of this Transaction (as defined in the Assets Transfer Agreement), Wuba Group Companies shall, within 120 days after the end of the fiscal year 2020 (such period shall be reasonably extended if the Transaction cannot be consummated within such period for reasons attributable to Uxin Group Companies or other reasons not attributable to Wuba Group Companies), provide Uxin Group Companies with the audited financial report of the Vehicle Finance Business of Wuba Group Companies for the fiscal year 2020 (i.e. January 1, 2020 to December 31, 2020) (the "**2020 Audited Financial Report**"), and subscribe for the shares in accordance with the following:

a) If the Audited Net Profit Before Tax determined in the 2020 Audited Financial Report exceeds RMB600,000,000 (the "**2020 Net Profit Indicator**"), Uxin Cayman shall have the right, within ten (10) Business Days after the issuance of the 2020 Audited Financial Report (the "**Type I 2020 Share Subscription Period**"), to subscribe for up to [*] Series Angel Preferred Shares in the aggregate of Wuba Jinfu Cayman at the purchase price of US $0.00001 per share in accordance with this Agreement (the "**2020 Share Subscription**").

b) If the Audited Net Profit Before Tax determined in the 2020 Audited Financial Report fails to reach the 2020 Net Profit Indicator, Uxin Group Company shall determine whether it will exercise the following objection review right within ten (10) Business Days after the receipt of the 2020 Audited Financial Report provided by Wuba Group Companies (the "**2020 Statements Verification Period**");

If Uxin Group Companies raise an objection during the 2020 Statements Verification Period, Uxin Group Companies and the Wuba Group Companies shall jointly appoint an accounting firm to review the 2020 Audited Financial Reports or, if the accounting firm cannot be selected within ten (10) Business Days after the end of the 2020 Statement Verification Period, one of PricewaterhouseCoopers, Deloitte, KPMG and Ernst & Young shall be selected to conduct such review, the review results shall be binding upon the Parties and the review costs shall be borne by Uxin Group Companies. If, according to the aforesaid review results, the actual 2020 net profit before tax of the Vehicle Finance Business of Wuba Group Companies exceeds the 2020 Net Profit Indicator, the Uxin Group Companies shall be entitled to complete the 2020 Share Subscription within ten (10) Business Days after receiving such review results (the "**Type II 2020 Share Subscription Period**", and any Type I 2020 Share Subscription Period, Type II 2020 Share Subscription Period are referred to as the **"2020 Share Subscription Period**").

For the avoidance of doubt,

(x) If Uxin Group Company fails to propose in writing to exercise the aforesaid objection review process during the 2020 Statements Verification Period or acknowledges the 2020 Audited Financial Report during the 2020 Statements Verification Period, or the review results of the accounting firm selected by the Parties in accordance with Section 2.1(2)(i)b) above show that the Audited Net Profit Before Tax of Vehicle Finance Business of Wuba Group Companies for the fiscal year 2020 fails to reach the 2020 Net Profit Indicator, the rights corresponding to the 2020 Share Subscription will automatically terminate, respectively at the end of the 2020 Statement Verification Period or on the date acknowledged by Uxin Group Company or on the date on which the review results by the accounting firm selected according to Section 2.1(2)(i)b) are issued, as the case may be;

(y) If the Audited Net Profit Before Tax of the Vehicle Finance Business of WuBa Group Companies in the fiscal year 2020 reaches the 2020 Net Profit Indicator while Uxin Cayman fails to complete the 2020 Share Subscription within the 2020 Share Subscription Period, the right corresponding to the 2020 Share Subscription shall automatically terminate on the date of expiration of the 2020 Share Subscription Period;

(z) If the Audited Net Profit Before Tax of the Vehicle Finance Business of Wuba Group Companies in the fiscal year 2020 reaches the 2020 Net Profit Indicator, Unix Cayman may only subscribe for the corresponding Series Angel Preferred Shares of Wuba Jinfu Cayman once during the 2020 Share Subscription Period, and the part of unsubscribed shares shall automatically terminate upon the expiration of the 2020 Share Subscription Period;

(yy) The Series Angel Preferred Shares of Wuba Jinfu Cayman acquired by Uxin Cayman through the 2020 Share Subscription pursuant to this Agreement shall have substantially the same rights as the class of rights of the Series Angel Preferred Shares of Wuba Jinfu Cayman acquired by 58.com Inc. as of or immediately following the Closing of the Transaction (except for the right to appoint directors and the rights difference arising from different shareholding percentages), and shall perform the obligations for the Series Angel Preferred Shares of Wuba Jinfu Cayman acquired by 58.com Inc.as of or immediately following the Closing of the Transaction (for the avoidance of doubt, the foregoing obligations exclude the non-competition obligations by Wuba group companies (i.e., 58.com Inc. and its subsidiaries and Controlled entities); provided that Uxin Cayman shall perform its non-competition obligations in accordance with the Assets Transfer Agreement);

(ii) Upon the consummation of the Transaction, Wuba Group Companies shall, within 120 days after the end of the fiscal year 2021 (such period shall be reasonably extended if the Transaction cannot be consummated within such period for reasons attributable to Uxin Group Companies or other reasons not attributable to Wuba Group Companies), provide Uxin Group Companies with the audited financial report of the Vehicle Finance Business of Wuba Group Companies of the Vehicle Finance Business for the fiscal year 2021 (i.e. January 1, 2021 to December 31, 2021) (the "**2021 Audited Financial Report**"), and subscribe for the shares based on the following:

a) If the Audited Net Profit Before Tax determined in the 2021 Audited Financial Report exceeds RMB1,200,000,000 (the "**2021 Net Profit Indicator**"), Uxin Cayman shall have the right, within ten (10) Business Days after the issuance of the 2020 Audited Financial Report ("**Type I 2021 Share Subscription Period**"), to subscribe for up to [*] Series Angel Preferred Shares in the aggregate of Wuba Jinfu Cayman at the purchase price of US$0.00001 per share in accordance with this Agreement (the "**2021 Share Subscription**").

b) If the Audited Net Profit Before Tax as determined in the 2021 Audited Financial Report fails to reach the 2021 Net Profit Indicator, Uxin Group Companies shall determine whether it will exercise the following objection review right within ten (10) Business Days after the receipt of the 2021 Audited Financial Report provided by Wuba Group Companies (the "**2021 Statements Verification Period**");

If Uxin Group Companies raise an objection during the 2021 Statements Verification Period, Uxin Group Companies and the Wuba Group Companies shall jointly appoint an accounting firm to review the 2021 Audited Financial Reports or, if the accounting firm cannot be selected within ten (10) Business Days after the end of the 2021 Statements Verification Period, one of PricewaterhouseCoopers, Deloitte, KPMG and Ernst & Young shall be selected to conduct such review, the review results shall be binding upon the Parties and the review costs shall be borne by Uxin Group Companies. If, according to the aforesaid review results, the actual 2021 net profit before tax of the Vehicle Finance Business of Wuba Group Companies exceeds the 2021 Net Profit Indicator, the Uxin Group Companies shall be entitled to complete the 2021 Share Subscription within ten (10) Business Days after receiving such review results (the "**Type II 2021 Share Subscription Period**", and any Type I 2021 Share Subscription Period, Type II 2021 Share Subscription Period are referred to as the **"2021 Share Subscription Period**")

For the avoidance of doubt,

(x) If Uxin Group Company fails to purpose in writing to exercise the aforesaid objection review process during the 2021 Statements Verification Period or acknowledges the 2021 Audited Financial Report during the 2021 Statements Verification Period, or the review results of the accounting firm selected by the Parties in accordance with Section 2.1(2)(ii)b) above show that the Audited Net Profit Before Tax of the Vehicle Finance Business of Wuba Group Companies for the fiscal year 2021 fails to reach the 2021 Net Profit Indicator, the rights corresponding to the 2021 Share Subscription will automatically terminate, respectively, at the end of the 2021 Statement Verification Period or on the date acknowledged by Uxin Group Company or on the date on which the review results by the accounting firm selected in Section 2.1(2)(ii)b) are issued, as the case may be;

(y) If the Audited Net Profit Before of the Vehicle Finance Business of Wuba Group Companies in the fiscal year 2021 reaches the 2021 Net Profit Indicator while Uxin Cayman fails to complete the 2021 Share Subscription during the 2021 Share Subscription Period, the right corresponding to the 2021 Share Subscription shall automatically terminate on the expiration date of the 2021 Share Subscription Period;

(z) If the Audited Net Profit Before Tax of the Vehicle Finance Business of Wuba Group Companies in the fiscal year 2021 reaches the 2021 Net Profit Indicator, the Uxin Cayman may only subscribe for the corresponding Series Angel Preferred Shares of Wuba Jinfu Cayman for once during the 2021 Share Subscription Period, and the part of unsubscribed shares shall automatically terminate upon expiration of the 2021 Share Subscription Period;

(yy) the Series Angel Preferred Shares of Wuba Jinfu Cayman acquired by Uxin Cayman through the 2021 Share Subscription pursuant to this Agreement shall have substantially the same rights as the class of rights of the Series Angel Preferred Shares of Wuba Jinfu Cayman acquired by 58.com Inc.as of or immediately following the Closing of the Transaction (except for the right to appoint directors and the rights difference arising from different shareholding percentages), and shall perform the obligations for the Series Angel Preferred Shares of Wuba Jinfu Cayman acquired by 58.com Inc. as of or immediately following the Closing of the Transaction (for the avoidance of doubt, the foregoing obligations exclude the non-competition obligations by Wuba group companies (i.e., 58.com Inc. and its subsidiaries and Controlled entities), provided that Uxin Cayman shall perform its non-competition obligations in accordance with the Assets Transfer Agreement);

(3) From the date hereof, Section 3.2.2 and 3.3 of the Assets Transfer Agreement shall automatically terminate and cease to have any legal binding effect on the Parties.

(4) From the date hereof, the Domestic Capital Increase Agreement of the Transferor (as defined in the Assets Transfer Agreement) and the Offshore Capital Increase Agreement of the Transferor (as defined in the Assets Transfer Agreement) executed at the execution of the Assets Transfer Agreement shall terminate by execution of the corresponding termination agreement at the same time.

(5) From the date hereof, the terms of the Assets Transfer Agreement and other Transaction Documents relating to this Transaction in respect of SHA (as defined in the Assets Transfer Agreement) and MA (as defined in the Assets Transfer Agreement) shall terminate and not be legally binding upon the Transferor and relevant Uxin Group Companies; for the avoidance of doubt, the Share Purchase Agreement entered into by and among 58.com Inc., Wuba Jinfu Cayman and other relevant parties as of September 30, 2019 shall continue to be effective, and 58.com Inc. shall continue to be entitled to subscribe for [*] Series Angel Preferred Shares of Wuba Jinfu Cayman simultaneously with the Closing of this Transaction in accordance with the aforesaid Share Purchase Agreement.

2.2 **Execution Arrangement of the XW Bank Contract and Disposal of the Underlying Assets**

(1) The Parties acknowledge and agree that, with respect to the Underlying Assets listed in the Appendix V Row B to the Assets Transfer Agreement of the Assets of the Transferable Security Deposit, the relevant parties of the Transferors, relevant parties of the Transferee and the corresponding funding parties have entered into the financing parties agreement (i.e., the Rights and Obligations Transfer Agreement, the "**XW Bank Assets Transfer Agreement**") on November 6, 2019 in accordance with the Assets Transfer Agreement so as to satisfy the closing conditions in Section 4.5.13 of the Assets Transfer Agreement and the Underlying Assets listed in Appendix V Row B to the Assets Transfer Agreement shall be the "Underlying Assets" referred to in the XW Bank Assets Transfer Agreement (the "**XW Bank Underlying Assets**").

(2) For the avoidance of doubt, notwithstanding any other provisions to the contrary in the Assets Transfer Agreement, with respect to the XW Bank Assets Transfer Agreement and the corresponding succeeding XW Bank Underlying Assets, the cut-off date of such XW Bank Underlying Assets shall be the date on which the XW Bank Assets Transfer Agreement is actually executed. I.e., with respect to the XW Bank Underlying Assets which are assumed by the Transferee through the execution of the XW Bank Assets Transfer Agreement, the date when such XW Bank Underlying Assets are transferred shall be the actual execution date of the XW Bank Assets Transfer Agreement, and the cut-off date of such XW Bank Underlying Assets under the Assets Transfer Agreement and other relevant provisions under the Assets Transfer Agreement and other Transaction Documents shall be adjusted to the date when the XW Bank Assets Transfer Agreement is actually executed.

2.3 **Subsequent Arrangements for the XW Bank Underlying Assets**

(i) With respect to the XW Bank Underlying Assets, during the period from the date hereof to April 30, 2021, the Wuba Party shall: (x) within fifteen (15) Business Days after the end of June 30, 2020, provide or update to Uxin Group Companies the cumulative cash flow and relevant details corresponding to the XW Bank Underlying Assets from the date of signing the XW Bank Assets Transfer Agreement to June 30, 2020, and cooperate with Uxin Group to complete the verification of such cumulative cash flow of the XW Bank Underlying Assets; and (y) within fifteen (15) Business Days after the end of each quarter from July 1, 2020 to April 30, 2021, provide or update to Unix Group Companies the cumulative cash flow and relevant details corresponding to the XW Bank Underlying Assets from the date of signing the XW Bank Assets Transfer Agreement to the end of such quarter, and cooperate with Uxin Group Companies to complete the verification of such cumulative cash flow of the XW Bank Underlying Assets.

(ii) With respect to the XW Bank Underlying Assets, starting from May 1, 2021, the Wuba Party shall, within fifteen (15) Business Days after the end of each calendar month (for the avoidance of doubt, including April 2021) (**"Provision Period for NW Cash Flow"**), provide or update to Uxin Group Companies the accumulated cash flow and the relevant details corresponding to the XW Bank Underlying Assets from the date of signing the XW Bank Assets Transfer Agreement to the end of such calendar month.

(iii) Uxin Group Companies shall, within five (5) Business Days after the end of Provision Period for NW Cash Flow of each calendar month, complete the verification of the information on the accumulated cash flow of the XW Bank Underlying Assets. Any disputes between Wuba Group Companies and Uxin Group Companies over the amount of accumulated cash flow from the the XW Bank Underlying Assets shall be resolved through friendly consultation.

(iv) With respect to the XW Bank Underlying Assets, commencing from May 1, 2021 (for the avoidance of doubt, including April 2021), if, in a calendar month the accumulated cash flow corresponding to the XW Bank Underlying Assets as confirmed by Uxin Group Company and Wuba Party based on the above mechanism is greater than 0, within two (2) Business Days after the verification and confirmation based on the above mechanism of the accumulated cash flow of the XW Bank Underlying Assets of such calendar month, the Wuba Party shall pay 85% of: (i) the accumulated positive cash flow of such XW Bank Underlying Assets as of such calendar month, minus (ii) the corresponding amount of estimated bad debt cash flow mismatch adjustment to the XW Bank Underlying Assets as confirmed by the Uxin Group Companies and Wuba Group Companies, to the bank account designated by the Transferor.

For the avoidance of doubt, for the purposes of this Agreement, the following definitions or calculation standards shall apply to the cash flow described in the XW Bank Underlying Assets: Accumulated cash flow corresponding to a natural month = X-Y-Z ÷ 85%

Specifically, X refers to the total amount of cash reflow of the XW Bank Underlying Assets generated from the date of signing the XW Bank Assets Transfer Agreement to the end of such calendar month (release of deposits corresponding to the XW Bank Underlying Assets, refund by consumers after Wuba Parties' repurchasing XW Bank Underlying Assets upon repayment, the collection of payment from disposal of finance vehicle's including consumers' returning vehicles and post-loan collecting vehicles and other cash income generated from XW Bank Underlying Assets (if any));

Y refers to the accumulative costs and expenses and the repurchase obligations (compensation expenditure, repurchase expenditure, consumer collection expenditure, vehicle disposal expenditure and other post-loan service costs and expenses corresponding to the XW Bank Underlying Assets), interest income payable to banks and other costs, expenses and expenditure arising from XW Bank Underlying Assets (if any), incurred from the date of signing the XW Bank Assets Transfer Agreement to the end of such calendar month;

Z refers to the amount of positive cash flow already paid by Wuba Parties to the bank account designated by the Transferors in accordance with this section as of such calendar month.

(v) For the avoidance of doubt, the Parties understand and confirm that, unless otherwise agreed to by the Parties:

(a) From the execution of this Agreement to April 30, 2021, regardless of the monthly cash flow corresponding to the XW Bank Underlying Assets, Wuba Parties shall have no obligation to pay any costs and expenses to the Transferor;

(b) From May 1, 2021, if the monthly cash flow of the XW Bank Underlying Assets is 0 or negative in a calendar month, Wuba Parties shall have no obligation to pay any costs or expenses to the Transferor;

(c) With respect to the XW Bank Underlying Assets, except for the settlement arrangement set forth in Section 2.3 (iv) above and otherwise agreed herein, Wuba Parties shall have no obligation to pay any fees to the Transferor and its Affiliates and all settlement arrangements shall be made only with respect to the XW Bank Underlying Assets.

(vi) The Parties understand and acknowledge that, the abovementioned arrangement of this Section 2.3 shall not affect the acquisition of the complete ownership and the corresponding full rights and interests attached of the relative Underlying Assets by the Transferee and/or its designated entity prior to or on the Closing Date or the Cut-Off Date (subject to the Assets Transfer Agreement and the Supplementary Agreement to the Assets Transfer Agreement) in accordance with the provisions of the Assets Transfer Agreement and the Supplementary Agreement to the Assets Transfer Agreement.

2.4 **Account Arrangement**

(1) As of the date hereof, Uxin Group Companies shall completely and truthfully disclose to the Transferee all the bank accounts, receipt accounts, payment accounts and similar receipt and payment instruments (the "**Receipt Accounts**") relating to the XW Bank Underlying Assets of Transferor and relevant Uxin Group Companies (as set forth in Exhibit III hereto for details). Transferors and relevant Uxin Group Companies shall ensure that such Receipt Accounts are all the bank accounts, payment accounts and receipt accounts and similar receipt and payment instruments of the Transferors and relevant Uxin Group Companies relating to the XW Bank Underlying Assets.

(2) With respect to such Receipt Accounts, the Parties shall continue to complete corresponding co-management arrangement and settle on a monthly or weekly basis according to the settlement amount, pursuant to Section 2.5(5)(ii) of the Assets Transfer Agreement. For the avoidance of any doubt, the "Fund Collection Account" involved in Paragraph 2 of Article 2.5(5) of the Assets Transfer Agreement shall be updated as an entirety to the accounts listed in Exhibit III hereof, and the "Underlying Assets" involved in Article 2.5(5) of the Assets Transfer Agreement shall only refer to the XW Bank Underlying Assets.

3 Taxes and Fees

Unless otherwise provided for herein, the Transferors shall jointly and severally bear any taxes and fees arising out of this Transaction and in connection with the arrangements contemplated hereby, while Wuba Parties and their designated person shall not bear any taxes and fees arising out of this Transaction and the arrangements contemplated hereby.

4 Representations and warranties

Representations and Warranties of the Parties. Each Party hereto represents and warrants to the other Parties as of the execution date and the Closing Date as follows:

4.1.1 Such Party is a company duly registered and validly existing under applicable Laws;

4.1.2 The execution and delivery of the Transaction Documents, performance of all obligations under the Transaction Documents and consummation of the Transaction Documents and other actions by such Party have been made by all necessary actions and have obtained full and necessary authorization; such Party has full capacity for civil conduct and civil rights to execute the Transaction Documents, perform all obligations thereunder and consummate the Transaction Documents; upon execution, the Transaction Documents shall be legally binding upon such Party;

4.1.3 The execution of this Agreement and other Transaction Documents by such Party does not conflict with its articles of association or any contracts or documents to which it is a party, nor does it violate any court judgments, arbitration awards or decisions of any administrative authorities.

5 Modification and Termination

5.1 This Agreement may be amended or modified by the Parties through mutual consultation. Any amendment or modification shall be made in writing and become effective upon execution by the Parties hereto.

5.2 This Agreement may be terminated in any of the following circumstances:

5.2.1 By mutual written consent of the Parties;

5.2.2 Upon termination or rescission of the Assets Transfer Agreement.

5.3 After termination of this Agreement, all rights and obligations of the Parties hereunder shall terminate. A Party shall have no other right of claim against the other Parties under this Agreement or for the rescission of this Agreement, except for the liabilities arising from breach of this Agreement.

6 Miscellaneous

6.1 This Agreement shall become effective upon signature or seal by the Parties.

For matters not covered by this Agreement, the Parties shall enter into a supplementary agreement through consultations. Such supplementary agreement shall have the same legal effect as this Agreement. Modification of this Agreement shall be made in writing through consultations and become effective on the date when the Parties affix their signatures or seals to this Agreement.

6.2 None of the Parties shall assign their respective rights and obligations under this Agreement to any third party without the prior written consent from the other Parties.

6.3 This Agreement represents the entire agreement of the Parties with respect to the subject matter hereof and supersedes and replaces any other written or oral agreement or document executed by the Parties with respect to the subject matter hereof. The Parties acknowledge and agree that, in the event of any conflict or discrepancy between the Assets Transfer Agreement and this Agreement, this Agreement shall prevail with respect to the rights and obligations of the Parties. Except for the supplement, amendment and update to the Assets Transfer Agreement as provided in Section 2 hereof, the other terms of the Assets Transfer Agreement shall remain effective and legally binding upon the parties hereto.

6.4 If any term of this Agreement is void or unenforceable due to any applicable Law, such term shall be deemed to have never existed and the validity of other terms of this Agreement shall not be affected. The Parties hereto shall negotiate and agree upon the new provisions to the extent compliance with the Laws so as to ensure that the original provisions are fulfilled to the greatest extent possible.

6.5 No delay or omission by any Party to exercise any right, power or remedy accruing to any other Party upon any breach or default of this Agreement, shall impair such right, power or remedy of such Party nor shall it be construed to be a waiver of such breach or default, or an acquiescence therein, or of or in any other breach or default theretofore or thereafter occurring. Any waiver, permit, consent, approval of breach or default of any nature or character of this Agreement, or any waiver of any terms or conditions of this Agreement, must be in writing and shall be effective only to the extent set forth in such writing. Any remedies provided for in this Agreement or by Law or otherwise to any party, shall be cumulative, and not alternative but exclusive.

6.6 Expense. Unless otherwise agreed in this Agreement, each Party shall bear its own expenses (including but not limited to professional service fees such as auditing, finance and legal and other expenses) arising from or in connection with the transaction contemplated herein.

6.7 “Section 8 Liabilities for Breach”, “Section 10 Confidentiality”, “Section 11 Governing Laws and Dispute Resolution” and “Section 12.7 Notice and Service” of the Assets Transfer Agreement shall be applicable to this Agreement in the same manner.

6.8 In the event that a separate agreement is executed in accordance with the forms of the governmental authorities is required for the purpose of requesting performance of a specific act from any Governmental Authority in connection with the transactions contemplated by this Agreement, this Agreement shall have full priority over such separate agreement and such agreement may only be used to request performance of such specific act from the Governmental Authority and shall not be used to establish and prove the rights and obligations of relevant Parties with respect to the matters stipulated hereunder.

6.9 This Agreement is written in Chinese and executed in ten counterparts, five of which shall be held by the Transferors and Uxin Group Companies and five of which shall be held by Wuba Parties, all of which shall have the same effect.

[*The remainder of this page is intentionally left blank*]

[Signature Page to the Supplementary Agreement to Assets Transfer Agreement]

In witness whereof, this Agreement is signed by the duly authorized representatives of the following parties on the date first above written:

Kai Feng Finance Lease (Hangzhou) Co., Ltd. (company stamp)

Signature: /s/ Zhen Zeng
Name: Zhen Zeng

[Signature Page to the Supplementary Agreement to Assets Transfer Agreement]

In witness whereof, this Agreement is signed by the duly authorized representatives of the following parties on the date first above written:

Youqin (Shaanxi) Finance Lease Co., Ltd. (company stamp)

Signature: /s/ Xia Gao
Name: Xia Gao

[Signature Page to the Supplementary Agreement to Assets Transfer Agreement]

In witness whereof, this Agreement is signed by the duly authorized representatives of the following parties on the date first above written:

Youxin (Shanghai) Used Car Business Co., Ltd. (company stamp)

Signature: /s/ Xia Gao
Name: Xia Gao

[Signature Page to the Supplementary Agreement to Assets Transfer Agreement]

In witness whereof, this Agreement is signed by the duly authorized representatives of the following parties on the date first above written:

Boyu Finance Lease (Tianjin) Co., Ltd. (company stamp)

Signature: /s/ Zhen Zeng
Name: Zhen Zeng

[Signature Page to the Supplementary Agreement to Assets Transfer Agreement]

In witness whereof, this Agreement is signed by the duly authorized representatives of the following parties on the date first above written:

Shenzhen Youxin Pengda Used Car Broker Co., Ltd. (company stamp)

Signature: /s/ Yong Liu
Name: Yong Liu

[Signature Page to the Supplementary Agreement to Assets Transfer Agreement]

In witness whereof, this Agreement is signed by the duly authorized representatives of the following parties on the date first above written:

Uxin Limited

Signature /s/ Kun Dai
Name: Kun Dai

[Signature Page to the Supplementary Agreement to Assets Transfer Agreement]

In witness whereof, this Agreement is signed by the duly authorized representatives of the following parties on the date first above written:

UcarEase Holding Limited

Signature: /s/ Kun Dai
Name: Kun Dai

In witness whereof, this Agreement is signed by the duly authorized representatives of the following parties on the date first above written:

GloryFin International Group Holding Company Limited
(錦融國際控股集團有限公司)

Signature: /s/ Zhen Zeng
Name: Zhen Zeng

In witness whereof, this Agreement is signed by the duly authorized representatives of the following parties on the date first above written:

HONGKONG QUEEN'S TECHNOLOGY CO., LIMITED
(香港皇后科技有限公司)

Signature: /s/ Kun Dai
Name: Kun Dai

[Signature Page to the Supplementary Agreement to Assets Transfer Agreement]

In witness whereof, this Agreement is signed by the duly authorized representatives of the following parties on the date first above written:

Shenzhen Chunxinboye Co., Ltd.

Signature: /s/ Kun Dai
Name: Kun Dai

[Signature Page to the Supplementary Agreement to Assets Transfer Agreement]

In witness whereof, this Agreement is signed by the duly authorized representatives of the following parties on the date first above written:

Minrui Finance Lease (Shenzhen) Co., Ltd. (official stamp)

Signature: /s/ Zhen Zeng
Name: Zhen Zeng

[Signature Page to the Supplementary Agreement to Assets Transfer Agreement]

In witness whereof, this Agreement is signed by the duly authorized representatives of the following parties on the date first above written:

Xi’an Youxin Pengjia Used Car Broker Co., Ltd. (company stamp)

Signature: /s/ Yukai Ren
Name: Yukai Ren

[Signature Page to the Supplementary Agreement to Assets Transfer Agreement]

In witness whereof, this Agreement is signed by the duly authorized representatives of the following parties on the date first above written:

Xi'an Youxin Pengxin Used Car Broker Co., Ltd. (company stamp)

Signature: /s/ Yukai Ren
Name: Yukai Ren

[Signature Page to the Supplementary Agreement to Assets Transfer Agreement]

In witness whereof, this Agreement is signed by the duly authorized representatives of the following parties on the date first above written:

Youyuan (Beijing) Information Technology Co., Ltd. (company stamp)

Signature: /s/ Zhen Zeng
Name: Zhen Zeng

[Signature Page to the Supplementary Agreement to Assets Transfer Agreement]

In witness whereof, this Agreement is signed by the duly authorized representatives of the following parties on the date first above written:

Youxinpai (Beijing) Information Technology Co., Ltd. (company stamp)

Signature: /s/ Zhen Zeng
Name: Zhen Zeng

[Signature Page to the Supplementary Agreement to Assets Transfer Agreement]

In witness whereof, this Agreement is signed by the duly authorized representatives of the following parties on the date first above written:

Youxin Hulian (Beijing) Information Technology Co., Ltd. (company stamp)

Signature: /s/ Zhen Zeng
Name: Zhen Zeng

[Signature Page to the Supplementary Agreement to Assets Transfer Agreement]

In witness whereof, this Agreement is signed by the duly authorized representatives of the following parties on the date first above written:

Yougu (Shanghai) Information Technology Co., Ltd. (company stamp)

Signature: /s/ Zhen Zeng
Name: Zhen Zeng

[Signature Page to the Supplementary Agreement to Assets Transfer Agreement]

In witness whereof, this Agreement is signed by the duly authorized representatives of the following parties on the date first above written:

Chebole (Beijing) Information Technology Co., Ltd. (company stamp)

Signature: /s/ Zhen Zeng
Name: Zhen Zeng

[Signature Page to the Supplementary Agreement to Assets Transfer Agreement]

In witness whereof, this Agreement is signed by the duly authorized representatives of the following parties on the date first above written:

Youfang (Beijing) Information Technology Co., Ltd. (company stamp)

Signature: /s/ Zhen Zeng
Name: Zhen Zeng

[Signature Page to the Supplementary Agreement to Assets Transfer Agreement]

In witness whereof, this Agreement is signed by the duly authorized representatives of the following parties on the date first above written:

Youxin (Shaanxi) Information Technology Group Co., Ltd. (company stamp)

Signature: /s/ Zhen Zeng
Name: Zhen Zeng

[Signature Page to the Supplementary Agreement to Assets Transfer Agreement]

In witness whereof, this Agreement is signed by the duly authorized representatives of the following parties on the date first above written:

Tianjin Wuba Rongxin Information Technology Co., Ltd. (company stamp)

Signature: /s/ Ligang Chang
Name: Ligang Chang
Position:

Wuba (Shenzhen) Finance Lease Co., Ltd.

Signature: /s/ Fudong Zhou
Name: Fudong Zhou
Position:

Tianjin Wuba Jinfu Co., Ltd. (company stamp)

Signature: /s/ Jinbo Yao
Name: Jinbo Yao
Position:

Supplemental Agreement to Assets Transfer Agreement

This Supplemental Agreement to Assets Transfer Agreement (this "**Agreement**" or this "**Supplemental Agreement**") is made on April 23, 2020 by and between:

(14) **Kai Feng Finance Lease (Hangzhou) Co., Ltd.,** a limited liability company incorporated and existing in accordance with the laws of the People's Republic China, with its registered address at: Room 1814, Unit 1, Building 3, Wanda Commercial Center, Gongshu District, Zhejiang Province ("**Kai Feng**");

(15) **Youqin (Shanxi) Finance Lease Co., Ltd.,** a limited liability company incorporated and existing in accordance with the laws of the People's Republic of China, with its registered address at: Block A-702, Midwest Lugang Finance Town, No.99 Gangwu Avenue, International Harbor District, Xi'an, Shaanxi Province ("**Youqin**");

(16) **Youxin (Shanghai) Used Car Business Co., Ltd.,** a limited liability company incorporated and existing in accordance with the laws of the People's Republic of China, with its registered address at: Room D-09, Floor 2, Building 1, No.198 Huashen Road, China (Shanghai) Pilot Free Trade Zone ("**Youxin**");

(17) **Boyu Finance Lease (Tianjin) Co., Ltd.,** a limited liability company incorporated and existing in accordance with the laws of the People's Republic of China, with its registered address at: No. 565 Lanzhou Road (6-4-47 Haize Logistics Park), Tianjin Pilot Free Trade Zone (Dongjiang Bonded Port Area) ("**Boyu**");

(18) **Shenzhen Youxin Pengda Used Car Broker Co., Ltd.,** a limited liability company incorporated and existing in accordance with the laws of the People's Republic of China, with its registered address at: Door 5, Youxin Pengcheng Used Car Transaction Market, at the intersection of Chaguang Road and Shigu Road, Xili Street, Nanshan District, Shenzhen ("**Pengda**");

(19) **Chebole (Beijing) Information Technology Co., Ltd.,** a limited liability company incorporated and existing in accordance with the laws of the People's Republic of China, with its registered address at: Room 323609, Building 5, Yard 1, Futong East Street, Chaoyang District, Beijing ("**Chebole**");

(20) **Youfang (Beijing) Information Technology Co., Ltd.,** a limited liability company incorporated and existing in accordance with the laws of the People's Republic of China, with its registered address at: Room 323609, Building 5, Yard 1, Futong East Street, Chaoyang District, Beijing ("**Youfang**");

(21) **Youxin (Shanxi) Information Technology Group Co., Ltd.,** a limited liability company incorporated and existing in accordance with the laws of the People's Republic of China, with its registered address at: Block A-701, Midwest Lugang Finance Town, No.99 Gangwu Avenue, International Harbor District, Xi'an (**"Youxin Shanxi",** hereinafter referred to as **"Transferor"** individually or collectively with Kai Feng, Youqin, Youxin, Pengda, Autobole and Youfang);

(22) **Uxin Limited,** a limited liability company incorporated and existing in accordance with the laws of the Cayman Islands, with its registered office at the offices of Maples Corporate Services Limited at PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands ("**Uxin Cayman**");

(23) **The entities listed in Exhibit I** ("**Uxin Affiliates**", and each a "**Uxin Affiliate**"; Uxin Affiliates, Uxin Cayman and the Transferors are referred to as "**Uxin Group Companies**" and/or "**Guarantors**", and each a "**Uxin Group Company**" and/or "**Guarantor**");

(24) **Tianjin Wuba Rongxin Information Technology Co., Ltd.,** a limited liability company incorporated and existing in accordance with the laws of the People's Republic of China, with its registered address at: Room 1840-130, Floor 18, Baofeng Building, No. 3678, Xinhua Road, Tianjin Pilot Free Trade Zone (CBD) ("**Tianjin Wuba Rongxin**" or "**Transferee**");

(25) **Tianjin Wuba Jinfu Co., Ltd.,** a limited liability company incorporated and existing in accordance with the laws of the People's Republic of China, with its registered address at: Room 1902, Floor 19, Jinzuo Plaza, No.5 Meiyuan Road, Huayuan Industrial Zone, Binhai Hi-tech District, Tianjin ("**Tianjin Wuba Jinfu**"); and

(26) **Wuba (Shenzhen) Finance Lease Co., Ltd.**, a limited liability company incorporated and existing in accordance with the laws of the People's Republic of China, with its registered address at: Room 201, Building A, No.1 Qianwan Road (No. 1), Qianhai Shenzhen-Hong Kong Cooperation Zone, Shenzhen (resided in Shenzhen Qianhai Business Secretary Co., Ltd.) ("**Wuba Finance Lease**", hereinafter referred to as "**Wuba Parties**" collectively with Tianjin Wuba Rongxin and Tianjin Wuba Jinfu).

For the purpose herein, each of the undersigned parties listed above is referred to herein individually as a "Party" and collectively as the "Parties".

WHEREAS:

(3) The Parties hereto have entered into the Assets Transfer Agreement (the "**Assets Transfer Agreement**" as set forth in in Appendix II) on September 30, 2019. In accordance with such Assets Transfer Agreement, the Transferors agree to transfer the Underlying Assets (as defined in the Assets Transfer Agreement), as well as all corresponding rights and interests attached to such Underlying Assets, to the Transferee or its designated Persons.

(4) With respect to the assets transfer and closing under the Assets Transfer Agreement, the Parties agree, through friendly consultations, to amend and supplement the Assets Transfer Agreement accordingly and agree as follows.

Upon mutual agreement, the Parties hereby agree as follows:

7 Definitions Clause

1.9 Unless otherwise specified, any reference to a section, clause, list, exhibit or schedule of this Agreement is a reference to the section, clause, list, exhibit or schedule of this Agreement.

1.10 Any reference to a decree, statute, regulation or ordinance shall be construed as a reference to such decree, statute, regulation or ordinance as from time to time in force, as amended, replaced or re-enacted and shall include any subordinate legislation made under it.

1.11 Words such as “including” and other similar expressions are not intended to be restrictive and shall be construed as “including, without limitation.”

1.12 Words importing the singular shall include the plural and vice versa; words importing a gender shall include all gender meanings.

1.13 The table of contents and headings for this Agreement are for convenience only and do not affect in any way the content or interpretation of any term of this Agreement.

1.14 The appendices and schedules are integral parts of this Agreement and have the same effect as the main content of this Agreement. All references to this Agreement include the appendices and schedules.

1.15 References to writing or written shall include any mode of reproducing words in a legible and non-transitory form.

8 Supplementary Agreement

8.1 **Execution Arrangement of the XW Bank Contract and Disposal of the Underlying Assets**

(3) The Parties acknowledge and agree that, with respect to the Underlying Assets listed in the Appendix V Row B to the Assets Transfer Agreement of the Assets with Transferable Security Deposit, the relevant parties of the Transferors, relevant parties of the Transferee and the corresponding funding parties have entered into the financing parties agreement (i.e., the Rights and Obligations Transfer Agreement, the "**XW Bank Assets Transfer Agreement**") on November 6, 2019 in accordance with the Assets Transfer Agreement so as to satisfy the closing conditions in Article 4.5.13 of the Assets Transfer Agreement, and the Underlying Assets listed in Appendix V Row B to the Assets Transfer Agreement shall be the "Underlying Assets" referred to in the XW Bank Assets Transfer Agreement (the "**XW Bank Underlying Assets**").

(4) For the avoidance of doubt, notwithstanding any other provisions to the contrary in the Assets Transfer Agreement, with respect to the XW Bank Assets Transfer Agreement and the corresponding succeeding XW Bank Underlying Assets, the cut-off date of such XW Bank Underlying Assets shall be the date on which the XW Bank Assets Transfer Agreement is actually executed. I.e., with respect to the XW Bank Underlying Assets which are assumed by the Transferee through the execution of the XW Bank Assets Transfer Agreement, the date when such XW Bank Underlying Assets are transferred shall be the actual execution date of the XW Bank Assets Transfer Agreement, and the cut-off date of such XW Bank Underlying Assets under the Assets Transfer Agreement and other relevant provisions under the Assets Transfer Agreement and other Transaction Documents shall be adjusted to the date when the XW Bank Assets Transfer Agreement is actually executed.

8.2 **Disposal of Other Underlying Assets**

(1) The Parties acknowledge and agree to adjust the scope of the Assets with Transferable Security Deposit under the Assets Transfer Agreement and delete the assets corresponding to WeBank and Chouzhou Bank, i.e. the assets corresponding to all order numbers as listed in Appendix A to the Assets Transfer Agreement (the "**WeBank Assets**") and the assets corresponding to all order numbers as listed in Appendix VC to the Assets Transfer Agreement (the "**Chouzhou Assets**") will not be transferred as the Underlying Assets. The Parties acknowledge and agree that the scope of the Assets with Transferable Security Deposit shall only refer to the XW Bank Underlying Assets.

(2) Upon the execution of this Agreement, Article 2.2(9) of the Assets Transfer Agreement is amended and replaced in its entirety as follows:

The Underlying Interest Income Payable to Banks shall only include the interest income payable to banks with respect to the XW Bank Underlying Assets, and shall be implemented according to the way and mechanism for carrying on such Underlying Interest Income Payable to Banks as agreed in the XW Bank Assets Transfer Agreement.

(3) From the date hereof, provisions of Articles 2.2(2) to 2.2(7), Articles 2.2(8) (to the extent not applicable to the XW Bank Underlying Assets) and Article 2.4 of the Assets Transfer Agreement shall automatically terminate and be no longer legally binding upon the Parties.

For the avoidance of doubt, from the date hereof, the definition of "Underlying Assets" under Article 1.1 of the Assets Transfer Agreement shall be adjusted to: "'Underlying Assets' shall mean the XW Bank Underlying Assets and the Underlying Intellectual Property Rights." The terms relating to the Underlying Assets under the Assets Transfer Agreement shall only be understood, agreed upon, observed and enforced with respect to the XW Bank Underlying Assets and the Underlying Intellectual Property Rights.

(4) In consideration of the adjustments made in this Agreement to the scope of the "Underlying Assets" under the Assets Transfer Agreement, the Parties acknowledge and confirm that, after the Closing Date, the Transferors and Uxin Group Companies will continue to hold, dispose of and operate the WeBank Assets (as defined herein), the Chouzhou Assets (as defined herein), the Underlying Overdue Repurchased Assets (as defined in the Assets Transfer Agreement), the Underlying Self-Held Assets (as defined in the Assets Transfer Agreement), the Underlying Repurchased Assets Upon Repayment (as defined in the Asset Transfer Agreement), the Underlying Repurchased Assets (as defined in the Asset Transfer Agreement), the Underlying Re-Transferred Assets (as defined in the Asset Transfer Agreement), the Underlying ICBC Loan Facilitation Assets (as defined in the Assets Transfer Agreement) and the Underlying Prepayment.

9 Taxes and Fees

Unless otherwise provided for herein, the Transferors shall jointly and severally bear any taxes and fees arising out of this Transaction and in connection with the arrangements contemplated hereby, while Wuba Parties and their designated person shall not bear any taxes and fees arising out of this Transaction and the arrangements contemplated hereby.

10 Representations and warranties

Representations and Warranties of the Parties. Each Party hereto represents and warrants to the other Parties as of the execution date and the Closing Date as follows:

10.1.1 Such Party is a company duly registered and validly existing under applicable Laws;

10.1.2 The execution and delivery of the Transaction Documents, performance of all obligations under the Transaction Documents and consummation of the Transaction Documents and other actions by such Party have been made by all necessary actions and have obtained full and necessary authorization; such Party has full capacity for civil conduct and civil rights to execute the Transaction Documents, perform all obligations thereunder and consummate the Transaction Documents; upon execution, the Transaction Documents shall be legally binding upon such Party;

10.1.3 The execution of this Agreement and other Transaction Documents by such Party does not conflict with its articles of association or any contracts or documents to which it is a party, nor does it violate any court judgments, arbitration awards or decisions of any administrative authorities.

11 Modification and Termination

11.1 This Agreement may be amended or modified by the Parties through mutual consultation. Any amendment or modification shall be made in writing and become effective upon execution by the Parties hereto.

11.2 This Agreement may be terminated in any of the following circumstances:

11.2.1 By mutual written consent of the Parties;

11.2.2 Upon termination or rescission of the Assets Transfer Agreement.

11.3 After termination of this Agreement, all rights and obligations of the Parties hereunder shall terminate. A Party shall have no other right of claim against the other Parties under this Agreement or for the rescission of this Agreement, except for the liabilities arising from breach of this Agreement.

12 Miscellaneous

12.1 This Agreement shall become effective upon signature or seal by the Parties.

For matters not covered by this Agreement, the Parties shall enter into a supplementary agreement through consultations. Such supplementary agreement shall have the same legal effect as this Agreement. Modification of this Agreement shall be made in writing through consultations and become effective on the date when the Parties affix their signatures or seals to this Agreement.

12.2 None of the Parties shall assign their respective rights and obligations under this Agreement to any third party without the prior written consent from the other Parties.

12.3 This Agreement represents the entire agreement of the Parties with respect to the subject matter hereof and supersedes and replaces any other written or oral agreement or document executed by the Parties with respect to the subject matter hereof. The Parties acknowledge and agree that, in the event of any conflict or discrepancy between the Assets Transfer Agreement and this Agreement, this Agreement shall prevail with respect to the rights and obligations of the Parties. Except for the supplement, amendment and update to the Assets Transfer Agreement as provided in Section 2 hereof, the other terms of the Assets Transfer Agreement shall remain effective and legally binding upon the parties hereto.

12.4 If any term of this Agreement is void or unenforceable due to any applicable Law, such term shall be deemed to have never existed and the validity of other terms of this Agreement shall not be affected. The Parties hereto shall negotiate and agree upon the new provisions to the extent compliance with the Laws so as to ensure that the original provisions are fulfilled to the greatest extent possible.

12.5 No delay or omission by any Party to exercise any right, power or remedy accruing to any other Party upon any breach or default of this Agreement, shall impair such right, power or remedy of such Party nor shall it be construed to be a waiver of such breach or default, or an acquiescence therein, or of or in any other breach or default theretofore or thereafter occurring. Any waiver, permit, consent, approval of breach or default of any nature or character of this Agreement, or any waiver of any terms or conditions of this Agreement, must be in writing and shall be effective only to the extent set forth in such writing. Any remedies provided for in this Agreement or by Law or otherwise to any party, shall be cumulative, and not alternative but exclusive.

12.6 Expense. Unless otherwise agreed in this Agreement, each Party shall bear its own expenses (including but not limited to professional service fees such as auditing, finance and legal and other expenses) arising from or in connection with the transaction contemplated herein.

12.7 “Section 8 Liabilities for Breach”, “Section 10 Confidentiality”, “Section 11 Governing Laws and Dispute Resolution” and “Section 12.7 Notice and Service” of the Assets Transfer Agreement shall be applicable to this Agreement in the same manner.

12.8 In the event that a separate agreement is executed in accordance with the forms of the governmental authorities is required for the purpose of requesting performance of a specific act from any Governmental Authority in connection with the transactions contemplated by this Agreement, this Agreement shall have full priority over such separate agreement and such agreement may only be used to request performance of such specific act from the Governmental Authority and shall not be used to establish and prove the rights and obligations of relevant Parties with respect to the matters stipulated hereunder.

12.9 This Agreement is written in Chinese and executed in ten counterparts, five of which shall be held by the Transferors and Uxin Group Companies and five of which shall be held by Wuba Parties, all of which shall have the same effect.

[*The remainder of this page is intentionally left blank*]

[Signature Page to the Supplementary Agreement to Assets Transfer Agreement]

In witness whereof, this Agreement is signed by the duly authorized representatives of the following parties on the date first above written:

Kai Feng Finance Lease (Hangzhou) Co., Ltd. (company stamp)

Signature: /s/ Zhen Zeng
Name: Zhen Zeng

[Signature Page to the Supplementary Agreement to Assets Transfer Agreement]

In witness whereof, this Agreement is signed by the duly authorized representatives of the following parties on the date first above written:

Youqin (Shaanxi) Finance Lease Co., Ltd. (company stamp)

Signature: /s/ Xia Gao
Name: Xia Gao

[Signature Page to the Supplementary Agreement to Assets Transfer Agreement]

In witness whereof, this Agreement is signed by the duly authorized representatives of the following parties on the date first above written:

Youxin (Shanghai) Used Car Business Co., Ltd. (company stamp)

Signature: /s/ Xia Gao
Name: Xia Gao

[Signature Page to the Supplementary Agreement to Assets Transfer Agreement]

In witness whereof, this Agreement is signed by the duly authorized representatives of the following parties on the date first above written:

Boyu Finance Lease (Tianjin) Co., Ltd. (company stamp)

Signature: /s/ Zhen Zeng
Name: Zhen Zeng

[Signature Page to the Supplementary Agreement to Assets Transfer Agreement]

In witness whereof, this Agreement is signed by the duly authorized representatives of the following parties on the date first above written:

Shenzhen Youxin Pengda Used Car Broker Co., Ltd. (company stamp)

Signature: /s/ Yong Liu
Name: Yong Liu

[Signature Page to the Supplementary Agreement to Assets Transfer Agreement]

In witness whereof, this Agreement is signed by the duly authorized representatives of the following parties on the date first above written:

Uxin Limited

Signature: /s/ Kun Dai
Name: Kun Dai

[Signature Page to the Supplementary Agreement to Assets Transfer Agreement]

In witness whereof, this Agreement is signed by the duly authorized representatives of the following parties on the date first above written:

UcarEase Holding Limited

Signature: /s/ Kun Dai
Name: Kun Dai

In witness whereof, this Agreement is signed by the duly authorized representatives of the following parties on the date first above written:

GloryFin International Group Holding Company Limited
(錦融國際控股集團有限公司)

Signature: /s/ Zhen Zeng
Name: Zhen Zeng

In witness whereof, this Agreement is signed by the duly authorized representatives of the following parties on the date first above written:

HONGKONG QUEEN'S TECHNOLOGY CO., LIMITED
(香港皇后科技有限公司)

Signature: /s/ Kun Dai
Name: Kun Dai

[Signature Page to the Supplementary Agreement to Assets Transfer Agreement]

In witness whereof, this Agreement is signed by the duly authorized representatives of the following parties on the date first above written:

Shenzhen Chunxinboye Co., Ltd.

Signature: /s/ Kun Dai
Name: Kun Dai

[Signature Page to the Supplementary Agreement to Assets Transfer Agreement]

In witness whereof, this Agreement is signed by the duly authorized representatives of the following parties on the date first above written:

Minrui Finance Lease (Shenzhen) Co., Ltd. (official stamp)

Signature: /s/ Zhen Zeng
Name: Zhen Zeng

[Signature Page to the Supplementary Agreement to Assets Transfer Agreement]

In witness whereof, this Agreement is signed by the duly authorized representatives of the following parties on the date first above written:

Xi’an Youxin Pengjia Used Car Broker Co., Ltd. (company stamp)

Signature: /s/ Yukai Ren
Name: Yukai Ren

[Signature Page to the Supplementary Agreement to Assets Transfer Agreement]

In witness whereof, this Agreement is signed by the duly authorized representatives of the following parties on the date first above written:

Xi'an Youxin Pengxin Used Car Broker Co., Ltd. (company stamp)

Signature: /s/ Yukai Ren
Name: Yukai Ren

[Signature Page to the Supplementary Agreement to Assets Transfer Agreement]

In witness whereof, this Agreement is signed by the duly authorized representatives of the following parties on the date first above written:

Youyuan (Beijing) Information Technology Co., Ltd. (company stamp)

Signature: /s/ Zhen Zeng
Name: Zhen Zeng

[Signature Page to the Supplementary Agreement to Assets Transfer Agreement]

In witness whereof, this Agreement is signed by the duly authorized representatives of the following parties on the date first above written:

Youxinpai (Beijing) Information Technology Co., Ltd. (company stamp)

Signature: /s/ Zhen Zeng
Name: Zhen Zeng

[Signature Page to the Supplementary Agreement to Assets Transfer Agreement]

In witness whereof, this Agreement is signed by the duly authorized representatives of the following parties on the date first above written:

Youxin Hulian (Beijing) Information Technology Co., Ltd. (company stamp)

Signature: /s/ Zhen Zeng
Name: Zhen Zeng

[Signature Page to the Supplementary Agreement to Assets Transfer Agreement]

In witness whereof, this Agreement is signed by the duly authorized representatives of the following parties on the date first above written:

Yougu (Shanghai) Information Technology Co., Ltd. (company stamp)

Signature: /s/ Zhen Zeng
Name: Zhen Zeng

[Signature Page to the Supplementary Agreement to Assets Transfer Agreement]

In witness whereof, this Agreement is signed by the duly authorized representatives of the following parties on the date first above written:

Chebole (Beijing) Information Technology Co., Ltd. (company stamp)

Signature: /s/ Zhen Zeng
Name: Zhen Zeng

[Signature Page to the Supplementary Agreement to Assets Transfer Agreement]

In witness whereof, this Agreement is signed by the duly authorized representatives of the following parties on the date first above written:

Youfang (Beijing) Information Technology Co., Ltd. (company stamp)

Signature: /s/ Zhen Zeng
Name: Zhen Zeng

[Signature Page to the Supplementary Agreement to Assets Transfer Agreement]

In witness whereof, this Agreement is signed by the duly authorized representatives of the following parties on the date first above written:

Youxin (Shaanxi) Information Technology Group Co., Ltd. (company stamp)

Signature: /s/ Zhen Zeng
Name: Zhen Zeng

[Signature Page to the Supplementary Agreement to Assets Transfer Agreement]

In witness whereof, this Agreement is signed by the duly authorized representatives of the following parties on the date first above written:

Tianjin Wuba Rongxin Information Technology Co., Ltd. (company stamp)

Signature: /s/ Ligang Chang
Name: Ligang Chang
Position: Legal Representative

Wuba (Shenzhen) Finance Lease Co., Ltd.

Signature: /s/ Fudong Zhou
Name: Fudong Zhou
Position: Legal Representative

Tianjin Wuba Jinfu Co., Ltd. (company stamp)

Signature: /s/ Jinbo Yao
Name: Jinbo Yao
Position: Legal Representative

Exhibit 4.37

Beijing Youxin Fengshun Lubao Vehicle Auction Co., Ltd.
Beijing Fengshun Lubao Vehicle Auction Co., Ltd.
Zhejiang Dongwang Internet Technology Co., Ltd.

Equity Acquisition Agreement

January 15, 2020

CERTAIN INFORMATION HAS BEEN EXCLUDED FROM THE EXHIBIT BECAUSE IT IS NOT MATERIAL AND WOULD LIKELY CAUSE COMPETITIVE HARM TO THE COMPANY IF PUBLICLY DISCLOSED.

[*] indicates the redacted confidential portions of this exhibit.

This Equity Acquisition Agreement (hereinafter referred to as this "**Agreement**") enters into on the date of January 15, 2020 (the "**Execution Date**") in Chaoyang District, Beijing, by and among:

1. **Fairlubo Auction HK Company Limited ("Fairlubo HK"),** a company duly incorporated and existing in accordance with the laws of Hong Kong SAR of the People's Republic of China, with its company registration number of 2165173;

2. **Youxin Yishouche (Beijing) Information Technology Co., Ltd. ("Yishouche"),** a limited company incorporated and existing in accordance with the laws of the People's Republic of China ("**PRC**", for the purpose of this Agreement only, excluding Hong Kong SAR, Macao SPR and Taiwan), with its registered office at Room 323602, Floor 36, Building 5, Yard 1, Futong East Street, Chaoyang District, Beijing;

3. **Chebole (Beijing) Information Technology Co., Ltd.** ("**Chebole**", together with Fairlubo HK and Yishouche, the "**Sellers**"), a limited liability company incorporated and existing in accordance with laws of PRC, with its registered office at Room 323609, Building 5, Yard 1, Futong East Street, Chaoyang District, Beijing;

4. **Beijing Hengtai Boche Auction Co., Ltd.** (the **"Purchaser**"), a limited liability company incorporated and existing in accordance with Chinese laws, with its registered office at Room 311601, Building 5, Yard 1, Futong East Street, Chaoyang District, Beijing;

5. **Beijing Youxin Fengshun Lubao Vehicle Auction Co., Ltd. ("Youxin Lubao")**, a limited liability company incorporated and existing in accordance with Chinese laws, with its registered office at Room A51, Floor 4, No.26 Jia, East 3rd Ring North Road, Chaoyang District, Beijing; and

6. **Beijing Fengshun Lubao Vehicle Auction Co., Ltd. ("Fairlubo")** a limited liability company incorporated and existing in accordance with Chinese laws, with its registered office at Room 1416, Floor 14, Fengkai Wangyuan Technology Incubation Center (Wangyuan Building), No. 56 West 4th Ring South Road, Fengtai District, Beijing.

WHEREAS:

1. Uxin Limited (NASDAQ: UXIN, hereinafter referred to as **"Uxin Limited"**), a company registered in the Cayman Islands and a NASDAQ listed company. The Purchaser intends to acquire all of Uxin Limited's salvage car auction business and 100% equity interests in its entities in the PRC.

2. The Sellers disclose and warrant to the Purchaser that the relevant entities of Uxin Limited engaged in "salvage car auction business" in the PRC are the following three (3) companies (the **"Target Companies"**, collectively) and their subsidiaries:

   (1) Youxin Lubao, with its registered capital of US$35,000,000, and with Fairlubo HK being its sole shareholder holding 100% of its equity interests;

   (2) Fengshun Lubao, with its registered capital of RMB20,000,000, and with Yishouche being its sale shareholder holding 100% of its equity interests;

   (3) Zhejiang Dongwang Internet Technology Co., Ltd. (**"Dongwang Network"**), with its registered capital of RMB15,000,000, and with Chebole being its sole shareholder holding 100% of its equity interests.

3. The Purchaser intends to acquire 100% equity in the Target Companies (**this** "**Transaction**").

NOW, THEREFORE, the parties hereto reach this Agreement for binding, as follows:

Artile I Subject of the Transaction

1.1 The Purchaser agrees to acquire 100% equity interests of Youxin Lubao, Dongwang Network and Fengshun Lubao in accordance with this Agreement.

1.2 The Seller discloses and warrants to the Purchaser that:

(1) Youxin Lubao, Fengshun Lubao, Dongwang Network and their subsidiaries Zhejiang Dongchi Auction Co., Ltd. and their respective subsidiaries are all relevant entities directly or indirectly controlled by Uxin Limited to engage in the salvage car auction in the PRC.

The foregoing principal business of the Target Companies has remained basically unchanged From the Execution Date to the Handover Date and the date of completion of the SAMR re-registration.

1.3 The Sellers undertake that, except as disclosed in the disclosure letter (See Appendix 3), as of the Closing Date:

(1) The Sellers lawfully hold 100% of the equity interest in the Target Companies;

(2) The Sellers undertake that the Target Companies shall be transferred to the Purchaser in accordance with the provisions hereof;

(3) To the knowledge of the Sellers, there is no other circumstance that affects or may affect the Purchaser's ownership, exercise or disposal of all or part of equity interest and corresponding interest in the Target Companies;

(4) Except for equity pledge or encumbrance created in the VIE structure (which shall be released on or prior to the Closing Date), the Sellers have not carried out any mortgage, pledge, lien and other circumstances over the equity interest of the Target Companies restricting the transfer of any equity interest in such Target Company;

(5) Any document restricting this Transaction shall have been rescinded or terminated (including, without limitation, the termination of the VIE agreements entered into by and among the Target Companies, the Parties hereto and other parties thereto);

(6) To the knowledge of the Sellers, there is no pending litigation, arbitration and/or dispute, which materially affects or may materially affect this Transaction.

1.4 The Sellers covenant and warrant to the Purchaser that:

(1) Within five (5) years after the Execution Date, Uxin Limited, the Sellers and the de facto controller of Uxin Limited, Kun Dai (citizen of the People's Republic of China, ID card No.: * hereinafter referred to as "**Mr. DAI Kun**") shall not establish or entrust, directly or indirectly, any other entity to engage in the salvage car auction business in the PRC. However, the foregoing party shall not be deemed to breach the foregoing provision if the revenue generated in any calendar year from such entity that conducts salvage car auction business in the PRC resulting from occasional and undetected business activities by any of Uxin Limited, the Sellers or Mr. DAI Kun itself/himself, or by any entity that the foregoing person directly or indirectly establishes or entrusts , does not exceed 5% of the total revenue of such Person in any calendar year.

(2) If, within five (5) years after after the Execution Date of this Agreement, the Purchaser discovers that the revenue generated from the salvage car auction business in the PRC by Uxin Limited, the Seller and/or Mr. DAI Kun, or by any entity directly or indirectly established or engaged by the foregoing parties exceeds 5% of the total annual revenue of such person or entity in any calendar year, such entity shall be deemed as a Target Company hereunder. And the Purchaser may acquire such entity or business from the Sellers unconditionally and without paying any consideration or costs..

Artile II Total Transaction Price

2.1 The total price to acquire 100% equity interest in Dongwang Network, Youxin Lubao and Fengshun Lubao held by the Sellers shall be RMB [*] (the "**Total Transfer Price**", in words: Renminbi Three Hundred Thirty Million). The total transaction price to be allocated to each of the Target Companies is shown as follows:

Target company	Amount Allocated under the Total Transfer Price (RMB/Yuan)
YOUXIN LUBAO	[*]
Fengshun Lubao	[*]
Dongwang network	[*]
Total:	**[*]**

The Sellers shall have the right to adjust the Total Transfer Price allocated among Dongwang Network, YoYouxin Lubao and Fengshun Lubao, and the Purchaser shall cooperate with the Sellers in case the Sellers request the Purchaser to execute relevant legal instrument with respect to the adjustment to the price allocation.

2.2 The above Total Transfer Price is based on the following conditions:

(1) As of the date hereof, the Sellers has provided the Purchaser with true and complete basic information and financial statements of the Target Companies as of November 30, 2019 (the "**Statement Date**") (See details in Appendix I: Basic Information of the Target Companies and Appendix II: Financial Statements of the Target Companies);

The abovementioned financial statements shall include balance sheet, income statement and cash flow statement (collectively, the "**Financial Statements upon Execution**").

2.3 All taxes and expenses arising out of or in connection with this Transaction (the "**Taxes**") shall be borne by the Purchaser and the Seller respectively.

Artile III Transaction Procedures

3.1 **Payment of First Installment of Transaction Price**

(1) Within ten (10) Business Days after the Execution Date, the Purchaser shall pay the first installment of the transfer price, which amounts to 50% of the Total Transfer Price, i.e. RMB [*] (the "**First Installment**", in words: Renminbi [*] Million Yuan), to the bank account designated by the Sellers. The day on which the Purchaser pays the First Installment shall be the date of closing (the "**Closing Date**"). The First Installment shall be allocated to each of the Target Companies as follows:

Target company	First Installment Allocation Amount (RMB/Yuan)
Fengshun Lubao	[*]
Dongwang Network	[*]
Total:	**[*]**

(2) The bank account information designated by the Sellers is as follows:

Account Name: [*]

Bank: [*]

Account No.: *

3.2 **Handover of the Target Company**

(1) Within ten (10) Business Days after the Purchaser pays the First Installment, the Parties shall complete the handover of the Target Companies to the Purchaser, which shall include without limitation the handover of all assets and documents of the Target Companies including seals (company seal, contract seal and financial seal), licenses, certificates and accounting books (including the details of the balance sheet) and documents of the Target Companies (the "**Handover**").

(2) On the day when the Handover is completed, the Parties acknowledge that respective Seller and the Purchaser of each Target Company shall jointly execute a Handover List, the date of which shall be the "**Handover Date**".

3.3 **SAMR Re-Registration of the Target Company**

3.3.1 Within three (3) months after the Purchaser makes the First Installment, the Parties shall complete the re-registration with the State Administration for market Regulation (SAMR) for the transfer of 100% equity interests in Youxin Lubao and Fengshun Lubao to the Purchaser, change in the name of Youxin Lubao and Fengshun Lubao, and file the change of legal representative, directors, supervisors and senior management.

Within three (3) months after the Purchaser makes the First Installment, the Parties shall complete the re-registration with the SAMR for the transfer of 100% equity interests in Dongwang Network to the Purchaser and file the change of legal representative, directors, supervisors and senior management.

For the avoidance of doubt, the Sellers shall not be liable for breach of contract if the SAMR re-registration is delayed due to reasons attributable to one or both of the Purchaser and/or governmental authorities.

3.3.2 The Parties shall complete the procedures to change the company name of Youxin Lubao so that its company name does not contain the word "优信 (in Chinese)" and obtain the newly issued business license in accordance with the time requirements set forth in Article 3.3.1 hereof. As of the Closing Date, neither the Purchaser nor the Target Companies shall (and shall cause their affiliates not to) use, reproduce or disseminate any name, tradename, logo or logo containing the words "优信", "优信拍", "Uxin" and "Youxinpai" (including any part thereof) or confusing or misleading names, tradenames, logos and symbols relating to the Sellers for the purposes of publicity, marketing, operation or otherwise. Neither the Purchaser nor the Target Companies shall (and shall cause their Affiliates not to), directly or indirectly, represent that any Target Company or its Subsidiaries is the agent, representative, group member or affiliate of the Sellers or their Affiliates.

3.3.3 If the Purchaser fails to pay the Second Installment on schedule in accordance with Article 3.5 hereof, or this Transaction is terminated due to reasons attributable to the Purchaser, the Parties shall complete the SAMR re-registration for the Target Companies within thirty (30) days after the expiration of the payment period for the Second Installment or the termination of this Transaction (whichever occurs earlier), so as to restore the SAMR registration status of the Target Companies to the status before this Transaction. If this Agreement is rescinded or terminated solely due to reasons solely attributable to the Purchaser, the Purchaser shall bear the taxes and other governmental costs paid by the Sellers in connection therewith and fully compensate the Seller.

3.4 **Verification of Accounts**

The Purchaser shall complete the due diligence on the Target Companies and the verification of Financial Statements upon Execution before the payment of the Second Installment and within six (6) months after the date hereof (the "**Statement Verification Period**").

3.5 **Payment of the Second Installment**

The Second Installment shall be subject to the completion of the SAMR re-registration under Article 3.3.1 hereof. Subject to the satisfaction of completion of such SAMR re-registration, the Purchaser shall pay the second installment of the Total Transfer Price (the "**Second Installment**") within sixty (60) days after the completion of the SAMR re-registration or six (6) months after payment of the First Installment (whichever occurs earlier), i.e. RMB [*] (in words: Renminbi [*] Million) of the Total Transfer Price minus the aggregate amount of "Liabilities Assumed by the Seller" and "Untrue Assets and Creditor's Rights" as set forth in Article 5.4 hereof (if any). The Second Installment shall be allocated to each of the Target Companies as follows:

Target company	Second Installment Allocation Amount (RMB/Yuan)
Youxin Lubao	[*]
Dongwang Network	[*]
Total:	**[*]**

3.6 **Foreign Exchange Registration and Purchase and Payment**

The Purchaser shall, within thirty (30) days after the SAMR re-registration of Youxin Lubao, handle the procedures for cancellation of foreign exchange registration for the foreign-invested enterprise at the Foreign Exchange Bureau, purchase foreign currency at the bank and pay the transfer price of Youxin Lubao to the overseas account designated by Fairlubo HK within the time period stipulated in Article 3.5;

The other Parties hereto shall cooperate with the Purchaser to go through the formalities of cancellation of foreign exchange registration and purchase and payment of foreign exchange. If the foreign exchange registration cancellation procedures, purchase of and/or payment of foreign exchange are delayed due to reasons attributable to governmental authorities (such as process time), policies and/or the non-cooperation of the Parties hereto and without fault of the Purchaser, the Purchaser shall not be deemed to breach this Agreement. However, the Purchaser shall complete the procedures as soon as practicable, the other Parties shall assist him/her/it within their respective capacity.

3.7 **Adjustment to Transaction Structure**

If the Sellers desire to adjust the structure of this Transaction from the perspective of tax planning or other reasonable perspectives, the Purchaser shall give understanding and shall cooperate in proceeding with the adjusted structure in order for realization of the purpose of this Transaction (i.e. the completion of direct or indirect acquisition of the interests in the Target Companies).

Artile IV Assumption of Interests in the Target Companies

4.1 **Assets and Claims**

(1) As of the Handover Date, the assets, claims of the Target Companies since the establishment are assumed by the Purchaser;

(2) The Sellers must ensure the truthfulness and completeness of the assets and claims set forth in the Financial Statements upon Execution.

4.2 **Debts**

(3) The debts of the Target Companies arising after the Handover Date and debts arising before the Handover Date but disclosed in the Financial Statements upon Execution or disclosure letters shall be inherited by the Target Companies; provided that the matters expressly listed under items (a) and (b) of Article 4.2 (2) hereof shall be handled in accordance with Items (a) and (b) of Article 4.2 (2) hereof;

(4) Debts incurred prior to the Statement Date but not disclosed in the Financial Statements upon Execution or the disclosure letter shall be borne by the Sellers on a joint and several basis, except for the circumstances as expressly listed below: (a) any paid or outstanding debts arising from any litigation or arbitration to which any Target Company is a defendant or respondent from its date of incorporation to the date on which the Purchaser shall pay the Second Installment (inclusive) shall be borne by the Sellers on a joint and several basis (the amount of such debt shall be determined by an effective judgment/award issued by a court or arbitration tribunal, provided that such effective judgment/award could be rendered after the Payment Date of the Second Installment). The Target Companies shall act actively to protect their own rights and interests in the litigation and arbitration; and (b) if the Target Companies and their subsidiaries and branch offices are required by governmental authorities to make supplementary payment of social insurance and housing fund contributions and pay overdue fine and penalty before the “date on which the Purchaser shall pay the Second Installment” (inclusive) due to the reason that the Target Companies and their subsidiaries and branch offices fail to pay social insurance and housing fund contributions for their employees based on the actual salary level of employees, such costs shall be borne by the Sellers on a joint and several basis.

(5) Debts arising from the ordinary course of business after the Statement Date and prior to the Handover Date (including, without limitation, actual or estimated losses arising from the disposal of vehicles) and other debts that the Purchaser has agreed to waive (i.e. the debts listed in the disclosure letter in Appendix III) shall be borne by the Purchaser. Any debt in excess of RMB[*] (in words: Renminbi [*] million) incurred in the ordinary course of business shall be borne by the Sellers on a joint and several basis;

(6) Except for the secured indebtedness disclosed in this disclosure letter (if any), all undisclosed secured indebtedness of the Target Companies arising prior to the Statement Date shall be borne by the Seller on a joint and several basis.

Artile V Verification and Adjustment of Financial Data

5.1 The Purchaser shall complete verification and confirmation of the Financial Statements upon Execution within the Statement Verification Period, and any dispute shall be settled as follows.

5.2 If the Purchaser does not raise written objection within the Statement Verification Period, it shall pay all the remaining Total Transaction Price in accordance with Article 3.5 herein.

5.3 Variation Treatment

5.3.1 If, in the opinion of the Purchaser, there is a discrepancy between the Financial Statements upon Execution and the actual circumstances (such "Discrepancy" means that the Target Companies have "Liabilities Assumed by the Seller" and "Untrue Assets and Creditor's Rights" as described in Article 5.4 hereof), the Purchaser shall raise written objections to Yishouche among the Sellers during the Statement Verification Period (Yishouche acknowledges that the Purchaser is not required to raise any objection to all other Sellers and the other Sellers acknowledge the feedback from Yishouche on the written objection) with reasonable evidence (if it is a question of fact) or explanation attached. For the avoidance of doubt, the debts disclosed in this Disclosure letter and the matters relating to the conversion of debt to equity shall not be taken into account of the above difference amount; provided that the matters expressly listed in items (a) and (b) of Article 4.2(2) hereof shall be handled and taken into account of the above difference amount in accordance with items (a) and (b) of Article 4.2 (2) hereof.

5.3.2 If the Purchaser raises any difference amount to Yishouche, then:

(1) Yishouche shall reply in writing whether it acknowledges such difference or not after receiving the written objection issued by the Purchaser;

(2) If Yishouche acknowledges such difference in whole or in part in its written reply, the Purchaser shall have the right to deduct such amount of difference from the Second Installment and pay the balance of the Total Price after deduction to such bank account as designated by the Sellers herein or other bank account as designated by the Seller then;

(3) If Yishouchen replies in writing not to accept such difference in whole or in part within the foregoing period, the recognized difference shall be implemented according to Article 5.3.2(2) above and the non-recognized difference shall be reviewed by an accounting firm jointly selected by Yishouche and the Purchaser.

If Yishouche and the Purchaser fail to select an accounting firm within twenty (20) business days after the written objection is raised, they shall select one frim from PricewaterhouseCoopers, Deloitte, KPMG and Ernst & Young to conduct the review. The expenses for such review shall be borne by the Party against whom the review results are negative. The review results made by the firm selected in accordance with the aforesaid methods shall be binding upon the Sellers and the Purchaser.

5.3.3 If the difference acknowledged by the Parties is more than RMB [*] (in words: Renminbi [*] million), the Purchaser shall have the right to deduct up to RMB [*] from the Second Installment as full compensation.

5.3.4 The actions and expressions made by Yishouche in accordance with this Article 5.3 shall be deemed as unanimously agreed by all the Sellers, and shall be acknowledged by each of the Sellers.

5.4 The definitions of “Liabilities Assumed by the Seller” and “Untrue Assets and Creditor’s Rights” are as follows:

(1) “Debts Assumed by the Seller” means the debts to be assumed by the Seller in accordance with Article 4.2(2) hereof;

(2) “Untrue Assets and Creditor’s Rights” means the assets and creditor’s rights disclosed in the Financial Statements upon Execution but do not actually not exist.

Artile VI Breach and Termination

6.1 If the Purchaser fails to pay one or more installments of transfer price due to reasons solely attributable to the Purchaser, the Purchaser shall be deemed to commit a breach of contract and shall pay the liquidated damages equivalent to 1% of the outstanding amount to one payee designated by all Sellers for each day of delay. If the First Installment or the Second Installment is overdue for five (5) days or more, the Sellers shall have the right to immediately terminate this Agreement and this Transaction (such termination shall not affect the claim of liabilities for breach by the Sellers against the Purchaser), and the Purchaser shall pay the Sellers liquidated damages in the amount of 10% of the Total Transfer Price.

6.2 The Seller shall be deemed to breach this Agreement in the event of the occurrence of one or more of the following circumstances and shall pay the Purchaser joint and several liquidated damages in the amount of 1% of the Total Transfer Price actually paid by the Purchaser for each day of delay. If the payment is overdue for more than five (5) days, the Sellers shall, jointly and severally, pay the Purchaser liquidated damages in the amount of 10% of the Total Transfer Price:

(1) if the Handover fails to complete within the time limit stipulated by Article 3.2 hereof due to reasons solely attributable to the Sellers; for the avoidance of doubt, it shall not be deemed as breach of contract under this Article if the Sellers have delivered the assets and documents set forth in Article 3.2 hereof but the Handover is overdue due to further communication, confirmation or supplement made by the Parties with respect to such assets and documents;

(2) if the Sellers fail to complete the SAMR re-registration of any one or more Target Companies (including Dongwang Network) within the time limit set forth in Article 3.3 hereof due to unilateral reason of the Sellers; and

(3) except for the equity pledge or encumbrance created for the VIE structure (which shall be released on or prior to the Closing Date), if the equity interests of any one or more Target Companies (including Dongwang Network) are subject to seizure, pledge, litigation, arbitration and other circumstances restricting the transfer and this Transaction and such circumstance fails to be rectified 30 days after the Purchaser's written notice.

Notwithstanding the foregoing, in the occurrence of one or more of the above circumstances, if the Purchaser confirms that such circumstance does not constitute breach by the Sellers, the Sellers shall not be liable for any such circumstance to the Purchaser, and the Purchaser shall not claim for rescission or termination of this Agreement.

6.3 The Sellers shall be jointly and severally liable to the Purchaser for its respective obligations hereunder.

6.4 Discharge or Termination

(1) After the termination of this Agreement, unless otherwise agreed upon by the Parties, each Party hereto shall refund the transfer price or equity interest in the Target Companies received from the other Party hereunder based on the principles of fairness, reasonableness, honesty and credibility and try to restore to the status when this Agreement is executed.

(2) If this Agreement is rescinded or terminated due to reasons attributable to the Sellers, the Sellers shall refund all amounts paid by the Purchaser, and the Purchaser shall transfer back the equity interests in the Target Companies (if the equity interests in the Target Companies have been transferred to the Purchaser) to the Seller and complete transfer rescission/reversal procedures only after the Sellers have paid liquidated damages or other fees payable.

(3) If this Agreement is rescinded or terminated due to reasons attributable to the Purchaser, the Purchaser shall first transfer back the equity interests in the Target Company (if the equity interests in the Target Companies have been transferred to the Purchaser) to the Seller and complete the transfer rescission/reverse procedures (and bear taxes and fees arising therefrom), and shall refund the full price paid by the Purchaser only after the Sellers have paid liquidated damages and other fees payable.

Artile VII Governing Law and Dispute Resolution

7.1 This Agreement and the documents attached hereto are governed by PRC law.

7.2 All disputes arising from the implementation of this Agreement or in connection with this Agreement shall be settled by the Parties through friendly consultation. If such consultation fails, any Party shall submit the dispute to the China International Economic and Trade Arbitration Commission for arbitration in Beijing in accordance with the Commission's arbitration rules in effect at the time of applying for arbitration. The arbitral award is final and shall be binding upon both parties.

7.3 During the period when a dispute is being resolved, the Parties shall continue to respectively have the remaining rights and perform the remaining obligations under this Agreement.

Artile VIII NOTICES AND DELIVERY

8.1 Any notice or other communication in connection with this Agreement from one Party to the other Parties ("**Notice**", including litigation or arbitration proceedings or judicial documents of other nature, shall be in writing and served on the Party to be notified at the following mailing address or mailing number or e-mail address. No notice shall be effective unless it contains the name of any of the following contact persons.

If to the Target Companies (prior to the Handover Date) or the Sellers:

Address: 4/F, Zone E, Lixingxing Center, No. 8 Wangjing Guangshun South Street, Chaoyang District, Beijing
Postal code: 100102
Phone: *
E-mail: *
Attention: ZENG Zhen

If to the Target Companies (after the Handover Date) or the Purchaser:

Address: Wangjing SOHO Center, No. 10 Wangjing Street, Chaoyang District, Beijing (1-16/F, Tower 3-A)
Postal code: 100102
Telephone: *
E-mail: *
Attention: HE Yaling

8.2 The delivery times for the various communication methods described in this Article 8 shall be determined in the following ways:

(4) If delivered in person, when received and signed by the person to be notified;

(5) All the notices by mailing shall be given by registered mail or express mail. The notices by registered express mail shall be deemed to have been given to the senders on the seventh (7th) day after the notices are posted, and notices by express mail shall be deemed to have been given when the receivers sign the same.

(6) Notices given by mail shall be deemed delivered when the email system shows that the party to be notified actually receives the notice.

8.3 If either Party changes the above mailing address or contact information (the "Changing Party"), it shall notify the other Party within seven (7) days after the occurrence of such change. If the Changing Party fails to notify the other Party of the same in a timely manner, it shall bear the losses arising from such failure.

8.4 The scope of communication for any Party includes all notices, agreements and other documents made during the performance of this Agreement, as well as the service of relevant legal documents in the first instance, second instance, retrial and enforcement procedure after the occurrence of a dispute relating to this Agreement.

Artile IX Information Disclosure

9.1 The terms and detailed rules regarding this Agreement and its exhibits and schedules (including all terms and provisions and the existence of this Agreement as well as any relevant share transfer documents) shall be treated as confidential information and shall not be disclosed by the Parties to any third party unless otherwise specified.

9.2 After the Execution Date, if any Party intends to disclose the content and relevant matters of this Agreement to the public at press conference, industry or professional media or marketing materials or by other means, such Party shall negotiate with the other Parties in advance to confirm the publicity plan of unified publicity (including without limitation the scope of information disclosable and the contents of press release). Without the prior written consent of the other Parties, no Party shall disclose the information beyond the propaganda plan confirmed by the other Parties.

9.3 The restrictions above shall not apply to the information disclosed when the following circumstances occur:

(1) the information is required to be disclosed or used according to applicable laws or any regulatory authorities;

(2) the disclosure or use is required for the purpose of any judicial proceedings arising out of this Agreement or any other agreements entered into pursuant to this Agreement or the relevant matters reasonably disclosed to taxation authorities;

(3) the disclosure is made to professional advisors of the Parties, provided that the Parties shall require such professional advisors to comply with provisions of this Article IX regarding such confidential information as if they were a Party to this Agreement;

(4) the information falls into the public domain not due to reasons attributable to each Party hereto;

(5) the disclosure or use has been approved in advance and in writing by the other Parties.

If information is disclosed for the reasons (1) and (2) above, the disclosing Party shall discuss with other Parties about the relevant disclosure and submission at a reasonable time before the disclosure or submission of information and shall give confidential treatment to the part of the information disclosed or submitted by the receiving Party to the extent possible under the circumstance that other Parties request the disclosure or submission of information.

Artile X SUPPLEMENTARY PROVISIONS

10.1 Headings used in this Agreement are inserted for reference purposes only and shall not affect the meaning or interpretation of any term of this Agreement.

10.2 This Agreement, the other transaction documents and their schedules and exhibits constitute the entire agreement of the Parties with respect to this Transaction and supersede any prior agreement, letter of intent, framework agreement, memorandum of understanding, representation or other obligation of the Parties with respect to this Transaction, whether written or oral (including all forms of communication), and this Agreement (including any amendments or modifications thereto and the other transaction documents) constitutes the sole and entire agreement of the Parties with respect to the subject matters hereunder.

10.3 If any term or provision of this Agreement shall be invalid or unenforceable under applicable PRC Law, such term or provision shall be deemed to have never existed and shall not affect the validity of any other term or provisions of this Agreement. The Parties shall negotiate and agree on the new provisions within the scope of lawfulness so as to ensure that the original provisions are fulfilled to the greatest extent possible.

10.4 None of the Parties may assign or transfer any of its rights or obligations under this Agreement without the prior written consent of the other Parties.

10.5 Unless otherwise provided for by this Agreement, failure or delay on any Party to exercise any rights, powers or privileges under this Agreement shall not operate as a waiver thereof, nor shall any single or partial exercise of such rights, powers or privileges preclude exercise of any other rights, powers and privileges.

10.6 This Agreement may be amended or modified by the Parties through mutual consultation. Any amendment or modification shall be made in writing and become effective upon due execution by the Parties hereto.

10.7 The Parties agree that, for the purpose of smooth registration of equity change in the Target Companies, this Agreement shall prevail if the filing documents recommended by the SAMR or other authorities fail to reflect the rights and obligations of the Parties

hereto truly, accurately and completely. In the event of any conflict between such filing documents and this Agreement, this Agreement shall prevail. The Parties hereto shall continue to be bound by this Agreement, and may not refuse to perform their obligations hereunder due to the reason that this Agreement has not been filed.

10.8 This Agreement may be executed in more than one counterpart and each counterpart shall be of the same legal effect.

10.9 The schedules and appendixes of this Agreement are integral parts of this Agreement and are complementary to and have the same legal effect as the text of this Agreement.

10.10 This Agreement shall be effective upon due signing or sealing by the Parties hereto.

[Remainder of this page is intentionally left blank/Signature page to follow]

[The signature page of Equity Acquisition Agreement only]

Fairlubo Auction HK Company Limited

Signature: /s/ Kun Dai
Name: Kun Dai
Title: Legal Representative

/s/ Chebole (Beijing) Information Technology Co., Ltd.
Chebole (Beijing) Information Technology Co., Ltd. (company stamp)

/s/ Youxin Yishouche (Beijing) Information Technology Co., Ltd.
Youxin Yishouche (Beijing) Information Technology Co., Ltd. (company stamp)

SIGNATURE PAGE

[The signature page of Equity Acquisition Agreement only]

/s/ Beijing Hengtai Boche Auction Co., Ltd.

Beijing Hengtai Boche Auction Co., Ltd. (company stamp)

SIGNATURE PAGE

[The signature page of Equity Acquisition Agreement only]

/s/ Beijing Youxin Fengshun Lubao Vehicle Auction Co., Ltd.

Beijing Youxin Fengshun Lubao Vehicle Auction Co., Ltd. (company stamp)

/s/ Beijing Fengshun Lubao Vehicle Auction Co., Ltd.

Beijing Fengshun Lubao Vehicle Auction Co., Ltd. (company stamp)

SIGNATURE PAGE

Exhibit 4.38

Assets and Business Transfer Agreement

March 24, 2020

CERTAIN INFORMATION HAS BEEN EXCLUDED FROM THE EXHIBIT BECAUSE IT IS NOT MATERIAL AND WOULD LIKELY CAUSE COMPETITIVE HARM TO THE COMPANY IF PUBLICLY DISCLOSED.

[*] indicates the redacted confidential portions of this exhibit.

Table of Contents

Assets and Business Transfer Agreement

This Assets and Business Transfer Agreement (this **"Agreement"**) entered into on March 24, 2020 in Beijing by and between:

(1) **Youxinpai (Beijing) Information Technology Co., Ltd.,** a limited liability company incorporated and existing in accordance with the laws of the People's Republic of China, with its registered address at Room 323610, Floor 36, Building 5, Yard 1, Futong East Avenue, Chaoyang District, Beijing (**"Youxinpai IT"**);

(2) **Youxin Internet (Beijing) Information Technology Co., Ltd.,** a limited liability company incorporated and existing in accordance with the laws of the People's Republic of China, with its registered address at Room 532, Floor 5, Southern Building, Block C, No.2 Kexueyuan South Road, Haidian District, Beijing (**"Uxin Network"**);

(3) **Youhan (Shanghai) Information Technology Co., Ltd.,** a limited liability company incorporated and existing in accordance with the laws of the People's Republic of China, with its registered address at Room 105-37, Floor 1, Building 2, No.38 Debao Road, China (Shanghai) Pilot Free Trade Zone (**"Youhan"**);

(4) **Shenzhen Uxin Pengcheng Used Car Trading Market Co., Ltd.,** a limited liability company incorporated and existing in accordance with the laws of the People's Republic of China, with its registered address at the intersection of Chaguang Road and Shigu Road, Xili Street, Nanshan District, Shenzhen (within the vehicle exhibition space of Youxinpai) (**"Uxin Pengcheng"**);

(5) **Uxin Data-sharing (Beijing) Information Technology Co., Ltd.,** a limited liability company incorporated and existing in accordance with the laws of the People's Republic of China, with its registered address at Unit 1501, Floor 15, Building 3, Chengying Center, No.5 Laiguangying West Road, Chaoyang District, Beijing (**"Uxin Data-sharing"**);

(6) **Yougu (Shanghai) Information Technology Co., Ltd,** a limited liability company incorporated and existing in accordance with the laws of the People's Republic of China, with its registered address at Room 368, Part 302, No.211 Fute North Road, China (Shanghai) Pilot Free Trade Zone (**"Yougu"**);

(The entities listed in (1) to (6) above are referred to as the **"Transferor"** individually and the **"Transferors"** collectively)

(7) **Uxin Limited,** a company incorporated and existing under the laws of the Cayman Islands, with its registered address at the offices of Maples Corporate Services Limited at PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands (**"Uxin Cayman"**);

(8) **The entities listed in Appendix I** (these entities, the Transferors and Uxin Cayman are referred to as the **"Warrantor"** individually and the "**Warrantors**" collectively);

(9) **Kun Dai,** a Chinese citizen, whose ID card number is *;

(10) **Beijing 58 Paipai Information Technology Co., Ltd.,** a limited liability company incorporated and existing in accordance with the laws of the People's Republic of China, with its registered address at Room 406, Floor 4, College Park, Dongsheng Science & Technology Park, Zhongguancun, No.A18, Xueqing Road, Haidian District, Beijing (the **"Transferee"**).

(11) **Beijing 58 Information Technology Co., Ltd.,** a limited liability company incorporated and existing in accordance with the laws of the People's Republic of China, with its registered address at Room 301, Floor 3, Colledge Park, Dongsheng Science & Technology Park, Zhongguancun, No.A18, Xueqing Road, Haidian District, Beijing (**"58 Information"**).

In this Agreement, each of the Parties is referred to as a "**Party**" and collectively, the "**Parties**".

WHEREAS:

(1) Each Transferor intends to transfer all the Underlying Assets (as defined below) and Underlying Business which are in its name or to which it has title and all corresponding rights and interests attached to such Underlying Assets and Underlying Business to the Transferee pursuant to the Agreement.

(2) The Transferee and/or other Persons designated by the Transferee intend to purchase from the Transferors the Underlying Assets and the Underlying Business which are owned by such Transferors and which shall be accepted by the Transferee in accordance with this Agreement, and enter into this Agreement with the other Parties with respect to such matters.

NOW THEREFORE, the Parties hereby agree as follows:

Article 1 . Definitions

1.1 For the purpose herein, the following terms shall have the meaning assigned to them respectively hereunder, unless otherwise definition is given in the text of this Agreement:

"Underlying Business" shall mean the business which provides B-end customers with channels to dispose used cars and/or provides B-end customers with channels to purchase used cars by the method of auction, and other business which provides services to B-end customers by the same method. For the avoidance of doubt, the Underlying Business does not include the salvage car business, new car business, C2B Business and the nationwide purchase of used cars business operated by Uxin Group Company.

"C2B Business" shall mean the business of car service platforms which provide C-end customers with convenient channels to sell cars and B-end sellers with channels to purchase cars.

"Underlying Contracts" shall mean a series of contracts in connection with the Underlying Business entered into by the Transferors and the counterparties of such contracts for the purpose of the operation of the Underlying Business and acknowledged by the Transferors and the Transferee as within the scope of the Underlying Assets, which shall include the contracts entered into offline and/or online by e-signatures as listed in Appendix II and the online user contracts not listed in Appendix II but relate to the Underlying Business. The Appendix II shall be updated before the Second Installment of the Transfer Consideration to include the contracts executed after the execution date of this Agreement which relate to the Underlying Business and which are acknowledged by the Transferors and the Transferee as within the scope of the Underlying Assets and to reflect the updates of the contracts listed in the Appendix since the execution date of this Agreement. For the avoidance of doubt, in any event, the scope of the Underlying Contracts shall be mutually agreed by the Transferors and the Transferee.

"Underlying Customer Relationships" shall mean the customer relationships which without any written agreement developed during the operation of the Underlying Business between the Transferors and the relevant upstream or downstream customers, as listed in Appendix XXII.

"Underlying Intellectual Property Rights" shall mean the Intellectual Property Rights owned by the Transferors for the purpose of operating the Underlying Business, including without limitation, Underlying Trademarks, Underlying Domain Names, Underlying WeChat Accounts, Underlying Copyrights, Underlying Patents, Underlying Platform Accounts and other Underlying Intellectual Property Rights as mutually agreed by the Transferors and the Transferee.

"Underlying Copyrights" shall mean the copyright owned by the Transferors for the purpose of operating the Underlying Business, as listed in Appendix III of this Agreement.

"Underlying Patents" shall mean the patents and patent application right owned by the Transferors for the purpose of operating the Underlying Business, as listed in Appendix IV of this Agreement.

"Underlying Domain Names" shall mean the domain names owned by the Transferors for the purpose of operating the Underlying Business, as listed in Appendix V of this Agreement.

"Underlying Trademarks" shall mean the trademarks and trademark application rights owned by the Transferors for the purpose of operating the Underlying Business, as listed in Appendix VI of this Agreement.

"Underlying Platform Accounts" shall mean the platform accounts in relation to the Underlying Business as listed on Appendix VII of this Agreement.

"Underlying WeChat Accounts" shall mean the WeChat accounts owned by the Transferors for the purpose of operating the Underlying Business, as listed in Appendix VIII of this Agreement.

"Underlying Technologies and Systems" shall mean the technologies and systems owned by the Transferors for the purpose of operating the Underlying Business, as listed in Appendix IX.

"**Other Underlying Intellectual Property Rights"** shall mean other Intellectual Property Rights owned by the Transferors for the purpose of operating the Underlying Business as mutually agreed by the Transferors and the Transferee (including, without limitation, the data and information relating to the Underlying Business, risk control data, blacklist and operating data relating to the operation of the Underlying Business and other data and information relating to the Underlying Business).

"Underlying Deposits" shall mean the deposits in connection with the Underlying Business, as listed in Appendix X of this Agreement.

"Underlying Assets" shall mean the Underlying Contracts, Underlying Intellectual Property Rights, Underlying Technologies and Systems, Underlying Deposits and Underlying Customer Relationships. For the avoidance of doubt, the Underlying Assets accepted by the Transferee in accordance with the Agreement shall be in compliance with the receiving logic and principle set forth in Appendix XI of this Agreement, and the list of such accepted Underlying Assets shall be confirmed by the Transferors and the Transferee on or prior to the payment date of the Second Installment of the Transfer Consideration.

"Laws" shall mean laws, regulations, ordinances, provisions, detailed rules, standards, orders, provisions or regulatory documents of the PRC or other jurisdictions.

"**Encumbrance"** shall mean any security interest, pledge, mortgage, lien (including without limitation the right of cancellation and right of subrogation), lease, license, encumbrance, preferential arrangement, restrictive covenant, condition or restriction of any kind, including without limitation any restriction on the use, voting, transfer, receipt of income or exercise of any other attributes of ownership.

"Business Day" shall mean a day other than a Saturday, Sunday or statutory holiday on which banks in China, Hong Kong or the United States are open to the public.

"Affiliates" shall mean Affiliate Enterprises and Affiliate Individuals. "**Affiliated Enterprises**" shall mean any Person that directly or indirectly Controls a party, are Controlled by a party, or are under the common Control of another party with other parties. "**Affiliated Individual**" shall mean close relatives of natural persons, including parents, spouses, siblings and their spouses, adult children and their spouses. For the avoidance of doubt, the Affiliate of the Transferee shall include, without limitation, 58.com Inc. and its directly or indirectly controlling Persons within and outside the PRC.

"Transaction Documents" shall mean this Agreement and the Appendixes attached of this Agreement, the Business Cooperation Agreement (as defined in Article 4.3.13) and other legal documents relating to this Transaction and other resolutions and other legal documents relating to this Transaction.

"Control", with respect to the relationship between or among two or more Persons, shall mean the possession, directly or indirectly or as trustee or executor, of the power to direct or cause the direction of the affairs, business, management or decisions of another Person, this Control may be exercised through ownership of equity interest, voting or voting securities, as trustee or executor, by contract, agreement arrangement, trust arrangement or otherwise.

"Big Four" shall mean PricewaterhouseCoopers, Deloitte Touche Tohmatsu, Ernst & Young, and KPMG.

"U.S. Dollars" shall mean **US$**, or the official currency of the United States of America.

"GAAP" shall mean the laws, regulations, rules, provisions, standards and systems promulgated by the relevant Governmental Authorities of the United States concerning finance and accounting.

"Claims" mean any actions, suits, petitions, appeals, arbitration applications, demands, claims, and notices on noncompliance, investigations, settlement rulings or settlement agreements.

"Renminbi" shall mean Renminbi Yuan (RMB), the official currency of the PRC.

"Trade Secret" shall mean commercial secret, know-how and other confidential or proprietary technologies, business and other materials, including but not limited to the manufacturing or production process and know-how, research and development materials, technologies, drawings, standards, designs, planning, proposals, technical specification, data for financial, marketing and business, pricing and cost materials, business and marketing planning, list and materials of customers and suppliers, and all rights available in any jurisdiction to restrict the use or disclosure of each item above.

"Tax" or "Taxation" shall mean any and all taxes, fees, levies, duties, tariffs, and other similar charges of any kind (together with any and all interests, penalties, additions to tax and additional amounts imposed with respect tof this Agreement) imposed by any government or taxing authority, including, without limitation, taxes or other charges on or with respect to income, franchises, windfall or other profits, gross receipts, property, sales, use, payroll, employment, social security, unemployment compensation; taxes or other charges in the nature of excise, withholding, transfer, value added, or business taxes; and customs' duties, tariffs, and similar charges. "**Tax**," "**Taxation**," as used in this Agreement shall, unless otherwise specified, be construed as taxes and duties.

"Action" shall mean any claim, suit, petition, arbitration, administrative proceeding, inquiry, investigation and other legal proceedings initiated by or before any Governmental Authority.

"Business License" shall mean the business license issued by the administrative department for industry and commerce.

"Liabilities" shall mean all payment obligations, whether accrued or fixed, absolute or contingent, due or unexpired or determined or determinable, including, without limitation, debts, liabilities and obligations arising under any Law, Action or Governmental Order and any contract, agreement, arrangement, covenant or undertaking, including, without limitation, (i) funds borrowed or raised, (ii) acceptance credit, documentary letter of credit or commercial paper loan, (iii) any bond, paper, loan, draft or similar instruments, (iv) deferred payment as to the procured assets or services, amount payable as to the performance of contractual obligations, any liquidated damages, (v) payment under the lease agreement with its primary purpose to raise funds or to finance in order to purchase the leased property (whether the lease agreement is in relation to land, machinery, equipment, or other items); (vi) guarantee, letter of guarantee, stand-by letter of credit, or other documents to secure the performance of a contract, and (vii) mortgage, security or other guaranty on financial losses in respect of the obligations of any Person.

"Government Authority" shall mean any central, local government, regulatory, approval or administrative agency, department or commission, or any court, tribunal, judicial or arbitral institution of the PRC or of any country with competent jurisdiction other than the PRC.

"Governmental Order" shall mean any order, judgment, injunction, decree, stipulation, determination or award entered by or with any Governmental Authority.

"Intellectual Property Rights" shall mean all worldwide rights, regardless of if it is protected, created, and generated by PRC Law and any other jurisdictions, arising out of or in connection with (i) inventions, creations, utility models, industrial designs, whether or not patentable or physically used or patentable under PRC Law and other foreign laws and regulations; (ii) patents, patent applications, invention registrations or any improvements tof this Agreement, whether or not registered; (iii) trademarks, service marks, trade dress, logos, trade names or business names, whether or not registered; (iv) copyrights (whether or not registered), copyright registrations or applications for copyright registrations; (v) software and systems, including computer programs, source code, object code, executable code and related documentation, and the data and information contained therein; (vi) trade secrets; (vii) industrial designs, whether or not registered; (viii) databases and data; (ix) domain names, web sites, and web pages; (x) any medium in any form for any of the foregoing; (xi) any right to obtain or apply for patent rights or register trademark rights, copyrights and domain names; (xiii) any right to claim damages, expenses or attorney's fees for infringement or misuse of any of the foregoing.

“Material Adverse Effect” shall mean any of the following circumstances, changes or effect that (i) is, or there is sufficient evidence to prove, likely to have a Material Adverse Effect on the existence, business, assets, Intellectual Property, liabilities, results of operations or financial condition of any Underlying Asset or Underlying Business; or (ii) is, or there is sufficient evidence to prove, likely to have a Material Adverse Effect on the Underlying Assets or the Underlying Business; or (iii) is, or there is sufficient evidence to prove, likely to have a Material Adverse Effect on the ability of the relevant Transferors and/or the Warrantors to perform this Agreement and other Transaction Documents.

“Annual Fee” shall mean the annual maintenance fee for the relevant Intellectual Property paid with the Governmental Authority in respect of the relevant Intellectual Property.

“Net Working Capital” shall mean the amount calculated in accordance with the following formula and mechanisms. For the avoidance of doubt, the amount of the Underlying Deposits shall be taken into account according to their respective account titles when calculating the Net Working Capital.

The Net Working Capital of the Underlying Assets at a certain point in time shall equal to X, X = a + b-c-d.

Where:

a shall be the accounts receivable of the Underlying Assets at such point in time in accordance with U.S. GAAP (provided that such accounts receivable shall comply with the receipt logic set forth in Appendix XXI); (for the avoidance of doubt, the amount of such accounts receivable shall be 0 when calculating the Benchmark Net Working Capital (as defined below))

b shall be the other accounts receivables of the Underlying Assets as at such point in time in accordance with U.S. GAAP (provided that such other accounts receivables shall comply with the logic of receipt set forth in Appendix XXI); (for the avoidance of doubt, the amount of such other accounts receivable shall be 0 when calculating the Benchmark Net Working Capital (as defined below))

c shall be the accounts payable of the Underlying Assets at such point of time in accordance with the US GAAP (provided that such accounts payable shall conform to the receipt logic set out in Appendix XXI);

d shall be the other accounts payable of the Underlying Assets at such point of time in accordance with the US GAAP (provided that such other accounts payable shall comply with the receipt logic set out in Appendix XXI).

"Uxin Group Company" shall mean, collectively or individually, Uxin Cayman, each of the Warrantors and the onshore and offshore Persons directly or indirectly Controlled by Uxin Cayman.

"Overdue Fine" shall mean a method whereby the competent Governmental Authority imposes additional monetary payment obligations upon a Person who fails to duly perform its payment obligation.

"PRC GAAP" shall mean the laws, regulations, rules, provisions, standards and systems promulgated by the applicable Governmental Authorities of the PRC relating to finance and accounting.

"Person" shall mean any natural person, partnership, proprietorship, enterprise legal person (limited liability company or company limited by shares), unincorporated enterprise (association or trust social organization), unincorporated organization or other Person and governmental institutions.

1.2 Unless otherwise specified, any reference to a section, article, list, exhibit or appendix of this Agreement is a reference to the section, article, list, exhibit or appendix of this Agreement.

1.3 Any reference to a law, statute, regulation or ordinance shall be construed as a reference to such law, statute, regulation or ordinance at that time in force, as amended, replaced or re-enacted from time to time and shall include any subordinate legislation made under it.

1.4 Words such as "including" and other similar expressions are not intending to be restrictive and shall be construed as "including, without limitation."

1.5 Words importing the singular shall include the plural and vice versa; words importing a gender shall include all gender meanings.

1.6 The table of contents and headings for this Agreement are for convenience only and do not affect in any way the content or interpretation of any term of this Agreement.

1.7 The Appendices and schedules are integral parts of this Agreement and have the same effect as the main content of this Agreement. All references to this Agreement include the Appendices and Schedules.

1.8 References to writing or written forms shall include any mode of reproducing words in a legible and perpetual form.

Article 2 Transfer of Assets and Businesses

2.1 Subject to the terms and conditions of this Agreement, each Transferor hereby agrees to assign, transfer, deliver or license to the Transferee (or its designated related party), and the Transferee (or its designated related party) agrees to receive, acquire or accept from each Transferor the ownership of or the right to use (as specified hereunder) the Underlying Assets (as specified hereunder) free from any encumbrance, liability, defect of rights and any security interest (except for those disclosed in this Agreement or in the letter of disclosure attached hereto).

Along with the transfer of the aforesaid Underlying Assets, the Transferors transfer the Underlying Businesses to the Transferee. The Transferors shall transfer to the Transferee the Underlying Assets and Underlying Businesses in their entirety as accepted by the Transferee, and any adjustment to the Transfer Consideration or each installment of Transfer Consideration under this Agreement shall not affect the completion of transfer of the Underlying Assets and Underlying Businesses to the Transferee in accordance with this Agreement.

The Parties hereto further confirm and agree that, with respect to the aforesaid Underlying Assets and Underlying Businesses transferred to the Transferee from the Transferor, the Transferee shall designate at its own discretion its own or its designated Affiliates as the Person receiving the corresponding Underlying Assets and Underlying Businesses; and the Transferors shall transfer and deliver the corresponding Underlying Assets and Underlying Businesses to such receiving Person following the instruction of the Transferee. For the avoidance of doubt, for the purpose of understanding and interpreting this Agreement, the Transferee shall be understood and interpreted as the **"Transferee and/or its designated Affiliates"**.

(hereinafter referred to a**s** the **"Transfer"** or the **"Transaction"**)

2.2 On or before the Closing Date, the Transferors shall bear all risks related to the Underlying Assets and Underlying Business; since the Closing Date, notwithstanding the transfer arrangements as agreed in this Agreement, the Transferee shall be entitled to all rights and interests in the Underlying Assets and the Underlying Business it ultimately accepts, and shall also bear the risks, costs and payment responsibilities arising from the Transferee's operation of such Underlying Assets and the Underlying Business. For the avoidance of doubt, the Transferee shall be liable for the payment obligations arising from the Transferee's operation of the Underlying Assets and Underlying Businesses accepted by the Transferee after the Closing Date. If the Transferors (or its Affiliates) fulfill the above-mentioned payment obligations on behalf of the Transferee, the Transferee agrees to settle and pay back to the Transferors in accordance with this Agreement and/or the supplementary agreements entered by the Parties. Further, the Parties understand and agree that the commission fees, service fees and car payments relating to the Underlying Business and the Underlying Assets which accrue before the Closing Date shall belong to the Transferors (regardless of whether such accounts were actually received before, on or after the Closing Date), and the costs, expenses and fees relating to the Underlying Assets and the Underlying Business before the Closing Date (regardless of whether such costs, expenses and fees were accrued before, on or after the Closing Date) shall be borne by the Transferor. If settlement needs to be made between the Transferors and the Transferee due to the bank account arrangement corresponding to the Underlying Business as agreed in this Agreement, the Transferors and the Transferee shall arrange such settlement accordingly.

Notwithstanding the foregoing, before and after the Closing Date, each Transferor shall fulfill its responsibilities and obligations relating to the Underlying Assets and Underlying Businesses within such time and in such method prescribed hereunder, including but not limited to, (i) complete the transfer registration, license registration and pledge registration (including but not limited to the transfer registration, license registration and pledge registration of the application and ownership) of the relevant Underlying Intellectual Property Rights with the relevant department of authority; and (ii)complete other obligations and responsibilities agreed herein that shall be performed by the relevant Transferors, pursuant to the method and mechanism agreed herein.

2.3 Notwithstanding the provisions in Article 2.2 and other provisions herein, the Transferee and/or its designated Affiliates shall not assume any obligations, risks, debts and responsibilities of the Underlying Assets and/or the Underlying Businesses existing or arising prior to the Closing Date, whenever the Underlying Assets and/or the Underlying Businesses are transferred and delivered. Each of the Transferors shall continue to assume any obligations, risks, Liabilities and responsibilities related to the Underlying Assets and/or the Underlying Businesses existing or arising prior to the Closing Date, including but not limited to:

(1) Any responsibilities, Liabilities, fees payable (including but not limited to Annual Fees and Overdue Fines) and Taxes and Taxation payable (excluding the Accounts Payable Assumed by the Transferee in accordance with this Agreement (as defined below) and the Other Accounts Payable Assumed by the Transferee (as defined below)) existing or arising prior to or at the Closing Date in connection with the Underlying Asset and/or Underlying Business;

(2) Any pending litigation, claim, arbitration, administrative penalty or other legal proceedings related to Underlying Assets and/or Underlying Business before or at the Closing Date;

(3) Claims, liabilities, obligations, damages, losses, judgments, legal actions, lawsuits, procedures, arbitration, etc. brought by any third party on or before the Closing Date in respect of Underlying Assets and/or Underlying Business;

(4) Claims filed by the Transferors before or at the Closing Date in respect of the products sold or services provided by Underlying Businesses and/or Underlying Assets;

(5) Any claim, lawsuit, arbitration, administrative penalty, any dispute, claim or legal procedure arising from the Transferor's performance of any Underlying Contracts before the Closing Date (whether the aforesaid acts occurred before, at or after the Closing Date); and

(6) Any liability, obligation, damages, loss, judgment, legal action, lawsuit, procedure, arbitration, etc. arising from the Underlying Asset and/or Underlying Business after the Closing Date and any previous acts or reasons.

For the avoidance of doubt,

(1) If the Transferee and/or its Affiliates incur any Liabilities, responsibilities, obligations and Encumbrance due to the above circumstances set forth in this Article for any reason, the Transferors and the Warrantor shall jointly and severally compensate and indemnify the Transferee and/or its Affiliates according to the time, methods and mechanisms required by the Transferee and/or its Affiliates.

(2) The Transferee and/or its Affiliates shall be responsible for responding to or handling relevant procedures and claims (but the Transferee shall actively and reasonably cooperate) and compensate the Transferee and/or its Affiliates for all expenses incurred and all losses suffered as a result of any duties, obligations, damages, losses, judgments, legal actions, lawsuits, procedures, arbitration, etc. arising from the above matters. For the avoidance of doubt, before the Transfer of the Underlying Assets and Underlying Business is completed in accordance with this Agreement, if the Transferors brings a lawsuit and/or arbitration and/or other dispute procedures against the customers of the Underlying Assets and Underlying Business that have not completed the Transfer, based on issues occurring before the Closing Date and previous issues, the prior written consent of the Transferee shall be obtained.

(3) Notwithstanding the above provisions and other agreements in the Transaction Documents, if by the date of payment of the Second Installment of the Transfer Consideration, the corresponding Underlying Assets listed in the annex to this Agreement are ultimately not transferred to the Transferee in the manner agreed in this Agreement, and the Transferee agrees that such Underlying Assets shall be excluded from the final Underlying Asset scope (if requested by the Transferee that such Underlying Assets shall be within the Underlying Asset scope, they shall be treated in the manner and mechanism required by the Transferee), then the Transferors shall continue to be responsible for the Underlying Assets, the Transferors shall have the right to continually hold the Underlying Assets or choose to terminate the corresponding business contract (provided that it does not affect the normal development and operation of the Underlying Business from the Closing Date), and the responsibilities and obligations related to the Underlying Assets shall be borne by the Transferor.

(4) For the matters in Article 2.2 and 2.3, if the Transferors has made corresponding claims, litigation, defense or indemnification in accordanxe with this Agreement, the Transferors has the right to retain the income actually attributable to the Transferors from the claims, litigation, defense or indemnification (including but not limited to the amount payable by the disputing counterparty as determined by judgment or arbitration) provided that such shall not affect the normal development and operation of Underlying Business and the amount of compensation, compensation and expenses that the Transferee shall receive and obtain.

2.4 **Transfer and License of Underlying Intellectual Property Rights**

(1) **Copyright**

a. The Transferred Underlying Copyrights

(i) The Transferors agree to and procure other relevant parties to transfer and deliver to the Transferee the underlying copyrights as set forth in Part I of Appendix III (the "**Transferred Underlying Copyright**") in accordance with the terms and conditions of this Agreement, and the Transferee agrees to accept, acquire and receive the Transferred Underlying Copyrights and execute the copyright transfer agreement as shown in Part I of Appendix XI prior to the closing and provide the Transferee with the originals of the ownership certificate materials corresponding to the Transferred Underlying Copyrights prior to the closing;

(ii) Prior to the Closing Date, the Transferors shall hand over to the designated personnel of the Transferee all source code, source program, CDs, underlying technical data, technical abstracts and specifications and other necessary materials in connection with the Transferred Underlying Copyrights (except for the items missing which are listed in the Disclosure Letter);

(iii) The Transferors shall provide prompt cooperation for the completion of relevant procedures and execute relevant documents (providing the Underlying Contracts and the business license of the relevant Transferors affixed with the company seal, providing the original registration certificate of the Underlying Copyrights (including the original registration certificate of computer software copyright and the original registration certificate of works copyright) and providing the relevant query results (including the query results of computer software copyright and the query results of works copyright)) before the closing, and shall submit an application for change registration in connection with the transfer of the Transferred Underlying Copyrights to the National Copyright Administration and provide the Transferee with the evidence of completion of such application submission before the closing; the Transferors shall complete the registration and filing of the Copyright relating to the transfer of the Transferred Underlying Copyright from the Transferors to the Transferee before the Transferee actually pays the Second Installment of Transfer Consideration in accordance with this Agreement;

(iv) For the avoidance of doubt, if the change registration of copyright fails to be made or completed due to the reason that the National Copyright Administration does not agree to the transfer of the word pattern of "Youxinpai" in Part I of Appendix XI by dividing the word pattern from the work of "Youxin font", Transferors shall not be deemed to default or fail to satisfy the conditions precedent of the First Installment of the Transfer Consideration or the conditions precedent of the Second Installment of the Transfer Consideration due to such failure. However, the Transferors shall, at the request of the Transferee, exclusively license the Transferee to use of the word pattern of "Youxinpai" at a time and in a manner reasonably satisfactory to the Transferee (but the Transferors shall still have the right to use the work of "Youxin font" and the work pattern of "Youxin" in the work of "Youxinpai") and complete the relevant license and filing at such time and in such manner as requested by the Transferee.

(v) Any costs arising from the transfer of the Transferred Underlying Copyrights in accordance with the above mechanism shall be borne by the Transferor;

(vi) With effect from the Closing Date, the Transferred Underlying Copyrights and all rights arising therefrom shall be transferred in their entirety to the Transferee. Unless approved by the Transferee in writing in advance, as from the Closing Date, neither the Transferors nor any other Uxin Group Company shall use and/or authorize a third party to use any of the Transferred Underlying Copyrights or re-register the relevant works in its own name or in the name of a third party.

b. Licensed Underlying Copyright

(i) The Transferors agree to and procure other relevant parties to provide the licensed underlying copyrights in Part II of Appendix III (the "**Licensed Underlying Copyrights**") to the Transferee in accordance with the terms and conditions of this Agreement, and the Transferee agree to accept the Licensed Underlying Copyrights and execute the copyright license agreement as shown in Part II of Appendix XI prior to the closing;

(ii) Prior to the Closing Date, the Transferors shall provide the Transferee with a copy of all source code, source program, CDs, underlying technical data, technical abstracts, specifications and other necessary materials in connection with the Licensed Underlying Copyright;

(iii) Any fees arising from the licensing of the Licensed Underlying Copyright in accordance with the above mechanism shall be borne by the Transferors;

(iv) The Transferors hereby acknowledge and undertake that the license arrangement with respect to the Licensed Underlying Copyrights shall be permanent and free of charge, and the Transferee shall have the right to carry out internal sublicense and sublicense arrangements within the Transferee and/or its Affiliates and conduct reasonable sublicense and sublicense arrangements with third parties with respect to such Licensed Underlying Copyrights to the extent reasonably necessary for the conduct of the Underlying Business. The Transferors further covenant that, with respect to the Licensed Underlying Copyrights, they shall continuously ensure the stable and good existence of such Licensed Underlying Copyrights and pay corresponding fees in a timely manner and deal with relevant issues relating to such Licensed Underlying Copyrights in their sole discretion. If any Transferor transfers, guarantees, licenses, disposes of or encumber such Licensed Underlying Copyrights, it shall obtain prior written consent of the Transferee. The Transferors and relevant Uxin Group Company shall take all necessary measures to ensure that the Transferee can keep good use of such Licensed Underlying Copyrights.

(v) For the avoidance of doubt, in case where the Transferors and Uxin Group Company perform any update and novation and re-development or research with respect to the Licensed Underlying Copyright after the execution of this Agreement, such update and novation and re-development or research shall also be defined as the Licensed Underlying Copyrights. The Transferors and Uxin Group Company shall license to the Transferee pursuant to the provisions regarding the Licensed Underlying Copyrights under Articles (i) to (iv) above and complete such license at the time and in the manner requested by the Transferee.

(2) **Underlying Patents**

a. Transferred Underlying Patents

(i) The Transferors agree to transfer and deliver to the Transferee, and the Transferee agree to accept, acquire and receive the transfer from the Transferors, the Underlying Patents mentioned in Part I of Appendix IV (the "**Transferred Underlying Patents**") in accordance with the terms and subject to the conditions of this Agreement; the Transferors shall be responsible for the transfer of the Underlying Patents and any cost arising from the transfer of the Transferred Underlying Patents shall be borne by the Transferors.

Before the closing, the Transferors shall deliver to the Transferee the materials relevant to the Transferred Underlying Patents, execute the forms, documents or agreements necessary for the transfer of the Transferred Underlying Patents, and execute the patent transfer agreement and/or the patent application right transfer agreement as shown in Part I of Appendix XII.

Prior to the closing, the Transferors shall hand over to the designated personnel of the Transferee all source code, source program, CDs, underlying technical data, technical abstracts, specifications and other necessary materials in connection with the Transferred Underlying Patent.

The transfer of the Transferred Underlying Patents shall take effect from the date on which the change registration with the State Intellectual Property Office (the "**SIPO**") is completed.

(ii) Change procedures. The Transferors shall be responsible for, and the Transferee shall cooperate with the Transferors, the procedures required for the change of the Transferred Underlying Patents (change registration with the SIPO). The Parties shall submit application for change registration of the transfer of the Transferred Underlying Patents prior to the Closing Date and provide the Transferee with materials evidencing the completion of such change registration, and shall complete such change registration within six (6) months after the Closing Date (if the change registration procedures fail to be completed within the aforesaid 6-month period due to reasons solely attributable to the Transferee or the SIPO, the Transferors shall not be deemed as in breach of this Agreement).

The Transferors shall eliminate or resolve any obstacle or problem raised by the SIPO within ten Business Days (if such cannot be achieved within the above time limit due to objective reasons, the above time limit shall be reasonably extended).

For the avoidance of doubt, if, after exhaustion of all statutory remedies, there are still some Transferred Underlying Patents registered under the name of the Transferors due to the reason that the transfer of the Transferred Underlying Patents fails to be approved by the SIPO, then (i) if the transfer of the Transferred Underlying Patents has not been announced, the Transferee shall have the right to elect to (x) continue such transfer until the transfer is completed; or (y) require the Transferors to withdraw the corresponding application for the Transfer Underlying Patents and re-apply for the registration of the Transferred Underlying Patents directly by the Transferee; (ii) the Transferors shall enter into an exclusive license agreement with the Transferee before the Closing Date as shown in Part II of Appendix XII, under which the Transferors shall license the Transferred Underlying Patents permanently to the Transferee free of charge until such transfer of the Transferred Underlying Patents is registered under the name of the Transferee.

(iii) The Parties acknowledge and agree that the patent right or the patent application right of the Transferred Underlying Patents shall become effective as of the date on which the SIPO approves the transfer application and registers the same.

The Transferors hereby agree that prior to the Closing Date, the Transferors and the Transferee shall execute an exclusive license agreement as shown in Part II of Appendix XII with respect to the Transferred Underlying Patents, and grant a perpetual and exclusive license to the Transferee without compensation until the date on which the transfer registration of the Transferred Underlying Patents is completed (the "**Patent Transition Period**"). If the Transferee requests to file the above patent licensing with the SIPO, the Transferors shall be responsible for completing the relevant filing procedures at the time and in the manner reasonably requested by the Transferee, and the Transferee shall provide necessary cooperation. All costs arising from the filing procedures shall be borne by the Transferors. During the Patent Transition Period, the Transferors shall ensure that it shall not license or dispose of the Transferred Underlying Patents, create interests for a third party or transfer the Transferred Underlying Patents to a third party. After the Closing Date, the patent registration fee, patent renewal fee, agency fee and other relevant fees of the Transferred Underlying Patents incurred after the Closing Date shall be borne by the Transferee; provided that such fees incurred before the Closing Date or incurred after the Closing Date as a result of actions taken before the Closing Date shall still be borne by the Transferors.

(iv) The Transferors shall be responsible for the transfer of the Transferred Underlying Patents (i.e. the transfer of the registration right of the registered Transferred Underlying Patents from the Transferors to the Transferee and the transfer of the application right of the patent under application to the Transferee), and shall assist and cooperate with the Transferee in obtaining the patent registration in connection with the Transferred Underlying Patents which are still in the process of patent application.

(v) In the meantime, with respect to the Transferred Underlying Patents that are still in the process of patent application as of the Closing Date, after the Closing Date but before the Transferee obtains the patent registration of such Transferred Underlying Patents, the Transferors shall indemnify the Transferee for any losses caused by any issues relating to such Transferred Underlying Patents.

(vi) As of the Closing Date, all rights arising from the transfer of the Transferred Underlying Patents and all rights arising therefrom shall be transferred to the Transferee. Unless approved by the Transferee in writing in advance, as from the Closing Date, the Transferors and other Uxin Group Company shall not use and/or authorize a third party to use any of the Transferred Underlying Patents, shall not seek patent rights or other interests in its own name or a third party with respect to any technical solutions of the same or substantially the same or equivalent to the Transferred Underlying Patents, and shall not publish or disclose any technical solutions of any of the Underlying Technology Patents that have not been made public.

b. Licensed Underlying Patents

(i) The Transferors agree to and procure other relevant parties to license to the Transferee, and the Transferee agrees to accept, the Licensed Underlying Patents in Part II of Appendix IV (the "**Licensed Underlying Patents**") in accordance with the terms and conditions of this Agreement and enter into the patent license agreement as shown in Part III of Appendix XII and the patent application and technology license agreement as shown in Part IV of Appendix XII prior to the closing;

(ii) Prior to the Closing Date, the Transferors shall provide the Transferee with a copy of all source code, source program, CDs, underlying technical data, technical abstracts, specifications and other necessary materials in connection with the Licensed Underlying Patents;

(iii) The Transferors shall submit the relevant application to the SIPO and provide the Transferee with materials to evidence that the relevant completion is completed before the closing, complete the relevant procedures and execute the relevant documents, and complete the filing and license involved in such licensed Underlying Patents before the payment of the Second Installment of the Transfer Consideration;

(iv) Any expenses arising from the licensing of the Licensed Underlying Patent in accordance with the above mechanism shall be borne by the Transferors;

(v) The Transferors hereby acknowledge and undertake that the license arrangement with respect to the Licensed Underlying Patents shall be permanent and free of charge, and the Transferee shall have the right to carry out internal sublicense and sublicense arrangements within the Transferee and its Affiliates and shall have the right to conduct reasonable sublicense and sublicense arrangements with third parties with respect to such Licensed Underlying Patents for the purpose reasonably necessary for the conduct of the Underlying Business. The Transferors further covenant that, with respect to the Licensed Underlying Patents, it shall continuously ensure the stable and good existence of such Licensed Underlying Patents, pay corresponding fees (including, without limitation, patent registration fee, patent renewal fee and agency fee) in a timely manner, and promptly and deal with relevant issues involved in such Licensed Underlying Patents on its own. If any Transferors transfer, license, dispose of or encumber the Licensed Underlying Patent, prior written consent of the Transferee shall be obtained. The Transferors and the relevant Uxin Group Company shall take all necessary measures to ensure that the Transferee can use such Licensed Underlying Patents in a sustainable and good manner.

(vi) For the avoidance of doubt, in case where any update and novation, redevelopment or research is made by the Transferors and Uxin Group Company after the execution of this Agreement in respect of the Licensed Underlying Patent, the patent so developed and updated or re-developed or researched shall also be defined as the Licensed Underlying Patents. The Licensed Underlying Patents shall be licensed to the Transferee in accordance with and subject to the provisions regarding the Licensed Underlying Patents set forth in Articles (i) to (v) above and shall be completed in a time and manner requested by the Transferee.

(3) **Underlying Domain Names**

a. Transferred Underlying Domain Names

(i) The Transferors agree to cause and procure the domain names listed in Part I of Appendix V (the "**Transferred Underlying Domain Names**") to be transferred and delivered to the Transferee, and the Transferee agrees to acquire, accept and receive the Transferred Underlying Domain Names from the Transferors, subject to the terms and conditions of this Agreement.

The Transferors shall deliver the materials, codes and procedures in relation to the Transferred Underlying Domain Names to the Transferee prior to the closing, and execute forms, documents or agreements necessary for the completion of the transfer of the transferred domain names and provide the Transferee with the domain name transfer code.

The Transferors shall be responsible for the procedures required for the registration of the change of the domain name (change registration of domain name). Any expenses arising from the transfer of the Transferred Underlying Domain Names shall be borne by the Transferors. The Transferors shall complete the change registration of the Transferred Underlying Domain Names prior to the Closing Date, such that the registrant of the Transferred Underlying Domain Names shall be the Transferee, and obtain the certificate of domain name issued after the change registration; the Transferee shall cooperate with the Transferors in this respect.

With respect to the changes of the ICP filing information of the Transferred Underlying Domain Names, the Transferors agree to complete the cancellation of such changes in the original ICP filing information of the Transferred Underlying Domain Names before the payment of the Second Installment of the Transfer Consideration and cooperate with the Transferee in changing the host company of the ICP filing information of the Transferred Underlying Domain Name to be the Transferee.

(ii) If any of Transferred Underlying Domain Names is registered on any qualification or license of the Transferors or other Uxin Group Company (including but not limitation the Value-added Telecommunication Business Operation Permit), the Transferors shall remove Transferred Underlying Domain Names from such qualification or license prior to the payment of the Second Installment of the Transfer Consideration and ensure that the Transferee could use the Transferred Underlying Domain Names for the application of the relevant qualification or licenses.

(iii) Without the prior written consent of the Transferee, the Transferors and other Uxin Group Company shall not use the Transferred Underlying Domain Names in any manner. With respect to the pages, entrances or links that are displayed on the webpage corresponding to the Transferred Underlying Domain Names that are unrelated to the Underlying Business (the "**Unrelated Business**"), if requested by the Transferee, the Transferors shall cooperate with the Transferee to close the Unrelated Business within a reasonable period of time requested by the Transferee, before the payment of the Second Installment of the Transfer Consideration.

b. Licensed Underlying Domain Names

(i) The Transferors agree to and procure other relevant parties to license to the Transferee, in accordance with the terms and conditions of this Agreement, the domain names (including sub-domain names of such domain names) set forth in Part II of Appendix V (the "**Licensed Underlying Domain Names**") and the Transferee agrees to accept the Licensed Underlying Domain Names and execute the domain name license agreement set forth in Appendix XIV prior to the closing;

(ii) Prior to the Closing Date, the Transferors shall provide the Transferee with a copy of all source code, source code, CDs, underlying technical data, technical abstracts, specifications and other necessary materials in connection with the Licensed Underlying Domain Names;

(iii) The Transferors hereby acknowledge and undertake that the Licensed Underlying Domain Names shall be perpetual and free of charge licensing arrangements, and the Transferee shall have the right to carry out internal sub-licensing and sublicense arrangements within the Transferee and its Affiliates and conduct reasonable sub-licensing and sublicense arrangements with third parties to the extent reasonably necessary for the conduct of the Underlying Business. Prior written consent of the Transferors. The Transferors further covenant that, with respect to the Licensed Underlying Domain Names, it shall continuously ensure the stability and good existence of such Licensed Underlying Domain Names and pay relevant fees in due course, promptly and deal with relevant issues concerning such Licensed Underlying Domain Names on its own. The Transferors shall obtain prior written consent of the Transferee if they transfer, license, dispose of or encumber the Licensed Underlying Domain Names. The Transferors and the relevant Uxin Group Company shall take all necessary measures to ensure that the Transferee can keep good use of such Licensed Underlying Domain Names.

(4) **Underlying Trademark**

a. Transferred Underlying Trademarks

(i) The Transferors agree to transfer and deliver to the Transferee, and the Transferee agrees to acquire, acquire and receive, the transferred Underlying Trademarks as set forth in Part I of Appendix VI (the "**Transferred Underlying Trademarks**") in accordance with the terms and subject to the conditions of this Agreement; the Transferors shall be responsible for the transfer of the Transferred Underlying Trademarks and any cost arising from such transfer shall be borne by the Transferors.

The Transferors shall deliver to the Transferee the materials relating to the Transferred Underlying Trademarks prior to the closing, execute forms, documents or agreements necessary for the completion of the transfer of the Underlying Trademarks, and execute the trademark transfer agreement as shown in Part I of Appendix XIII.

Prior to the closing, the Transferors shall transfer to the designated personnel of the Transferee all certificates, specifications and other necessary materials in respect of the Transferred Underlying Trademarks.

The transfer of the Transferred Underlying Trademarks shall take effect from the date on which the change registration with the Trademark Office of State Intellectual Property Office (the "**Trademark Office**") is completed.

(ii) Change procedures. The Transferors shall be responsible for and the Transferee shall cooperate with the Transferors for the necessary procedures for the change of the Transferred Underlying Trademarks (change registration with the Trademark Office). The Parties shall submit the application for change registration of the transfer of the Transferred Underlying Trademarks and provide the Transferee with materials evidencing the completion of such change registration prior to the Closing Date, and shall complete such change registration within six (6) months after the Closing Date (if the change registration procedures fail to be completed within the aforesaid six (6) month period due to reasons solely attributable to the Transferee or the Trademark Office, the Transferors shall not be deemed to be in breach of this Agreement).

The Transferors shall eliminate or resolve any obstacle or problem raised by the Trademark Office within ten Business Days (if such cannot be achieved within the above time limit due to objective reasons, the above time limit shall be reasonably extended).

For the avoidance of doubt, if after exhaustion of all statutory remedies, there are still certain Transferred Underlying Trademarks registered under the name of the Transferors due to the reason that the transfer of the Transferred Underlying Trademarks has not been approved by the Trademark Office, then (i) if the relevant Transferred Underlying Trademarks have not been registered, the Transferee shall have the right to choose to (x) continue such transfer until the completion of the transfer; or (y) request the Transferors to withdraw the corresponding application for the Transferred Underlying Trademarks and apply for re-registration by the Transferee; (ii) the Transferors shall enter into an exclusive license agreement with the Transferee as shown in Part II of Appendix XIII prior to the Closing Date, under which the Transferors shall grant the Transferee the permanent and exclusive license of the Transferred Underlying Trademarks without compensation until such transfer registration of the Transferred Underlying Trademarks under the name of the Transferee.

(iii) The Parties acknowledge and agree that the Transferred Underlying Trademarks shall become effective on the date on which the transfer application is approved and registered by the Trademark Office.

The Transferors hereby agree that prior to the Closing Date, the Transferors and the Transferee shall execute an exclusive license agreement as shown in Part II of Appendix XIII in respect of the Transferred Underlying Trademarks and grant a permanent and exclusive license to the Transferee without compensation until the date on which the transfer registration of the Transferred Underlying Trademarks is fully completed (the "**Trademark Transitional Period**"). If the Transferee requests to file the above trademark authorization and licensing with the Trademark Office, the Transferors shall be responsible for completing such filing procedures at the time and in the manner reasonably requested by the Transferee, and the Transferee shall provide necessary cooperation. All costs arising from the filing procedures shall be borne by the Transferors. During the Trademark Transition Period, the Transferors shall ensure that it shall not license or dispose of the Transferred Underlying Trademarks, create interests for a third party or transfer the Transferred Underlying Trademarks to a third party. After the Closing Date, the patent registration fee, patent renewal fee, agency fee and other relevant fees arising from the transfer of the Transferred Underlying Trademarks after the Closing Date shall be borne by the Transferee; provided that such fees incurred before the Closing Date or arising from any action taken before the Closing Date shall still be borne by the Transferors.

(iv) The Transferors shall be responsible for the transfer of the Transferred Underlying Trademarks and assist and cooperate with the Transferee in obtaining the patent registration of the Underlying Trademarks which are still in the process of application.

(v) In the meantime, with respect to the Transferred Underlying Trademarks that are still in the process of the Trademark Application as of the Closing Date, before the Transferee obtain registration of such Transferred Underlying Trademarks after the Closing Date, the Transferors shall indemnify the Transferee for relevant losses caused by any problems in such Transferred Underlying Trademarks.

(vi) With effect from the Closing Date, all rights arising from the transfer of the Transferred Underlying Trademarks and all rights arising therefrom shall be transferred to the Transferee. Unless approved by the Transferee in writing in advance, from the Closing Date, the Transferors and other Uxin Group Company shall not use and/or authorize a third party to use any of the Transferred Underlying Trademarks or seek interests in their own name or a third party's name with respect to technical solutions that are identical or substantially identical or equivalent to the Underlying Trademarks.

b. With respect to the trademarks listed in Part II of Appendix VI (the "**Exclusive Licensed Trademarks**"), the Transferors agree to transfer all interest in such trademarks to the Transferee; provided, however, that due to the examination and approval of Governmental Authorities, the Parties understand and acknowledge that the transfer of such interest may only be achieved through exclusive license. In the future, if laws and regulations permit the separate transfer of Exclusive Licensed Trademarks to the Transferee, the Transferors shall transfer such Exclusive Licensed Trademarks to the Transferee. However, such transfer shall be limited to Exclusive Licensed Trademarks, and does not involve any other "优信" "Uxin" "  " and "youxin" trademarks held by the Transferors or any other Uxin Group Company and similar to the Exclusive Licensed Trademarks as determined by the Trademark Office.

The relevant Transferors and Transferee shall have entered into the exclusive license agreement as shown in Part II of Appendix XIII prior to the closing, pursuant to which the relevant Transferors shall grant to the Transferee a permanent, gratuitous and exclusive license. The Transferors shall be responsible for making relevant filings in connection with such exclusive license prior to the closing and providing the Transferee with evidence of completion of such filing at the time and in the manner reasonably requested by the Transferee and shall complete the filing with respect to the exclusive license trademark as soon as practicable after the Closing Date but no later than the payment of the Second Installment of the Transfer Consideration, and the Transferee shall provide necessary assistance. The Transferee shall provide necessary cooperation and all expenses arising from the filing procedure shall be borne by the Transferors.

For the avoidance of doubt, the Transferors shall be obliged to ensure the timely renewal of Exclusive Licensed Trademarks and take all other actions to maintain the continuous validity of Exclusive Licensed Trademarks and take all necessary actions in accordance with the instructions and requirements of the Transferee with respect to such Exclusive Licensed Trademarks so as to maintain the continuous validity of Exclusive Licensed Trademarks. After the Closing Date, the trademark registration fee, renewal fee and agency fee of the Exclusive Licensed Trademarks incurred after the Closing Date shall be borne by the Transferee. Transferee shall be entitled to sub-license and sublicense such exclusive Licensed Marks and the use of such exclusive Licensed Marks shall not be subject to any restrictions. The parties further agree that the Transferors shall only take necessary actions for the good existence of the Exclusive Licensed Trademarks and with the consent of the Transferees. Without the prior written consent of the Transferees, the Transferors shall not assign, authorize, pledge, transfer or otherwise dispose of the Exclusive Licensed Trademarks or use the Exclusive Licensed Trademarks in any manner.

c. For the trademarks listed in Part III of Appendix VI (the "**General Licensed Trademarks**", together with the Exclusive Licensed Trademarks, the "**Licensed Trademarks**"), the relevant Transferors and the Transferee shall enter into the general license agreement as shown in Part III of Appendix XIII prior to the closing, pursuant to which the relevant Transferors shall grant to the Transferee a perpetual and free general license. The Transferors shall be responsible for submitting the relevant filings relating to such general license at the time and in the manner reasonably requested by the Transferee prior to the closing, providing the Transferee with the evidence materials to prove the completion of such submission and completing the filing of the general license of the Underlying Trademarks as soon as practicable after the Closing Date but no later than the payment of the Second Installment of the Transfer Consideration, and the Transferee shall provide necessary assistance. All expenses arising from the filing procedure shall be borne by the Transferors.

The Transferors hereby acknowledge and undertake that the license arrangements with respect to the General Licensed Trademarks shall be perpetual and free of charge, and the Transferee shall have the right to carry out internal sub-license and sublicense arrangements within the Transferee and its Affiliates and conduct reasonable sub-license and sublicense arrangements with respect to such General Licensed Trademarks to the extent reasonably necessary for the conduct of the Underlying Business. The Transferors and relevant Uxin Group Company further covenant that, with respect to the General Licensed Trademarks, they shall continuously ensure the stability and good existence of such trademarks and pay relevant fees (including but not limited to registration fee, renewal fee and agency fee) in a timely manner, and deal with relevant issues relating to such trademarks in a timely manner and on their own. The Transferors shall obtain prior written consent of the Transferee if they transfer, license, dispose or encumber the Trademarks. The Transferors and the relevant Uxin Group Company shall take all necessary measures to ensure that the Transferee can keep good use of such General Licensed Trademarks.

d. For the avoidance of doubt, with respect to the trademarks containing words and/or designs of the Transferred Underlying Trademarks and the varied trademark forms of the Transferred Underlying Trademarks (including, without limitation, words in both case and/or pinyin and/or other words), after the execution of this Agreement, such trademarks shall also be defined as the Transferred Underlying Trademarks, and shall be transferred to the Transferee in accordance with and subject to the provisions regarding the Transferred Underlying Trademarks in Article (a) above and shall be completed at such time and in such manner as requested by the Transferee.

With respect to the trademarks containing words and/or drawings of the Licensed Trademarks and the varied trademarks forms of the Licensed Trademarks (including, without limitation, capitalized and/or pinyin and/or other words), the Transferors and Uxin Group Company shall also be defined as the Licensed Trademarks after the execution of this Agreement, shall license and/or pledge, as the case may be, the Licensed Trademarks to the Transferee in accordance with and subject to the Articles (b), (c) and (e) above on the Licensed Trademarks and shall complete such license and/or pledge, as the case may be, at such time and in such manner as requested by the Transferee.

e. In particular, without prejudice to the generality of the provisions under paragraph a, b, c and d above, Transferors and relevant Uxin Group Company hereby understand, acknowledge and agree that, to secure the performance by Transferors and relevant Uxin Group Company of all obligations of Transferee under the Transaction Documents, Transferors and relevant Uxin Group Company shall pledge to Transferee all the Exclusive Licensed Trademarks and the accompanying interests therein and execute a pledge agreement as set forth in Part IV of Appendix XIII with Transferee prior to the closing, provided that such pledge shall be limited to the Exclusive Licensed Trademarks and shall exclude "优信" "Uxin" "  " and "youxin" related trademarks held by Transferors or other Uxin Group Company and similar to the Exclusive Licensed Trademarks as determined by the Trademark Office. The Transferors further understand, acknowledge and agree that, regardless of whether such registration of pledge of the Underlying Trademarks is made or not, the Transferee shall be deemed as the sole and primary right holder of the exclusive licensing trademarks in terms of facts and substance.

With respect to the above pledge, the Parties understand and acknowledge that, in consideration of applicable laws, it is impossible to make trademark pledge registration of the above Exclusive Licensed Trademarks separately when this Agreement is executed. However, the Transferors hereby understand, acknowledge and confirm that, if, after the execution date of this Agreement, the Transferors is permitted by applicable laws to separately pledge the Exclusive Licensed Trademarks to the Transferee (provided, however, that such pledge registration is limited to the Exclusive Licensed Trademarks, and does not involve "优信""Uxin" "  ", and "Youxin" trademarks held by the Transferors or any other Uxin Group Company and deemed by the Trademark Office to be similar to the Exclusive Licensed Trademarks), the Transferee shall have the right to request the Transferors to complete the pledge registration of such Underlying Trademarks with the Trademark Office at such time and in such manner as reasonably requested by the Transferee and provide the Transferee with evidence of the completion of the pledge registration of the Underlying Trademarks. (including, without limitation, the registration certificate of trademark pledge)

For the avoidance of doubt, notwithstanding any provisions to the contrary in this Agreement or in the trademark pledge agreement, the Transferors or any other Uxin Group Company has not disposed of and is not obligated to pledge or transfer to the Transferee any other "优信" "Uxin" "  " and "youxin" trademarks held by Uxin Group Company and similar to the Exclusive Licensed Trademarks as determined by the Trademark Office. The Transferee shall have no right to request the Transferors or any other Uxin Group Company to pledge or transfer together with relevant trademarks of "优信""Uxin" "  " and "youxin" held by it and similar to the Exclusive Licensed Trademarks as determined by the Trademark Office to the Transferee.

(5) **Underlying Platform Accounts.**

a. The Transferors agree, and shall cause its Affiliates as the owner of the Underlying Platform Accounts to fully transfer and deliver to the Transferee the Underlying Platform Accounts and the Transferor's rights, title and interests in and to the Underlying Platform Accounts together with all related Intellectual Property Rights (including all rights obtained by the Transferors through application and/or registration of the Underlying Platform Accounts, but excluding relevant patents and trademarks which shall be subject to the arrangements under other terms of this Agreement).

In order to achieve the foregoing purpose, the Transferors shall, prior to the Closing Date, (i) deliver and transfer to the Transferee a complete copy of the source code and/or source program decryption password, object code, software technology documents and relevant information and materials (including electronic materials) corresponding to the Underlying Platform Accounts; (ii) execute necessary forms, documents or agreements; (iii) deliver and transfer all operation and user's authorities corresponding to the Underlying Platform Accounts to the Transferee so as to ensure that the Transferee can obtain all accesses corresponding to the Underlying Platform Accounts and all relevant systems and contents corresponding to the Underlying Platform Accounts independently.

The Transferor shall submit the transfer application to the registration centers of the Underlying Platform Accounts before closing, and launch thereon the online compulsory transfer with the method and mechanism satisfactory to the Transferee. The Transferor shall also complete all procedures related to the transfer of the Underlying Platform Accounts before the payment of the First Installment of the Transfer Consideration. The Transferors shall be responsible for the transfer of Underlying Platform Accounts with the cooperation of the Transferee. The costs arising from the relevant formalities for the transfer of Underlying Platform Accounts shall be borne by the Transferor.

b. In the meantime with the transfer of the Underlying Platform Accounts, the Transferors and the Transferee shall jointly irrevocably change the payment system connected to the Underlying Platform Accounts (other than the WeChat Accounts) to the payment system of the Transferee or its Affiliate and the bank account thereof to an Affiliate designated by the Transferee, and the Transferors shall assist in completing change procedures in respect of the Underlying Platform Accounts (other than the WeChat Accounts) payment system and bank account to ensure that the Person owning the bank account corresponding to the Underlying Platform Accounts (other than the WeChat Accounts) shall be irrevocably changed to the Affiliate designated by the Transferee, and the payment system corresponding to the Underlying Platform Accounts shall be changed to the payment system of the Transferee or its Affiliates upon the Closing Date.

c. For the purpose of smoothing the transfer of the Underlying Platform Accounts, the personnel of the Transferors responsible for the operation and management of the Underlying Platform Accounts shall deliver the operation account and password of the Underlying Platform Accounts to the designated personnel of the Transferee before the closing, and the Transferors shall ensure that such personnel shall not, in any manner, steal, alter, fraudulently use or retrieve such account and password.

d. In particular, for the avoidance of doubt, the Parties understand and confirm that, with respect to the Underlying Platform Accounts of "Chake Glory" (as updated and amended from time to time) and the Underlying Platform Accounts of Member Adviser (RN) (as updated and amended from time to time, together with the Underlying Platform Accounts of "Chake Glory" the "**Authorized Underlying Platform Account**s"), such Authorized Underlying Platform Accounts shall be authorized to the Transferee by the Transferors in accordance with Articles a, b and c above without prejudice to the delivery by the Transferors of corresponding materials, codes, programs and documents to the Transferee within the corresponding time limit. Transferors and the relevant Uxin Group Company hereby acknowledge and undertake that: The aforesaid license shall be perpetual and free of any charge, and Transferee shall have the right to undertake internal sub-licensing and sublicense arrangements within Transferee and its Affiliates and conduct reasonable sub-licensing and sublicense arrangements for authorized Underlying Platform Accounts to third parties to the extent reasonably necessary for the conduct of the Underlying Business as reasonably necessary. The Transferors and relevant Uxin Group Company further covenant that, with respect to the Authorized Underlying Platform Accounts, they shall continuously ensure the stability and good existence of such Authorized Underlying Platform Accounts, pay relevant fees on time, timely and deal with relevant issues on their own and shall not transfer, guarantee, create any encumbrance, restriction or any third party's rights. Transferors and the relevant Uxin Group Company shall take all necessary measures to ensure that the Transferee can make continuous good use of the Authorized Underlying Platform Accounts.

(6) **Underlying WeChat Accounts**

The Transferors agree to transfer and deliver to the Transferee the rights, ownership and interests in and to the Underlying WeChat Accounts listed in Part I of Appendix VIII in its entirety prior to the Closing Date, together with all related Intellectual Property Rights, including, without limitation, the copyright of the articles published on the Underlying WeChat Accounts of which the Transferors or its Affiliates have interests.

To achieve the above purpose, the Transferors shall execute necessary forms, documents or agreements and complete necessary procedures prior to the Closing Date. Prior to the closing, Transferee shall submit application for change and transfer of the accounts, fans, all article materials and WeChat account numbers of the Underlying WeChat Account to the relevant administrative department, and complete such transfer before the payment of the Second Installment of the Transfer Consideration.

The Transferors shall be responsible for the transfer of the Underlying WeChat Accounts, and the Transferee shall provide cooperation. The costs arising from handling formalities for transfer of the Underlying WeChat Accounts shall be borne by the Transferors.

With respect to the WeChat accounts other than the WeChat account listed in Part II of Appendix VIII, the Transferors hereby acknowledge and covenant that they shall submit the cancellation application of such WeChat accounts prior to the Closing Date and complete the cancellation procedures for such WeChat accounts before the payment of the Second Installment of the Transfer Consideration; the Transferors covenant not to operate such WeChat accounts before the completion of such cancellation without the prior written consent of Transferee.

(7) **Other Underlying Intellectual Property Rights**

a. For the other Underlying Intellectual Property Rights, the Transferors shall deliver and transfer to the designated personnel of the Transferee, prior to the closing, the data, information, code, procedures, CDs, materials and other necessary materials and documents in connection with such other Underlying Intellectual Property Rights.

b. As of the Closing Date, the ownership of other Underlying Intellectual Property Rights and all rights and interests attached thereto shall be vested in the Transferee.

(8) With respect to the transfer or assignment of the Underlying Intellectual Property Rights under this Article 2, the Transferors shall ensure that all contact persons retained in the relevant customers, agencies (if any and applicable), filing website (if any and applicable) or competent Governmental Authorities (if any and applicable) shall be changed to the persons designated by the Transferee.

(9) The Transferors hereby acknowledge and agree that, either before or after the closing, with respect to the Underlying Intellectual Property Rights that is in the process of rejection, objection, announcement of objection and any objection raised by other Governmental Authorities or a third party (if applicable), the Transferors shall continuously take corresponding remedial measures and proceedings during the period required by applicable Laws and governmental authorities with respect to such Underlying Intellectual Property Rights.

(10) Each of the Transferors and relevant Uxin Group Company hereby acknowledges and agrees that, with respect to the Underlying Intellectual Property Rights which can only be authorized or licensed in accordance with the above provisions and cannot be transferred, the Transferors and relevant Uxin Group Company agree and covenant that, without the prior written consent of the Transferee, it shall not transfer, dispose of, pledge or encumber such Underlying Intellectual Property Rights; regardless of any change in or change to the equity and assets of the Transferors and Uxin Group Company (including, without limitation, liquidation, dissolution, bankruptcy, merger, consolidation, division, material reorganization, listing, change of Control, etc.), each of the Transferors shall ensure that, in a manner and by a mechanism requested by the Transferee, the above Underlying Intellectual Property Rights so licensed shall remain in effect and that such change in or change to the equity and assets of the Transferors and Uxin Group Company shall not affect the continuing validity of the above authorizations and they shall take a manner and mechanism requested by the Transferee to realize the actual benefits and interests in the Transferee’s continuous obtainment of such license in a corresponding manner.

2.5 **Transfer of the Underlying Contracts and Transfer of the Underlying Customer Relationships**

(1) Transfer of the Underlying Contracts

The Transferors agree to transfer and deliver to the Transferee, and the Transferee agrees to accept, acquire and receive the Underlying Contracts from the corresponding Transferors, at the time and in the manner provided for herein and subject to the terms and conditions hereof.

The Parties agree that regardless of when the transfer of the Underlying Contracts is completed, the Transferee shall be entitled to the rights and obligations under the Underlying Contracts as from the Closing Date (and the apportionment of relevant risks and liabilities shall be subject to Article 2.5 (3) hereof). Notwithstanding anything to the contrary contained herein, the transfer of the Underlying Contracts shall be subject to the rights and obligations transfer provisions (or similar provisions) of the Parties thereto (including, without limitation, satisfaction of requirements on notice or consent given by the counterparty thereto); provided that in any event, the Transferors shall complete the transfer and execution of the Underlying Contracts upon the time set forth herein.

(2) Negotiation with Contract Counterparts

With respect to the Underlying Contracts to be transferred in accordance with Article 2.5 hereof, the Transferors hereby acknowledge and undertake (i) to contact and negotiate with the other party to the Underlying Contracts (including, without limitation, telephone or online or offline notice) to notify the transfer of the Underlying Contracts, or to request the other party to the Underlying Contracts to enter into a replacement contract with the Transferee (the content of such contract shall be consulted and determined by the Transferee and the other party to the Underlying Contracts); (ii) to arrange the relevant parties to the Underlying Contracts to execute relevant agreements, contracts and other documents with respect to the transfer of the Underlying Contracts within the time limit set forth in Appendix XVIII hereto. Without the prior written consent of the assignee, the substance, terms and conditions of the Underlying Contracts shall not be adversely changed due to such transfer.

(3) Division Of Rights and Liabilities of the Underlying Contracts

The Parties hereby acknowledge and agree that: in respect of the Underlying Contracts, all rights and obligations under the Underlying Contracts shall be transferred to the Transferee or the Affiliate designated by the Transferee as of the Closing Date. All risks and liabilities under the Underlying Contracts shall be transferred to the Transferee or the Affiliate designated by the Transferee. Regardless of when the Underlying Contracts is transferred and assigned, the Transferors shall fully assume any Liabilities, obligations or responsibilities under the Underlying Contracts arising on or prior to the Closing Date (including, without limitation, the circumstances set forth below), and none of the Transferee or its Affiliate and their respective designated Persons shall assume the corresponding Liabilities, obligations or responsibilities:

a. Any responsibilities, Liabilities, taxes payable and other obligations in connection with the Underlying Contracts on or prior to the Closing Date (excluding the Underpayment Assumed by the Transferee (as defined below) that the Transferee agrees to and actually assume in accordance with this Agreement and any other Underpayment Assumed by the Transferee (as defined below));

b. Any pending litigation, claim, arbitration, administrative penalty or other legal proceedings relating to the Underlying Contracts on and before the Closing Date;

c. Claims, liabilities, obligations, damages, losses, judgments, legal actions, lawsuits, proceedings, arbitrations, etc. initiated by any third party in accordance with the Underlying Contracts on and prior to the Closing Date;

d. Claims made by any of the Transferors for the products sold or services provided in connection with the Underlying Contracts on and before the Closing Date; and

e. Any liabilities, obligations, damages, losses, judgments, legal actions, lawsuits, proceedings, arbitrations, etc. arising under the Underlying Contracts after the Closing Date arising out of any action or reason relating to the Underlying Contracts on and before the Closing Date.

(4) Transfer Method of the Underlying Contracts

(i) Online Electronic User Agreement

With respect to the online electronic user registration agreement relating to the Underlying Business in the Underlying Platform Accounts and the Underlying Domain Names (and the corresponding website) (the "**Online User Agreement**"), the Transferors shall amend all online electronic agreement templates corresponding to the Underlying Business prior to the Closing Date and change the service provider relating to the Underlying Business thereunder from the corresponding Transferors to the Transferee. Meanwhile, the Transferee shall notify the customers by online pop-up window or other means deemed reasonable by the Transferee that the provider of the user services of the Underlying Business in the Underlying Platform Accounts and of the Underlying Domain Names has been be changed to the Transferee (the "**Online Switch**").

(ii) Online Electronic Signature Agreements

In connection with the online electronic executed agreements regarding the Underlying Business in the Underlying Platform Accounts and Underlying Domain Names (the Uxin Auction used car trading service agreement for the seller and Uxin Auction used car trading service agreement for the buyer) (the "**Online Electronic Execution Agreement**"), the Transferors shall: (x) amend the service provider regarding the Underlying Business under such agreements from the corresponding Transferors to the Transferee and obtain the consent and confirmation from the counterparty to the Online Electronic Execution Agreement in respect of such change and amendment; or (y) complete the online electronic execution agreement transfer in any other manner acknowledged by the Transferee in advance (the foregoing (x) and (y) are referred to as the "**Online Transfer**").

(iii) Offline Agreements

The Underlying Contracts executed offline corresponding to the Underlying Business shall be handled in the following three ways depending on the actual circumstances of the Underlying Contracts, by the specific methods listed in the table in Article 2.5 (5) hereof:

a. Renewal upon Expiration: in respect of the Underlying Contracts which has expired as of the date of transfer of the Underlying Contracts but the Transferee decides to renew, the Transferee and the counterparty to the Underlying Contracts shall enter into a new business contract; The Transferors shall cause the counterparty to the Underlying Contracts to re-enter into an agreement with the Transferee with respect to the contents of such Underlying Contracts in such manner and mechanism as reasonably requested by the Transferee and according to such manner and time stipulated under this Agreement.

b. Termination and Re-execution: The Transferors and the counterparty to such Underlying Contracts shall execute a termination agreement reasonably satisfactory to the Transferee at the time set forth herein to terminate the Underlying Contracts between the Transferors and the counterparty; at the time set out in this Agreement, the Transferors shall procure and ensure that such counterparties shall, in such manner and on such mechanism as the Transferee may reasonably request, enter into a new agreement with the Transferee with respect to the contents of such Underlying Contracts at the time stipulated under this Agreement.

c. Internal Transfer: With respect to the Underlying Contracts without any separate written or oral agreement with the counterparty, and with respect to the Underlying Contracts of which the transfer is not completed on the Closing Date and shall be completed before, on or after the payment of the Second Installment of the Transfer Consideration, the rights and obligations under such Underlying Contracts shall be actually performed by the Transferee,. (i) the Transferors shall continue to collect revenues under the relevant Underlying Contracts from the counterparty, and the Transferee shall issue relevant invoice to the Transferors. Such revenues will be paid and settled by the Transferors to the Transferee on a weekly basis (within 2 days of the end of each week). (ii) The Transferors shall issue invoices to the Transferee for all payments made under the relevant Underlying Contracts, and the Transferee shall pay such invoices to the corresponding Transferors and the Transferors shall pay to the counterparty to such Underlying Contracts.

(5) Transfer Method of the Underlying Contracts

The Parties understand and confirm that with respect to the Underlying Contracts set forth in the list set forth in Appendix II, the Parties shall complete the transfer of the corresponding Underlying Contracts in the manner set forth in the following table at the time set forth in Appendix XVIII and in such manner and mechanism as mutually agreed by the Transferee and the relevant Transferor:

Contract Category	Method of Transfer
Part I of Appendix II Online User Agreement	Online Switch
Part II of Appendix II Online Electronic Signature Agreements (buyer-end online electronic signature agreement, seller-end online electronic signature agreement)	Online Transfer
Part III of Appendix II Big client agreement	Termination and Re-execution or Renewal upon expiration or other methods acknowledged by the Transferee
Part IV of Appendix II Used car trading service agreement for offline sellers (ordinary sellers)	Termination and Re-execution or Renewal upon Expiration or other methods acknowledged by the Transferee
Part V of Appendix II The supplier agreement (including suppliers exclusively related to the Underlying Business and the Underlying Business shared by the Transferors);	Termination and Re-execution or Renewal upon Expiration or other methods acknowledged by the Transferee
Part VI of Appendix II Property lease agreement	Termination and Re-execution or Renewal upon Expiration or other methods acknowledged by the Transferee

(6) The Parties agree that the income and expenses arising from the Underlying Contracts shall be allocated between the Transferors and the Transferee or the Affiliates designated by the Transferee as follows (whether or not the transfer of the Underlying Contracts has been actually completed and whether or not such transfer and delivery occurs prior to, on or after the Closing Date):

a. Prior to the Closing Date (including the Closing Date), any revenue/expenditure under the Underlying Contracts (whether or not the transfer is completed) shall be owned/assumed by the relevant Transferors or its Affiliates as the signing party. After the Closing Date (excluding the Closing Date), any income/expenditure/costs newly generated under the Underlying Contracts shall be owned/borne by the Transferee or the Affiliates designated by the Transferee;

b. The provisions of Articles 2.2, 2.3 and 2.5 (3) shall apply to the assumption and allocation of the expenses/costs incurred by the Underlying Contracts after the Closing Date arising out of the circumstances that have arisen and/or facts that exist on and before the Closing Date;

c. Without prejudice to the generality of the foregoing, in particular.

(i) In respect of the amounts payable by the Transferors under the Underlying Contracts that has accrued but not been actually paid on and before the Closing Date (the "**Accounts Payable**"), any accounts payable thereof relating to the Underlying Business in compliance with the receipt logic of Appendix XXI hereto and is acknowledged by the Transferee shall be vested in the Transferee (the "**Accounts Payable Assumed by the Transferee**", subject to the results of Underlying Assets Review (as defined below) and adjustments made in accordance with other terms of this Agreement) and shall be transferred to the Transferee in such manner and mechanism as reasonably requested by the Transferee. ,

(ii) In respect of other amounts payable by the Transferors under the Underlying Contracts that has accrued but not been actually paid on and before the Closing Date (the "**Other Accounts Payable**"), any accounts payable thereof relating to the Underlying Business in compliance with the receipt logic of Appendix XXI hereto and is acknowledged by the Transferee shall be vested in the Transferee (the "**Other Accounts Payable Assumed by the Transferee**", subject to the results of Underlying Assets Review (as defined below) and adjustments made in accordance with other terms of this Agreement) and shall be transferred to the Transferee in such manner and mechanism as reasonably requested by the Transferee.

(iii) In particular, in order to ensure the normal transfer of the Underlying Contracts and the continuous conduct of the Underlying Business, the Transferors hereby agree that, with respect to the Underlying Contracts, in addition to the amounts to be assumed by the Transferee in accordance with the above provisions, the Transferors shall properly settle or properly settle any other amounts due but unpaid as of the Closing Date (including the Closing Date) in a manner and mechanism satisfactory to the Transferee so as to ensure no adverse effect on the normal conduct of the Underlying Business from the Closing Date.

(iv) Unless otherwise agreed or arranged in this Agreement, any amounts receivable under the Underlying Contracts that have accrued but have not been actually received on and before the Closing Date shall be vested in the Transferors and shall be collected by the Transferors after the closing.

(v) The Accounts Payable Assumed by the Transferee and Other Accounts Payable Assumed by the Transferee actually assumed by the Transferee according to this Article shall be included in the calculation of the Net Working Capital of this Agreement.

(7) Newly Signed Contract and Updates to the List of the Underlying Contracts.

(i) Starting from the execution date of this Agreement, if requested by Transferee, Transferee shall have the right to request to enter into any newly signed contract directly in the name of Transferee or its designated Affiliate in connection with the Underlying Business after the execution date of this Agreement; provided that the execution arrangement of such contract shall not affect the division of rights and liabilities under the contract as set forth in Article 2.5 (3) hereof;

(ii) From the Closing Date, unless otherwise agreed upon by the Parties in writing, none of the Transferors and Uxin Group Company shall conduct the Underlying Business directly or indirectly in any way and shall not enter into any relevant contract. All contracts relating to the Underlying Business (whether online or offline) shall be executed in the name of the Transferee, and the Transferors agree to provide necessary assistance in the manner reasonably requested by the Transferee;

(iii) If the Transferors are required to execute any contract based on the reasonable request of the Transferee for the purpose of smoothing transition of the Underlying Business, the Parties shall otherwise determine through friendly consultation based on actual conditions whether the Transferors shall execute such contract. If the Transferors is required to execute any contract, the Transferors shall provide necessary assistance in the manner reasonably requested by the Transferee;

(iv) On or prior to the Closing Date, the list of the Underlying Contracts shall be updated and replace the original list attached hereto based on the then actual conditions; provided, however, that such update and modification shall be subject to the prior written consent of the Transferors and the Transferee and the updated list of Underlying Contracts shall be an integral appendix to this Agreement.

(8) **Underlying Customer Relationships**

If, as of the Closing Date, the Transferors have not signed any contract with respect to the Underlying Customer Relationships listed in Appendix XXII, the Transferors agree to give a written notice, before the Closing Date, to such customer who has not signed the relevant contract, notifying that the operator of the Underlying Business will be changed to the Transferee and the Underlying Business will be operated by the Transferee in the future. With respect to such Underlying Customer Relationships without signing contracts, the Transferors shall use its best efforts to complete the execution of the relevant contracts before the payment of the Second Installment of the Transfer Consideration to the satisfaction of the Transferee, and such contracts shall be transferred and assigned as part of the Underlying Contracts in the manner and mechanisms set forth in Article 2.5 hereof.

(9) **Handover**

The Transferors shall cause the counterparty of the Underlying Contracts and ensure the completion of transfer of all the Underlying Contracts prior to the Closing Date or prior to the payment of the Second Installment of the Transfer Consideration in accordance with the methods set forth in this Article and deliver all the original copies of the Underlying Contracts that actually retained by the Transferors and disclosed in the Disclosure Letter (except for e-copies according to the nature of the Underlying Contracts) to the Transferee prior to the closing.

2.6 **Transfer and License of the Underlying Technologies and Systems**

(1) Transferred Underlying Technologies and Systems

The Transferors agree to transfer, free of charge, all right, ownership and interests in the Underlying Technologies and Systems as listed in Part I of Appendix IX hereto (the "**Underlying Technologies and Systems**") together with the Intellectual Property, ownership and interests relating to the Underlying Technology to the Transferee.

To achieve the foregoing purpose, on or prior to the Closing Date, the Transferors shall deliver and hand over to the designated personnel of the Transferee all source code, source program, CDs, basic technical materials, technical abstracts, specifications and other necessary materials relating to the Underlying Technologies and Systems to ensure that the Transferee may independently use and operate the Underlying Technologies and Systems after the receipt of the technical materials delivered by the Transferors.

Without the prior written consent of the Transferee, the Transferors shall not use the Underlying Technologies and Systems.

After the closing, if the Transferee needs the assistance of the Transferors or its personnel in handling matters in relation to the Underlying Technology during the Transferee's use of the Underlying Technology, the Transferors shall provide cooperation.

(2) Licensed Underlying Technologies and Systems

The Transferors agree to and procure other relevant parties to license to the Transferee, and the Transferee agrees to accept, the Underlying Technologies and Systems as described in Article II of Appendix IX (the "**Licensed Underlying Technologies and Systems**") in accordance with the terms and conditions of this Agreement.

Prior to the Closing Date, the Transferors shall copy and provide the Transferee with all source code, source code, CDs, underlying technical data, abstracts, specifications and other necessary materials in connection with the Licensed Underlying Technologies and Systems.

The Transferors hereby acknowledges and covenants that with respect to the Licensed Underlying Technologies and Systems, the license shall be free of charge (for the avoidance of doubt, if such Licensed Underlying Technologies and Systems involve the Transferor's purchase of corresponding services from a third party at its expenses, the Transferee shall settle with the Transferors based on its actual use) and the license term shall start from the Closing Date and expire on the 12th month after the payment date of the Second Installment of the Transfer Consideration (the "**Technology and System License Term**"). Within the Technology and System License Term, the Transferee shall have the right to conduct internal sub-licensing and sublicense arrangements within the Transferee and its Affiliates and shall have the right to conduct reasonable sub-licensing and sublicense arrangements with third parties for such Licensed Underlying Technologies and Systems for the purpose of reasonably necessary for the conduct of the Underlying Business. The Transferors and relevant Uxin Group Company further covenant that, with respect to Underlying Technologies and Systems, they shall continuously ensure that such Underlying Technologies and Systems are stable and in good standing and timely pay relevant fees and deal with relevant issues relating to such Underlying Technologies and Systems on their own in a timely manner during Technology and System License Term. The Transferors shall obtain prior written consent of the Transferee if they transfer, dispose of or create encumbrance on the Licensed Underlying Technologies and Systems. The Transferors and relevant Uxin Group Company shall take all necessary measures to ensure that the Transferee can use such Licensed Underlying Technologies and Systems in a continuous and good manner.

The Transferors hereby acknowledge and agree that, with respect to the Underlying Technologies and Systems that can only be licensed but cannot be transferred pursuant to the foregoing provisions hereunder, the Transferors agree and covenant that, during the term of technology and system license, regardless of any change in or change in the equity and assets of the Transferors (including, without limitation, liquidation, dissolution, bankruptcy, merger, consolidation, division, material reorganization, listing, change of Control, etc.), each Transferor shall ensure that the above Underlying Technologies and Systems shall remain effective by taking all methods and mechanisms required by the Transferee and ensure that such change in or change in the equity and assets of the Transferors and Uxin Group Company shall not affect the continuous validity of the above license and shall take all methods and mechanisms requested by the Transferee so that the Transferee may continue to enjoy the actual benefits and interests of such license in the corresponding manner.

2.7 **Underlying Deposits**

(1) With respect to the amount of the Underlying Deposits corresponding to the Underlying Business as of the Closing Date (the specific amount shall be subject to the review of the Underlying Assets (as defined below)) (the "**Underlying Deposits Amount on the Closing Date**"), the Transferee shall deduct the amount of the Underlying Deposits on the Closing Date from the payment of the Second Installment of the Transfer Consideration to the Transferors.

(2) Prior to the Closing Date, the Transferors shall deliver the Underlying Deposits and title documents thereof and all corresponding materials (if any) to the Transferee or its designated Affiliate. In the meantime, the Transferors undertake that, after the Closing Date, with respect to the handling by the Transferee or its designated Affiliate of any matters (if any) relating to the Underlying Deposits, the Transferors shall provide necessary cooperation upon request of the Transferee.

2.8 The Warrantors hereby jointly and severally acknowledge, warrant and covenant that:

(1) With respect to the transfer of the Underlying Assets under this Article 2, they shall be transferred in a manner and mechanism mutually agreed by the Transferee and the relevant Transferors, and the Transferors shall ensure that the costs arising from the relevant transfer of the Underlying Assets by the relevant Transferors to the Transferee or its designated Affiliate in accordance with this Agreement shall be borne by the Transferors.

(2) The Warrantors hereby irrevocably acknowledge, confirm and undertake that with respect to the representations, warranties and undertakings made by the Transferors in this Article and other provisions hereunder and the obligations to be performed by the Transferors, the Warrantors shall bear joint and several obligations and assume joint and several liability for breaching such obligations.

(3) Each of the Transferors agrees to take all lawful, reasonably necessary and reasonably necessary actions to ensure that the Transferee will be entitled to all relevant interests in the Underlying Assets from the Closing Date. If, after the Closing Date, the Transferee finds that the Underlying Assets delivered are inconsistent with the provisions hereof, the Transferee shall have the right to request the Transferors to remedy such issue in accordance with the methods and mechanisms mutually agreed by the Transferee and the relevant Transferors; provided that such remedies shall not affect the right of the Transferee to request damages in accordance with the provisions hereof.

(4) With respect to any materials, documents, data, information or any other relevant assets required to be delivered, transferred to the Transferee on or prior to the Closing Date or upon the payment of the Second Installment of the Transfer Consideration, the Transferee or their designated Affiliates shall have the right to inspect and check such assets at any time on or prior to the Closing Date or at any time before the payment of the Second Installment of the Transfer Consideration in a manner and mechanism mutually agreed by the Transferee and the corresponding Transferors. In the case of any adjustment, change, reduction or impairment, the Transferee shall have the right to request the Transferors to make supplement, correction, remedy and other adjustment in the manner and mechanism requested by the Transferee.

(5) With respect to the Underlying Contracts and the Underlying Customer Relationships thereof, subject to Articles 2.2 and 2.3 hereof, regardless of whether the Underlying Contracts and the Underlying Customer Relationships thereof have been transferred to the Transferee by contract transfer and/or re-execution in accordance with this Agreement, the Transferors and Uxin Group Company acknowledge, agree and ensure that the Underlying Business, the Underlying Assets, aforesaid benefits, rights and interests with respect to such Underlying Contracts and Underlying Costumer Relationship shall be actually owned and acquired by the Transferee free of charge from the Closing Date.

(6) In particular, upon the reasonable request of the Transferee and with the prior consent of the Transferee, the relevant Transferors may collect the relevant amounts and amounts attributable to the Transferee on behalf of the Transferee while transferring the Underlying Business and the Underlying Assets (the "**Collection by the Transferors on behalf of the Transferee**").

The Transferors hereby covenant and warrant that, on or prior to the execution date of this Agreement, the Transferors shall fully and truly disclose to the Transferee (as listed in Appendix XVII in details) all of their bank accounts (including online and offline accounts) necessary for the Underlying Business and the operation of the Underlying Assets and corresponding bank accounts ("**Receiving and Payment Accounts**") necessary for the Collection by the Transferors on behalf of the Transferee. The Transferors acknowledge that the Accounts for Receipt and Payment as listed in Appendix XVII are all bank accounts involved in the Underlying Business and the operation of the Underlying Assets, and there is no other bank account necessary for or used for sake of the Underlying Assets and Underlying Assets that is missing or undisclosed.

Meanwhile:

(i) Commencing from the execution date of this Agreement and completing no later than the closing: the Transferors shall change the Receiving and Payment Accounts to the account arrangement fully escrowed to the Transferee in accordance with the method and mechanism agreed by the Transferee and the corresponding Transferors (the specific escrow account arrangement mechanism is set forth in Appendix XVII), that is, starting from the execution date of this Agreement, the signature and authorization of the representative designated by the Transferee is required (without the need to obtain the signature and authorization of the representative designated by the Transferor) for any amount received or paid by the Receiving and Payment Accounts, and shall ensure that the Transferee may directly have the right to transfer the funds in the above Receiving and Payment Accounts and the corresponding amount on its own at any time; the Transferors and the relevant Uxin Group Company hereby acknowledge and agree, and irrevocably authorize and agree to provide the Transferee or its designated representative with the foregoing escrow arrangement. For the avoidance of doubt, with respect to the escrow account upon the completion of the escrow according to the escrow mechanism set forth in Appendix XVII, the Transferee agrees to grant the Transferors access for reasonable inquiry (for the avoidance of doubt, the Transferee shall not be deemed as breaching the contract if such inquiry of the Transferors fails due to reasons not attributable to the Transferee);

(ii) Prior to the Closing Date, with respect to various bank accounts involved in the operation of the Underlying Business on the Underlying Platform Accounts and in online and offline channel business, during the process of the transfer of the Underlying Business, the Transferors shall, in the manner and mechanism satisfactory to the Transferee, irrevocably change the payment system to the payment system of the Transferee or its Affiliate and irrevocably change all bank accounts to the account designated by the Transferee so as to ensure that any new income, expenditure and settlement of the Underlying Business accruing after the Closing Date shall be conducted through the payment system of the Transferee or its Affiliate and by the account designated by the Transferee.

2.9 The Parties agree that regardless of when the change registrations and filings with Governmental Authorities (if applicable) of the Underlying Assets set forth in this Article 2 are completed and whether the Underlying Assets are transferred before the closing, or before or after the payment of the Second Installment of the Transfer Consideration in accordance with this Agreement, the Transferee or its designated Affiliate shall have all of the title to and interests in the Underlying Assets and the relevant Underlying Assets as of the Closing Date.

Article 3 Transfer Consideration and Payment

3.1 **Transfer Consideration**

(1) The Parties agree and acknowledge that on the basis that the Net Working Capital of the Underlying Assets and the Underlying Business accepted by the Transferee as of November 30, 2019 (the "**Benchmark Date**") is no less than 0, the initial transfer consideration for the Underlying Assets shall be US$[*] million equivalent in RMB; if the Net Wording Capital of the Underlying Assets and the Underlying Business accepted by the Transferee as of the Benchmark Date (the "**Benchmark Net Working Capital**") is less than 0, the Transfer Consideration actually paid by the Transferee shall deduct such Benchmark Net Working Capital from the aforesaid US$[*] million equivalent in RMB (taking into account that such Benchmark Net Working Capital is negative, such Benchmark Net Working Capital will be deducted from the RMB equivalent of US$[*] million).

The Benchmark Net Working Capital is set forth in Appendix XXI. The corresponding Underlying Assets and Underlying Business to the Benchmark Net Working Capital as well as the calculation logic of the Benchmark Net Working Capital are also set forth in Appendix XXI.

(2) Except for the First Installment of the Transfer Consideration and the Second Installment of the Transfer Consideration actually paid by Transferee under Article 3.3 (2) of this Agreement, the Transferee and any of its Affiliates shall not be required to pay any other purchase price or any other fees or taxes in connection with this Transaction to the Transferors or its shareholders or its Affiliates or any third party.

3.2 **Underlying Asset Review**.

After the Closing Date, a Big Four accounting firm (the "Auditor") designated by the Transferee shall review the Net Working Capital corresponding to the Underlying Assets as of the Closing Date (the "**Underlying Assets Review**"). The Underlying Assets Review shall be conducted in accordance with the following mechanism and principles:

(1) Within thirty (30) Business Days after the Transferors and the relevant Uxin Group Company providing the Transferee with complete materials in accordance with Article 7.2.9 of this Agreement (the "**Audit Period**"; provided, however, that the Transferors and Uxin Group Company shall provide all necessary cooperation with respect to the review of the Underlying Assets, and if they fail to provide such cooperation, the aforesaid period shall be reasonably extended), the Transferee shall designate an auditor to review the Underlying Assets as of the Closing Date and prepare corresponding financial reports (the "**Underlying Assets Review Financial Reports**"). For the avoidance of doubt, the Transferors are not required to repeatedly provide the materials that have been provided by the Transferors during the financial due diligence of the Underlying Business and the Underlying Assets conducted by the Transferee prior to the execution of this Agreement. Further for the avoidance of doubt, all Parties understand and recognize the calculation logic of the Net Working Capital corresponding to the Underlying Assets on the Closing Date and the consideration and receipt logic of the calculation factor of the corresponding Net Working Capital shall be consistent with the calculation logic of the Benchmark Net Working Capital, and the consideration and receipt logic of the corresponding Net Working Capital calculation factor, that is, shall remain consistent with the principles set out in Appendix XXI.

(2) Within five (5) Business Days after receiving the results of the Underlying Assets Review Financial Report and the notice of adjusting the Second Installment of the Transfer Consideration (as defined below), the Transferors shall notify the Transferee in writing whether they agree or disagree with such results and adjustment, and in the event of disagree, the Transferors shall specify in the notice the disagreeing items and reasons. If the Transferors fails to notify the Transferee in writing within five (5) Business Days after the receipt of such report and adjustment notice or the Transferors fails to specify the disagreeing items in the notice, the Transferors shall be deemed to have agreed the adjustment notice, and the results of the Underlying Assets Review Financial Report delivered by the Transferee to the Transferors shall be final. The Second Installment of the Transfer Consideration adjusted in accordance with this Agreement shall be deemed as final, and shall be legally binding upon the Transferors and the Transferee.

(3) The Parties shall use all reasonable efforts to promptly resolve any matters in dispute.

(4) If the Parties fail to agree upon the adjustment notice and all the matters contained therein within ten(10) Business Days after receiving the results of the Underlying Assets Review Financial Report and the adjustment notice, the Parties agree to jointly designate another Big Four firm (the "**Re-examination Independent Auditor**") within five (5) Business Days to carry out the following works within twenty (20) Business Days thereafter, (i) determination of the matters in dispute, (ii) re-preparation of the Underlying Assets Review Financial Report and (iii) calculation of the amount of the Second Installment of the Transfer Consideration actually payable based on the Underlying Assets Review Financial Report prepared by the Re-examination Independent Auditor and this Agreement. The Transferors and the Transferee shall make every effort to provide all materials necessary for the work of the Re-examination Independent Auditor and the Re-examination Independent Auditor shall, as soon as possible, notify the Transferors and the Transferee of its decision. The decision of the Re-examination Independent Auditor shall be binding upon the Transferors and Transferee and if any Party disputes the re-examination results of the Re-examination Independent Auditor, it may seek arbitration pursuant to Article 11. The cost of the re-examination conducted by the Re-examination Independent Auditor shall be borne by the Transferors.

3.3 **Payment of Transfer Consideration**

(1) First Installment of the Transfer Consideration

Within ten (10) Business Days after the execution of this Agreement or other time as agreed between the Transferors and the Transferee, the Transferee shall arrange the payment of the First Installment of the Transfer Consideration equivalent to US$75 million (the "**First Installment of Transfer Consideration**") in accordance with the mechanism set forth in Appendix XXIV hereto (for the avoidance of doubt, if the conditions precedent set forth in Article 4.3 fail to be satisfied within ten (10) Business Days after the execution of this Agreement or other periods otherwise agreed by the Transferors and the Transferee, the time for the First Installment of the Transfer Consideration paid by the Transferee in accordance with this Agreement shall be extended accordingly).

(2) Second Installment of the Transfer Consideration

On (x) completion of the Underlying Assets Review and the Underlying Assets Review Financial Report and determination of the amount of the Second Installment of the Transfer Consideration which is final and binding upon both the Transferors and the Transferee in accordance with Article 3.2 above; and (y) within ten (10) Business Days after the satisfaction of all the conditions precedent set forth in Article 4.4, the Transferee shall pay the Second Installment of the Transfer Consideration in cash, i.e. the RMB equivalent of US$[*] million (the "**Second Installment of the Transfer Consideration**"). The aforesaid RMB equivalent of US$[*] million shall be subject to the condition that neither the Benchmark Net Working Capital nor the Underlying Assets Review Net Working Capital (as hereinafter defined) shall be lower than 0; failing which, the aforesaid amount shall be adjusted in accordance with Article 3.4 and be paid to the bank account designated by the Transferors.

3.4 **Net Working Capital and Relevant Adjustments**

(1) For the avoidance of doubt, it is understood, acknowledged and agreed that, notwithstanding the provisions of Article 3.3 above, in consideration of the fact that the initial Transfer Consideration and the determination of the Second Installment of the Transfer Consideration equivalent to US$[*] million above are based on a Benchmark Net Working Capital of no less than 0, and in further consideration of the amount of the Benchmark Net Working Capital acknowledged by the Parties as set forth in Appendix XXI , the Parties agree that the Second Installment of the Transfer Consideration shall be adjusted to the following amount (the "**Second Installment of Transfer Consideration after Adjustment**"): the equivalent of US$[*] million in RMB minus the Benchmark Net Working Capital (taking into account that such Benchmark Net Working Capital is negative, the Second Installment of the Transfer Consideration will be reduced from the RMB equivalent of US$[*] million).

(2) For the avoidance of doubt, upon the payment of the Second Installment of the Transfer Consideration by the Transferee to the Transferors, the Second Installment of the Transfer Consideration actually paid (the "**Second Installment of the Transfer Consideration Actually Payable**") shall be subject to adjustment in accordance with the following mechanism:

(i) Where the Net Working Capital corresponding to the Underlying Assets Review Financial Report **(**the **"Underlying Assets Review Net Working Capital")** is more than the Benchmark Net Working Capital, the Second Installment of the Transfer Consideration Actually Payable = the Second Installment of the Transfer Consideration after adjustment + (Underlying Assets Review Net Working Capital — Benchmark Net Working Capital);

(ii) Where the Underlying Assets Review Net Working Capital is less than the Benchmark Net Working Capital, the Second Installment of the Transfer Consideration Actually Payable = the Second Installment of the Transfer Consideration after adjustment — (Benchmark Net Working Capital —Underlying Assets Review Net Working Capital).

(3) The Warrantors hereby understand, acknowledge and agree that:

If (i) the Underlying Assets Review Net Working Capital is equal to or less than RMB equivalent of US$[*] million and/or (ii) the Transferors and the Transferee otherwise agree upon, the Transferee shall be entitled to, at its sole discretion, reasonably adjust and change the the Underlying Assets, the Accounts Payable Assumed by the Transferee, and the other Accounts Payable Assumed by the Transferee and the Transferee shall have the right, at its sole discretion, to decide whether to assume the receivables and other receivables corresponding to the Underlying Assets and the specific amount of such receivables and other outstanding amounts receivable.

(4) Notwithstanding the foregoing, the Parties understand, acknowledge and agree that when Transferee actually pays the Second Installment of the Transfer Consideration, it shall have the right to deduct the amounts corresponding to the following matters and pay the amounts after the deduction to Transferors:

(a) With respect to any order placed by the method of auction on the Uxin Auction platform 14 days prior to the Closing Date, if any vehicle is returned after the Closing Date, and as a result, Uxin Auction platform and/or the Transferee is obliged to pay and/or bear any costs, the Transferee may deduct such costs and expenses when paying the corresponding Second Installment of the Transfer Consideration to the Transferors (without prejudice to the Transferee's operation of the Underlying Business, the compensations and expenses that entitled to the Transferee, and the customer relationship between the Transferee and its upstream and downstream customers of the Underlying Business, the amounts distributable to the Transferors in the corresponding refund vehicles shall be vested in the Transferors); (for the avoidance of doubt, this Article shall not affect the division of liabilities under Article 2.3 of this Agreement and shall not affect the Transferors' obligation to handle and settle such pre-closing issues);

(b) The amounts which have been collected by the Transferors on behalf of the Transferee but have not been settled to the Transferee as of the payment of the Second Installment of the Transfer Consideration (after deducting the amount which has been advanced by the Transferors (or its Affiliate) for the Transferee but has not been settled by the Transferee to the Transferors in accordance with this Agreement);

(c) Other deductibles as agreed herein and/or agreed upon by the Transferors and the Transferee.

(5) The Second Installment of the Transfer Consideration paid by Transferee to Transferors referred to herein shall mean the final actual amount paid upon completion of a series of adjustments in accordance with this Article 3.4, unless otherwise specified.

3.5 **Exchange Rate**

The exchange rate between the U.S. Dollars and Renminbi applicable to the First Installment of the Transfer Consideration and the Second Installment of the Transfer Consideration shall be the exchange rate between the U.S. Dollars and Renminbi published by the People's Bank of China on the date on which the Transferee actually pays such Transfer Consideration.

Article 4 Closing

4.1 The date on which the Transferee arranges the payment of the First Installment of the Transfer Consideration pursuant to Article 3 above shall be the "Closing Date".

4.2 Prior to the Closing Date, unless otherwise agreed in Article 2 of this Agreement in respect of the Underlying Assets, each Transferor shall submit and deliver to the Transferee or its designated Affiliate the following documents:

4.2.1 With respect to the Underlying Intellectual Property Rights, provide all governmental registration and/or application materials corresponding to such Underlying Intellectual Property Rights, ownership certificates of such Underlying Intellectual Property Rights and technical materials corresponding to such Underlying Intellectual Property Rights (including, without limitation, underlying code, domain name transfer code, coding, software source code, software communication protocol, technical materials and technical plans);

4.2.2 Materials evidencing the transfer of the Underlying Intellectual Property Rights to the Transferee or their Persons and submission of change filing to the governmental authorities in connection with the Underlying Intellectual Property Rights in accordance with relevant provisions under Article 2 hereof;

4.2.3 Relevant materials and/or documents evidencing the completion of the transfer of the Underlying Assets from the relevant Transferors to the Transferee or their designated Affiliates and the ownership of the Transferee of the title to such Underlying Assets and the rights and interests attached thereto;

4.2.4 The bank account, password, merchant code, etc involved in all online and offline payment channels of the Underlying Assets and Underlying Business, to enable the Transferee to inspect and verify the Underlying Business and Underlying Assets transactions and payments independently/at any time;

4.2.5 Contact persons and contact information of all the agencies of the Underlying Intellectual Property corresponding to the Underlying Assets;

4.2.6 Authority, account and password of Underlying Technologies and Systems;

4.2.7 The access that shall be granted by the Transferors and the relevant Uxin Group Company in order to effect the delivery and transfer of the Underlying Platform Accounts to the Transferee;

4.2.8 The access of the Licensed Underlying Technologies and Systems corresponding to the materials and access to be delivered or granted to the Transferee;

4.2.9 All account numbers, passwords, password protection questions and corresponding details on the social and promotion platforms corresponding to the Underlying Assets and the Underlying Business;

4.2.10 The shareholders resolutions and/or the board resolutions (as the case may be) adopting and approving this Transaction by each of the Transferors and the Uxin Group Company as signing parties of this Agreement.

4.3 Unless waived by the Transferee in writing, the closing under Article 4.1, i.e., payment of the First Installment of the Transfer Consideration, shall be subject to the satisfaction on or before the Closing Date of all of the following conditions precedent:

4.3.1 The representations and warranties made by the Warrantors in Article 6.1 hereof are true, accurate, complete and without omission and not misleading from the execution date hereof (including the execution date hereof) to the Closing Date (including the Closing Date);

4.3.2 The covenants required to be complied with by the Warrantors under this Agreement and the other Transaction Documents prior to the Closing Date and the obligations required to be performed by the Warrantors prior to the Closing Date have been complied with and performed, and the Warrantor has not committed any breach of the Transaction Documents;

4.3.3 As of the execution date hereof and the Closing Date, no event or circumstance (including, without limitation, any litigation, arbitration proceedings, tax inspection, tax punishment, or any investigation or punishment proceedings conducted by governmental authorities) shall have occurred or be likely to occur which have any Material Adverse Effect on the Underlying Assets and/or the Underlying Business and/or this Transaction;

4.3.4 As of the execution date hereof and the Closing Date, there is no judgment, ruling, decree or injunction of any Law, court, arbitral body or applicable Governmental Authority restraining, prohibiting or cancelling the transaction;

4.3.5 Transferors and Uxin Group Company have obtained all approvals and permits necessary for the execution of relevant Transaction Documents and the consummation of this Transaction;

4.3.6 All Transaction Documents relating to this Transaction have been duly executed and delivered by the relevant parties other than the Transferee and its Affiliates and have become effective in accordance with their terms;

4.3.7 The transfer of the Underlying Assets set forth in Article 2 hereof and the Appendices hereto that shall be completed on and/or prior to the Closing Date shall have been completed in accordance with the methods and mechanisms set forth herein and evidence thereof shall have been provided to the Transferee to their satisfaction;

4.3.8 The Transferee has completed due diligence on the Underlying Business and the Underlying Assets and the results of such due diligence are satisfactory to the Transferee;

4.3.9 The Transferee has obtained the necessary internal approvals for the Transaction;

4.3.10 All consents, approvals, notices, filings or registrations necessary for the execution or performance of this Agreement or the consummation of this Transaction by each of the Transferors and the Warrantors shall have been obtained or made from any Governmental Authority or other Person;

4.3.11 The Underlying Assets and the Underlying Business shall be fully maintained, sustained and operated as a normal in the manner and by the mechanism reasonably required by the Transferee;

4.3.12 The Transferors have handed over the documents set forth in Article 4.2 hereof to the Transferee in a manner agreed by the Transferee;

4.3.13 The Transferor, the Transferee and other relevant parties shall have entered into the business cooperation agreement (the "**Business Cooperation Agreement**") to the reasonable satisfaction of the Transferee;

4.3.14 The attorneys of the Transferors shall have issued a legal opinion to the satisfaction of the Transferee in connection with the execution of this Agreement and the relevant agreements attached hereto and the transactions contemplated hereby and thereby;

4.3.15 The relevant process that shall be completed before the payment of the First Installment of the Transfer Consideration regarding the Underlying Contracts and the Underlying Customer Relationships shall have completed in the manner and time schedule as set forth in Appendix XVIII;

4.3.16 All access of all business operation systems and any other systems corresponding to the Underlying Business have been granted and handed over to the Transferee in a way in accordance with Article 2 hereof and as requested by the Transferee;

4.3.17 The Transferors have provided to the Transferee on the day before the Closing Date and in the manner to the satisfactory of the Transferee, the actual end-of-period financial data of the Net Working Capital (details agreed in the Appendix XXI) to be received by the Transferee corresponding to the Underlying Assets and the Underlying Business during the period from December 1, 2019 to the date two days prior to the Closing Date and estimated financial data of the same as of the Closing Date, as well as the transaction flow information (full field) in the business systems (including longmen) as of the day two days prior to the Closing Date, and the list of upstream and downstream deposits payable, list of downstream vehicle accounts payable and list of upstream vehicle amounts payable in business systems;

4.3.18 The payment system corresponding to the Underlying Business has been irrevocably changed to the payment system of the Transferee or its Affiliates, all bank accounts corresponding to the Underlying Business and the beneficiary account have been irrevocably changed to the bank account designated by the Transferee or adjusted to accounts receiving mechanism as requested by the Transferee;

4.3.19 With respect to the mobile application/accounts/system of the Underlying Assets registered or filed under the name of Beijing Youxin Fengshun Lubao Vehicle Auction Co., Ltd. or its Affiliate (the "**Fengshun Lubao**") including the "Agent", "Transformer" "Shan Ban" "Designated Driver" "Chake2017" "Purple Gold Red Hulu" "Member Advisor (RN)" "Yi Cheng Cha Ding" "Chake 3.0 Mercedes-Benz Star Edition", Fengshun Lubao and Beijing Hengtai Boche Auction Co. Ltd. have jointly irrevocably confirmed and warranted in writing that the Transferors has complete Intellectual Property and ownership of the aforesaid mobile application/accounts/system and of which the Transferors shall complete the corresponding transfer or license set forth in Article 2of this Agreement;

4.3.20 The Transferors shall provide the preliminary solution prior to the Closing Date in respect of the leased buildings and premises corresponding to the Transferor's operation of the Underlying Business as listed in Appendix XXIII hereto;

4.3.21 With respect to the Weibo verified account of "Uxin Auction", Transferors shall have submitted the cancellation application in a manner and by mechanism reasonably satisfactory to Transferee;

4.3.22 Upon reasonable request by Transferee, Transferors and Transferee shall enter into a relevant supplementary agreement to agree upon arrangement for entrusted collection, payment and settlement between Transferors and Transferee in connection with the entrusted collection, payment and settlement under this Transaction;

4.3.23 The Underlying Assets and the Underlying Business continue to be in good operation, and the Transferors shall ensure that: (i) the amounts of the Accounts Payable and other Accounts Payable arising from the Underlying Assets and the Underlying Business as of the Closing Date shall not be higher than the amounts of the accounts payable and other accounts payable corresponding to the Underlying Assets and the Underlying Business as of November 30, 2019, which conform to the calculation basis of the Net Working Capital as of November 30, 2019; and (ii) the following indicator percentage (i.e. the total amount of the vehicles accounts payable arising from the Underlying Assets and the Underlying Business during the 30 days prior to the Closing Date ÷ the amount of all successful transaction orders corresponding to the Underlying Assets and the Underlying Business during the 30 days prior to the Closing Date) shall not be higher than the corresponding indicator percentage as of November 30, 2019 (i.e. the total amount of the vehicles accounts payable arising from the Underlying Assets and the Underlying Business during the 30 days prior to November 30, 2019 ÷ the amount of the current accounts relating to the Underlying Business and all successful transaction orders corresponding to the Underlying Assets during the 30 days prior to November 30, 2019);

4.3.24 The Transferors shall have fully handled and settled the withdrawal, settlement and relevant arrangements of the deposits relating to the Underlying Business and the Underlying Assets arising on or before the Closing Date;

4.3.25 Transferors and the relevant Uxin Group Company have issued a power of attorney to Transferee to its satisfaction, irrevocably agreeing that Transferee shall be entitled to transfer and withdraw the funds in the Receiving and Payment Accounts in accordance with Article 2.8 (6) hereof;

4.3.26 Transferors and the relevant Uxin Group Company have issued a power of attorney to Transferee in accordance with the mechanism set out in Appendix XXIV;

4.3.27 The Transferors have confirmed to the Transferee in writing that each of the above conditions precedent of the closing has been satisfied and provided the Transferee with relevant supporting documents.

4.4 Unless waived by Transferee in writing, the payment of the Second Installment of the Transfer Consideration by Transferee to Transferors shall be subject to the full satisfaction of the following conditions precedent:

4.4.1 The covenants required to be complied with by the Transferors under this Agreement and the other Transaction Documents prior to the payment of the Second Installment of the Transfer Consideration and the obligations required to be performed prior to the payment of the Second Installment of the Transfer Consideration have been complied with and performed, and the Transferors do not have any breach of the Transaction Documents;

4.4.2 As of the execution date of this Agreement and the Second Installment of the Transfer Consideration Payment Date, no event or circumstance (including, without limitation, any litigation, arbitration proceedings, tax inspection, tax punishment, or any investigation or punishment proceedings conducted by governmental authorities) has occurred or is likely to occur which has any Material Adverse Effect on the Underlying Assets and/or the Underlying Business and/or this Transaction;

4.4.3 As of the execution date and the payment date of the Second Installment of the Transfer Consideration, there is no judgment, ruling, decree or injunction of any Law, court, arbitral body or competent governmental authority restricting, prohibiting or cancelling this Transaction;

4.4.4 The transfer of the Underlying Assets set forth in Article 2 hereof and the Appendices hereto that shall be completed prior to the payment date of Second Installment of the Transfer Consideration and/or the payment date of Second Installment of the Transfer Consideration shall have been completed in accordance with the methods and mechanisms set forth herein and Transferee shall have been provided with satisfactory evidence;

4.4.5 With respect to the buildings and premises corresponding to the Underlying Business as listed in Appendix XIX which the Transferee elects to continue to use, the Transferors and relevant Uxin Group Company shall ensure that the registered address of such Transferors and Uxin Group Company (or their branches) shall have been relocated from their current addresses;

4.4.6 With respect to the issues and defects involved in the lease agreements set forth in Part VI of Appendix II, the Transferors have properly resolved such issues and defects in accordance with the manner and mechanism agreed by the Transferors and the Transferors;

4.4.7 Except for the Underlying Contracts of which the transfer is completed prior to the Closing Date as set forth in Article 4.3.15, the remaining Underlying Contracts have been transferred to the Transferee in accordance with the manners and mechanisms set forth in Article 2.5 hereof;

4.4.8 In accordance with the provisions of tax policies, if the transfer of the Underlying Assets are determined by tax authorities as items not subject to VAT, and that VAT invoices may be issued in accordance with the provisions, then VAT invoices of no levy obligations shall be issued; if the transfer of the Underlying Assets are determined by tax authorities as being subject to VAT, then special VAT invoices with applicable tax rate/levy rate shall be issued in accordance with the provisions;

4.4.9 The Transferors shall have completed cancellation of Weibo verified account of “Uxin Auction” to the reasonable satisfaction of the Transferee;

4.4.10 The registration of the Exclusive Licensed Trademarks, the General Licensed Trademarks and the Licensed Underlying Patents in accordance with Article 2 hereof shall have been completed, and evidence thereof shall have been provided to the satisfaction of the Transferee;

4.4.11 Transferors confirms to Transferee in writing that each of the foregoing conditions precedent has been satisfied and has provided Transferee with relevant supporting documents.

4.5 Each of the Transferors shall take all necessary actions to cause the above conditions precedent under Articles 4.3 and 4.4 to be satisfied as soon as practicable, and the Transferee shall provide reasonable and necessary cooperation. If the Transferors are aware that any of the conditions precedent under Articles 4.3 and 4.4 has been fulfilled, it shall immediately notify the Transferee in writing (with relevant documentary evidence attached). If, at any time, the Transferors become aware of any fact or circumstance which may hinder the satisfaction of a conditions precedent under Articles 4.3 and 4.4, it shall also promptly notify the Transferee in writing (with relevant documentary evidence).

Article 5 Taxes

The Transferors shall be jointly and severally liable for any Tax in connection with this Transaction, and the Transferee shall not bear any Tax arising from this Transaction.

Article 6 Representations and Warranties

6.1 Except for matters listed in Appendix XVI Disclosure Schedule, the Warrantors hereby jointly and severally make the following representations and warranties to the Transferee and ensure that such representations and warranties shall be true, accurate, complete and without omission and not misleading in any respect as of the execution date of this Agreement and the Closing Date of this Transaction:

6.1.1 Each of the Transferors and the Warrantors is an entity duly registered and validly existing under applicable laws;

6.1.2 Each of the Transferors and the Warrantors has obtained all approvals and third party permits necessary for the consummation of this Agreement and the transactions contemplated hereby, including but not limited to the approvals of the shareholder/shareholders' meeting and the approval of the executive director/board of directors of each of the Transferors and the Warrantors;

6.1.3 The execution and delivery of the Transaction Documents, performance of all obligations thereunder and consummation of the Transaction Documents by the Transferors and the Warrantors have been duly and fully authorized by all requisite or necessary actions for the execution and delivery of the Transaction Documents, performance of all obligations thereunder and consummation of the transactions contemplated under the Transaction Documents; each of the Transferors and the Warrantors has full capacity for civil conducts and civil rights for the execution and delivery of the Transaction Documents, performance of all obligations thereunder and consummation of the Transaction Documents; the Transaction Documents shall be legally binding upon the Transferors and the Warrantors upon their execution; no notice to any third party (including, without limitation, the creditors of the Transferors and the Warrantors or other third parties) or consent of third party shall be required for the execution and delivery of this Agreement and the consummation of the transactions contemplated under this Agreement by the Transferors and the Warrantors;

6.1.4 The execution of this Agreement and other Transaction Documents by the Transferors and the Warrantors does not conflict with the articles of association of the Transferors and the Warrantors and any contract or document to which the Transferors and the Warrantors are a party or which is binding on the Underlying Assets, nor does it violate any judgment of any court, any award of arbitration authority and any decision of any Governmental Authority. If the execution of this Agreement and other Transaction Documents or performance of their obligations hereunder or thereunder by any Transferors and the Warrantors requires authorization or approval of any Governmental Authority in accordance with any laws and regulations, the Transferors undertake to obtain such authorization or approval and, if such authorization or approval cannot be obtained, the Parties shall consult with each other for the solution;

6.1.5 Each of the Transferors and the Warrantors has taken or will take all measures and actions prior to the Closing Date to obtain all applicable governmental, statutory, regulatory or other consents, approvals, licenses, waivers or waivers necessary for its execution and performance of, and for the binding effect of the terms and conditions of, this Agreement and other Transaction Documents. No other consent or approval of any individual, corporation, entity or Governmental Authority is required under any Law or pursuant to the terms of any agreement or arrangement to which the Warrantors are a party. Each of the Transferors owns the corresponding Underlying Assets for its own account and not as an agent or trustee of any other beneficiary;

6.1.6 Each of the Transferors and Warrantor is duly incorporated and organized, and validly existing. Each of the Transferors and the Warrantors has the corporate power and governmental approval to own and operate the Underlying Assets and to operate the Underlying Business in the manner it is being operated;

6.1.7 All reports, documents and information provided by the Transferors to the Transferee in connection with the Underlying Assets, the business relating to the Underlying Assets and all matters required by this Agreement are true, accurate, complete, not misleading and without omission in all respects;

6.1.8 Each of the Transferors shall have complete ownership and the right to dispose of all of its Underlying Assets, and no Encumbrance, debt or other encumbrance is established on any Underlying Assets, including, without limitation, license granted to any third party with respect to the Underlying Assets, pledge of the Underlying Assets or purchase right or any other security interest granted to any third party with respect to the Underlying Assets;

6.1.9 Each of the Transferors shall have full and exclusive ownership and disposal right of the Underlying Assets, and none of the Underlying Assets shall contain any state-owned or collective assets. None of the Underlying Assets is subject to or involves (i) any liabilities and Encumbrances, (ii) mortgage, pledge, lien or other contingent liabilities, (iii) arbitration, litigation, claim, dispute or dispute, (iv) attachment, seizure, freezing, penalty and restrictions imposed by other Governmental Authorities, (v) factual or legal defects which should be disclosed;

6.1.10 The transfer by the Transferors of the Underlying Assets to the Transferee in accordance with this Agreement is not subject to the approval by any relevant Governmental Authority, other than the approval, registration or filing and license provided in this Agreement;

6.1.11 There is no outstanding or threatened litigation, claim, action, arbitration, administrative procedure or other legal proceedings which may adversely affect, delay, restrict or hinder the performance of the Transferors and Warrantor of the obligations and liabilities under this Agreement;

6.1.12 All records, documents and materials submitted by each Transferor to the Transferee or its designated Affiliate in accordance with the Transaction Documents are true and complete and truthfully reflect the status of all the Underlying Business and the Underlying Assets transferred by the Transferors to the Transferee to its designated Affiliate in accordance with this Agreement. Each of the Transferors further represents and warrants that no change in the Underlying Assets reflected in the records provided by each of the Transferors to the Transferee or its designated Affiliate in connection with the Underlying Assets will cause Material Adverse Effect to the Transferee or its designated Affiliate;

6.1.13 The Underlying Assets do not constitute any interference with, infringement upon, misappropriation of or otherwise conflict with the Intellectual Property of any third party and each of the Transferors has taken all necessary actions to preserve and protect all the Underlying Assets;

6.1.14 Each of the Underlying Intellectual Property Rights which has been registered or is in the process of registration application is duly registered or applied for registration (if applicable) in accordance with the PRC Laws, and the registration obtained or the registration application submitted has not been cancelled, rejected or declared as invalid (if applicable), each of the Transferors has duly paid up relevant registration fees, Annual Fees and Overdue Fines, if applicable;

6.1.15 The Transferors have maintained the Underlying Assets in accordance with market practice and all applicable Laws in order to ensure that the Underlying Assets are valid and can be used for the purpose of operating the Underlying Business in a lawful manner. All of the Transferors which operate the Underlying Business have filed all applicable tax returns in accordance with relevant Laws, and such tax returns are true, accurate and complete. Such Transferors have paid up all taxes payable without any penalty, surcharge, fine or interest payable in connection with such taxes and has not committed any breach or violation of tax laws or regulations and has not been involved in any dispute and litigation relating to taxes or fees. Such Transferors have submitted the requested information to any requesting tax authority, and there is no dispute between such Transferors and the tax authority in relation to the tax liabilities or potential tax liabilities or tax benefits of the company.

6.1.16 The Underlying Assets are free of any tax-related non-compliance or unlawful conducts, and do not involve in any disputes or lawsuits in respect of taxes and fees; Each Transferor has submitted the requested information to any requesting taxation authority with respect to the Underlying Assets, and there is no dispute over the taxation liability or potential taxation liability or taxation preference concerning the Underlying Assets with the taxation authority; and each Transferor keep the financial information of the Underlying Assets required for normal tax recording and tax payment. With respect to this Transaction, none of the Transferors has conducted any transaction or entered into any contract for the purpose of illegal tax avoidance.

6.1.17 The Warrantors will not take any action which may damage the Underlying Assets, and from the date hereof, without the prior written consent of the Transferee, shall:

(i) Not dispose of, or cause the disposal of, any of the Underlying Assets (except for the disposals which occur during the normal production and operation of the Transferors and the Warrantors provided that such disposals shall not have any adverse effect on the execution and performance of this Agreement and other Transaction Documents or the implementation of this Transfer by the Transferors and the Warrantors);

(ii) Not enter into any agreement in conflict with this Agreement; and

(iii) Not enter into any transaction or action that may have any adverse effect on the Underlying Assets (except for such transactions or actions which occur during the normal production and operation of the Transferors and the Warrantors provided that such transactions or actions shall not have any adverse effect the execution and performance of this Agreement and other Transaction Documents or the implementation of this Transfer by the Transferors and the Warrantors).

6.1.18 The use, operation and transfer of any of the Underlying Assets do not conflict with any PRC Laws or the articles of association of the Transferors and the relevant agreements or documents executed by them;

6.1.19 There are no pending litigation, arbitration, administrative proceedings or disputes against the Underlying Assets; there is no ongoing or pending objection, dispute, revocation request or request for declaration of invalidity proposed by Governmental Authorities or any third party with respect to the Underlying Assets; no event or circumstance has occurred or is reasonably expected to occur which has a Material Adverse Effect on the transfer of the Underlying Assets or any part of the transactions contemplated hereby;

6.1.20 The Transferors have not submitted any application for liquidation, nor has the Transferors appointed a Person to take over all or part of the Underlying Assets of the Transferor;

6.1.21 With respect to the Underlying Business and the Underlying Assets, the Transferors do not own any land, building or house. The buildings and their addresses (including without limitation, details of property lease agreements set forth in Article VI of Appendix II) used for the Underlying Business and the Underlying Assets are the real property owned by third party and leased in accordance with laws, the Person which lease directly and indirectly such buildings to the Transferors shall have the lawful right to lease such buildings, the Transferors are in compliance with such lease agreements, and own valid and enforceable leasehold interests in such buildings, free of any Encumbrance. (i) the Transferors have not leased, subleased or sublet any land, building or premises to any third party; (ii) there are no property defect of the land, building or premises leased by the Transferors; (iii) the leased addresses set forth in Part VI of Appendix II have not been used by the Transferors and any other third party for purpose other than the conducting and operation of the Underlying Business (including, without limitation, that such leased addresses have been used by the Transferors for the purpose of AIC registration of the registered address of the company);

6.1.22 With respect to the services corresponding to the Underlying Business, the products sold and/or services provided by the Transferors with respect to the Underlying Business are in conformity with, and have at all times been in conformity with, all applicable laws and warranties, covenants or factual acknowledgements in respect of all such products and/or services;

6.1.23 With respect to the Underlying Intellectual Property Rights, the Transferors have lawful ownership of or have lawful right to use the Underlying Intellectual Property Rights and have taken appropriate measures to protect the legality, validity, completeness and safety of such Underlying Intellectual Property Rights (including completion of relevant registration, filing or renewal formalities in due course in accordance with laws). Each of the Underlying Intellectual Property Rights is valid and enforceable in accordance with law and nothing has occurred which might render any Underlying Intellectual Property Rights invalid or unenforceable. To the knowledge of the Warrantors, the corresponding Transferors have not infringed upon, or illegally used, any Intellectual Property which any third party has any right, title or interest in respect of the Underlying Intellectual Property Rights, and have not licensed or allowed any third party to use any Underlying Intellectual Property Rights; neither the Transferors have infringed upon others' Intellectual Property, trade secrets, proprietary information or other similar rights in respect of the Underlying Intellectual Property Rights, and there is no pending or foreseeable claim, dispute or litigation proceeding requiring the Transferors to indemnify for infringement upon any third party's Intellectual Property, trade secrets, proprietary information or other similar rights in respect of the Underlying Intellectual Property Rights, and there is no known third party has infringed upon the Underlying Intellectual Property Rights.

The Transferors have not granted any license or other rights to any third party with respect of the Underlying Intellectual Property Rights. The Transferors has taken reasonable measures in accordance with normal industry practice to keep confidential the trade secrets and other confidential Intellectual Property used for the Underlying Business.

Transferors do not have any Intellectual Property that is authorized or licensed or co-used with third party for the purpose of conducting the Underlying Business.

Except for Weibo account of Uxin Auction, the Transferors have not operated other promotion platforms and social networking platform accounts in respect of conducting the Underlying Business. The Transferors undertake that it will not operate the Weibo account of Uxin Auction from the date of this Agreement until the completion of its cancellation.

6.1.24 Each of the Underlying Contracts is entered into during the ordinary course of the Underlying Business, shall constitute legal, valid and binding obligation of the parties thereto, and shall be enforceable by the parties thereunder in accordance with its terms, and there is no Underlying Contracts which restricts the relevant Transferor's business activities or resources, restricts the Transferor's business activities or business freedom, imposes competition restrictions to the Transferors, or obligates the Transferors to share any Underlying Intellectual Property Rights with a third party or grants any third party the license to use the Underlying Intellectual Property Rights. The Underlying Contracts have been duly performed and have not been breached by the Transferors or any other party thereto.

Each of the Transferors has not received any notice of termination, rescission or breach of any of the Underlying Contracts. The mere performance of this Transaction will not result in the termination of the Underlying Contracts or have adverse effect on the rights under the Underlying Contracts, nor will the correspondent customers or suppliers of the Underlying Contracts cease to be the customers or suppliers to the same degree and of the same nature as they were prior to the date thereof.

The Transferors shall have the right to transfer all rights and obligations under the Underlying Contracts (subject to the notices or the consent of the counterparty as provided in relevant contract terms).

6.1.25 The Transferors have provided the Transferee with the underlying financial statements corresponding to the Underlying Assets as of November 30, 2019 (the "**Financial Statement Date**") (including, without limitation, balance sheet, income statement, cash flow statement, consolidated financial reports, etc., the same below), such financial statements (together with the notes thereto) have provide a complete, accurate and fair view of the financial conditions, results of operations and cash flows of such companies and are consistent with the books, vouchers and financial records of the Transferors. Since the issuance of such financial statements, no event has occurred which has had or may have Material Adverse Effect on the financial or operation status of such Underlying Assets. The Underlying Assets do not contain any liabilities and contingent liabilities that shall be disclosed in accordance with the PRC GAAP and the U.S. GAAP but have not been disclosed in its financial statements (or notes thereto). There are no liabilities and contingent liabilities that are not required to be disclosed in accordance with the PRC GAAP and the U.S. GAAP but that have or may have Material Adverse Effect on the financial conditions or operation of such Underlying Assets.

6.1.26 Since the Financial Statement Date, there has not been any material adverse change in the Underlying Business and the Underlying Assets, and no event, fact or matter has occurred which might give rise to any such change. Since such date, the Transferors has conducted the Underlying Business in the ordinary and usual course, and in the course of such operations, consistent with past practice and prudent commercial practices. The group companies have sufficient funds and ability to carry out regular business operation and have not done or conducted any act set forth under Article 6.1.30 of this Agreement other than in general and day-to-day business.

6.1.27 With respect to the Underlying Business and the Underlying Assets,

(i) Neither the Transferors nor any of the respective Uxin Group Company or any of its directors, officers, employees or other persons acting for or on behalf of such Uxin Group Company has: (x) made, offered to make, promised to make, or authorized any direct or indirect unlawful bribe, rebate, payoff, influence payment, kickback, or other unlawful payment or gift, whether in the form of money or anything of value, to any foreign or domestic governmental official, employee of any governmental agency, any political official or candidate for political office, or official or employee of any public international organization; or (y) established or maintained any unlawful or unrecorded fund or maintained any fraudulent or fictitious entry in the books and records of such Uxin Group Company;

(ii) None of Uxin Group Company or any of its directors, officers, employees or other persons acting for or on behalf of Uxin Group Company has directly or indirectly given or agreed to give any gift or similar benefit to any customer, supplier, government employee or other person who has or may have the right to assist or obstruct Uxin Group Company's Relevant Business that (a) constitutes a bribe, kickback or illegal payment under applicable laws or (b) could expose Uxin Group Company to damage or penalty in any litigation, indictment, arbitration or investigation or audit by any government authority, or (c) if it has not given a gift before, or if it will not continue to give a gift in the future, that could have an adverse effect on the relevant assets, properties, business, operations or prospects of Uxin Group Company or could expose Uxin Group Company to prosecution or penalty in any litigation, indictment, arbitration or investigation or audit by any government authority. Furthermore, none of Uxin Group Company or any of its directors, officers, employees or other persons acting for or on behalf of such Group Company, has directly or indirectly accepted or agreed to accept any gift or similar benefit from any customer, supplier, government employee or other person which constitutes a bribe, kickback or illegal payment under applicable laws or which may expose the Uxin Group Company to damages or penalties in any litigation, prosecution, arbitration or investigation or audit by any government agency;

(iii) None of foreign or domestic government officials, employees of any governmental agency, any political official or candidate for political office, or officials or employees of any public international organization or any government agency currently has a direct or indirect interest in Uxin Group Company or any legal or beneficial interest in the consideration paid by Uxin Group Company or the Transferee to the Transferors hereunder;

(iv) Uxin Group Company has not used any funds or assets to pay any kickback, or established any off-balance sheet funds or assets for any illegal purpose. Not have been aware by or on behalf of Uxin Group Company that any part of the payment would be used for those purposes.

6.1.28 With respect to the Underlying Business and the Underlying Assets, the Transferors have taken adequate and appropriate measures to protect the security of customer information in accordance with applicable laws, There is no serious malfunction on the corresponding IT system of the Transferor, there is no improper password on the data processed by the Transferor, the internal IT system of the Transferors does not allow unauthorized login, and the Transferors will not shut down without the consent from the internal IT system operator. The Transferors has taken precautions in accordance with industry practice to preserve the applicability, security and completeness of the internal IT system and its memory data and information. All user data retained by the Transferor has been explicitly authorized by the user in writing, and there is no use of the personal information of the user without the express authorization of the user (including but not limited to the user's name, address, telephone number and identity card); and there is no data divulgence, theft or falsification occurred to the Underlying Assets.

6.1.29 Except for the technical support and authorization provided by Uxin Group Company for the Underlying Assets and the Underlying Business which have been fully disclosed in Part II of Appendix IX, there is no any other undisclosed information, omission or concealment.

6.1.30 From the date of this Agreement until the Closing Date, unless agreed by the Transferee in writing or otherwise specified herein, none of the Transferors and the applicable Uxin Group Company has committed any of the following acts with respect to the Underlying Assets (except for such circumstances that will not cause any adverse effect on the execution and performance of this Agreement and other Transaction Documents by the Transferors and the relevant Uxin Group Company or the implementation of this Transfer, nor will the normal production and operation by the Transferors and Uxin Group Company relating to the operation of the Underlying Business (provided that such normal production and operation by Uxin Group Company will not cause any adverse effect on the execution and performance of this Agreement and other Transaction Documents by the Transferors and the relevant Uxin Group Company and the implementation of this Transfer):

(i) Liabilities fulfilled in advance;

(i) Guarantee, or mortgage, pledge and other security rights established on its property provided to other Persons;

(ii) Waiver of any debts or right of claiming indemnification;

(ii) Amendment of any Underlying Contracts or agreement which are adverse to the Transferors;

(iii) Increase of the remunerations and benefits of the employees corresponding to the Underlying Business and the Underlying Assets, or amendment to the employment contracts, confidentiality agreements, Intellectual Property agreements and non-compete agreements of the employees corresponding to the Underlying Business and the Underlying Assets, unless required by Laws;

(iv) Any loss or any change in its relationship with the suppliers, customers or employees;

(v) Transfer or license other Person to use the Underlying Intellectual Property Rights;

(vi) Material change in the employee policies and rules;

(vii) Material adverse change to the financial status of the Underlying Assets, or transactions or activities occurring outside the ordinary course of business which have Material Adverse Effect on the Underlying Assets;

(viii) Any dividend, bonus or other form of distribution to the shareholders that has been declared, paid, ready to be declared, or ready to be paid;

(iii) (a) sale, mortgage, pledge, lease, transfer and other disposal of any assets the aggregate transaction amount of which exceeds RMB 100,000 (b) disposal of any Underlying Assets with the original value exceeding RMB 100,000 or consent to the disposal or acquisition or waiver of the possession of any Underlying Assets with the original value exceeding RMB 100,000; (c) any expenditure exceeding RMB 100,000 in aggregate or purchase of any tangible or intangible assets;

(iv) Any breach of the representations and warranties under this Agreement by way of act or omission; and

(v) Any act or omission that may cause any of the foregoing to occur.

6.1.31 The list of the Underlying Assets set forth in the Appendix hereto shall be all and complete assets necessary for the purpose of operating the Underlying Business by the Transferors and relevant Uxin Group Company on and prior to the Closing Date (except for those excluded from this Transaction as agreed in advance in writing by the Transferee), and there is no asset necessary for the purpose of operating the Underlying Business which has not been disclosed to the Transferee. All the facts regarding the Warrantors and the Underlying Assets have been fully disclosed to the Transferee. All documents, materials and information provided by the Warrantors to the Transferee or its Affiliates before and after the execution of this Agreement are true, accurate, without any omission or misleading.

6.2 The Transferee hereby makes the following representations and warranties to Transferors and ensures that such representations and warranties shall be true, complete and not misleading in any respect as of the execution date of this Agreement and the Closing Date:

6.2.1 The Transferee is an entity duly registered and validly existing under applicable Laws;

6.2.2 The Transferee has obtained the approval of its board of directors required for the consummation of this Agreement and the transactions contemplated under this Agreement;

6.2.3 The execution and delivery of the Transaction Documents, performance of all obligations thereunder and consummation of the transactions thereunder by the Transferee have been duly and fully authorized by all requisite actions; the Transferee has full civil capacity and civil rights to execute the Transaction Documents, perform all obligations thereunder and consummate the transactions thereunder; the Transaction Documents are legally binding upon the Transferee upon execution; the Transferee’s execution and delivery of this Agreement and consummation of the transactions contemplated thereunder shall not require notice to any third party or consent of any third party (including, without limitation, the creditors of the Transferee or other third parties).

Article 7 Covenants

7.1 From the execution date of this Agreement to the Closing Date, the Warrantors shall jointly and severally covenant the following matters to the Transferee:

7.1.1 The Transferors shall conduct the Underlying Business in the ordinary course of business, preserve intact the business organization of the Persons relating to the operation of the Underlying Business, maintain relationships with third parties, retain existing officers and employees, and preserve current status (except for normal wear and tear) of all assets and properties owned or used by the entities relating to the operation of the Underlying Business.

7.1.2 The Transferors shall ensure that the Underlying Business is operated in the manner the same as prior to the execution date of this Agreement and maintain business cooperation relationship with customers, suppliers, banks and other entities involved in the Underlying Business, without changing the major work content and positions of the employees involved in the operation of the Underlying Business; in respect of the business contracts that will expire before or on the execution date of this Agreement, the Transferors shall ensure that such business contracts can be renewed and are normally performed; and ensure the operation of the Underlying Business is in compliance with all applicable Laws and regulations in all respects.

7.1.3 To ensure the normal operation of the Underlying Business, safeguard and maintain the good condition and stability of the Underlying Assets, not engage in or permit any acts or omissions that may violate any representations, warranties or covenants set forth herein, and maintain the validity of the Underlying Assets, including, without limitation, timely and fully payment of Annual Fees, and diligently handling relevant administrative proceedings, disputes, lawsuits, arbitration or other legal proceedings.

7.1.4 Contact and discuss with the partners so as to cause the partners to agree to transfer the relevant Underlying Assets in such manner as specified by this Agreement so as to transfer the Underlying Assets to the Transferee or its designated Affiliate. With respect to the Underlying Assets that the partners agree to transfer and the Transferee agrees in writing, the Transferors shall arrange the execution of relevant agreements, contracts and/or other documents by the parties respectively within the practicable time.

7.1.5 Take all necessary actions and reasonable efforts to cause the ownership or relevant rights of the Underlying Assets to be fully vested or transferred in accordance with this Agreement, take all necessary actions and execute all necessary documents to cause the ownership of the Underlying Assets and any rights with respect thereto to be fully vested in the Transferee and successfully complete the closing.

7.1.6 Maintain the operation of the Underlying Business and good condition of the Underlying Assets in the manner conducted prior to the execution date of this Agreement.

7.1.7 In case of becoming aware of any act or omission in breach of any representation or warranty contained in this Agreement, it shall immediately disclose the same in writing to the Transferee. In particular, once the Transferors become aware of any assets which should be included in the scope of the Underlying Assets but are not included in this Agreement, the Transferors shall immediately transfer or license such assets to the Transferee in accordance with this Agreement without compensation and complete the relevant change registration (if necessary).

7.1.8 Each of the Transferors and the Warrantors shall provide the Transferee and its representatives with such information relating to the Underlying Business and the Underlying Assets as it may reasonably request, including, without limitation, providing the attorneys, accountants and other representatives appointed by it with all accounts, records, contracts, technical data, personnel data, management information and other documents relating to the Underlying Business and the Underlying Assets. In addition, the Transferors or the corresponding Transferors shall immediately notify the Transferee in writing of any breach of this Agreement that has occurred or is expected to occur by any of them.

7.1.9 Transferors and the relevant Uxin Group Company shall, and shall cause their respective Affiliates and advisers, and their respective directors, officers and representatives to, (i) on an exclusive basis, deal with the matters relating to this Transaction together with Transferee and its Affiliates, (ii) not enter into any similar transaction or any other transaction in conflict with the transactions contemplated in the Transaction Documents (any of such transactions being referred to as the "**Third Party Transaction**"), (iii) immediately terminate any discussions or negotiations with any Person in respect of the Third Party Transaction, and thereafter refrain from entering into any discussions or negotiations with any Person in respect of the Third Party Transaction or providing any information to any Person in respect of the Third Party Transaction; and (iv) not encourage or take any other action to make, or facilitate any inquiry or proposal with respect to the possible Third Party Transaction. The Transferors or relevant Uxin Group Company shall promptly notify the Transferee of any enquiry it receives from any other party in respect of a possible third party transaction. This provision will automatically become invalid if Transferee fails to pay the First Installment of the Transfer Consideration in accordance with this Agreement after the Transferors and Uxin Group Company satisfy and fulfill the conditions precedent set forth in Article 4.3 in accordance with this Agreement.

7.1.10 Without the prior written consent of the Transferee, the Transferors and Uxin Group Company involved in the operation of the Underlying Business shall not take the following actions, nor shall they take the following actions, in connection with the Underlying Business and the Underlying Assets (if applicable) (other than as would not have any adverse effect on the execution and performance of this Agreement and other Transaction Documents or the implementation of this Transfer by the Transferors and the relevant Uxin Group Company or the normal production and operation of Uxin Group Company in connection with the operation of the Underlying Business, provided that such normal production and operation by Uxin Group Company would not have any adverse effect on the execution and performance of this Agreement and other Transaction Documents and the implementation of this Transfer by the Transferors and Uxin Group Company):

(i) To sell, lease, transfer, authorize or assign any of the Underlying Assets;

(ii) To assume or incur liabilities, liabilities, obligations or expenses exceeding RMB100,000 (or the equivalent thereof in other currencies) in the aggregate;

(iii) To make any capital expenditure in excess of RMB100,000 (or the equivalent thereof in other currencies);

(iv) To create any Encumbrance on any Underlying Assets;

(v) To license any of the Underlying Intellectual Property Rights to others, or allow any of the Underlying Intellectual Property Rights to expire or be forfeited, donated or waived, or disclose any material trade secrets, formulae, processes, know-how or other Underlying Intellectual Property Rights in relation to the Underlying Business which are not generally known to the public prior to such disclosure;

(vi) To amend or adjust any material provision of any Underlying Contract, or consent to the termination of, or consent not to any renewal in respect of, any Underlying Contract;

(vii) To declare, pay and make any declaration or distribution of dividends;

(viii) To effect or become a party to any acquisition;

(ix) To increase or delay of the remuneration of the employees corresponding to the Underlying Business and the Underlying Assets, or to modify the employment contracts, confidentiality agreements, Intellectual Property agreements and non-compete agreements of the employees corresponding to the Underlying Business and the Underlying Assets, unless required by Laws;

(x) To terminate, amend or revise any of the Underlying Contracts or to assume any obligations under any Underlying Contracts in the name of the Transferee or its Affiliate;

(xi) To sell, transfer, lease or in any other manner dispose of any Underlying Assets;

(xii) To take any action which would cause the termination, expiration, invalidity, suspension non-renewal of or any adverse effect to any authorization necessary for the purpose of operating the Underlying Business;

(xiii) To release or waive any Liabilities with respect to the Underlying Business;

(xiv) To waive or transfer any rights or claims in connection with the Underlying Business;

(xv) To take other actions that may have actual or potential adverse effect on the Transaction hereunder;

(xvi) To enter into or conduct any related transaction by the corresponding entities of the Transferors which operates the Underlying Business with other Transferors or their Affiliates with respect to the Underlying Assets.

7.2 The Warrantors jointly and severally covenant to the Transferee as follows as of the Closing Date:

7.2.1 In case of becoming aware of any act or omission in breach of any representation or warranty contained in this Agreement, it shall immediately disclose the same in writing to the Transferee.

7.2.2 From the date of this Agreement until the Closing Date with respect to the transfer of all the Underlying Assets to the Transferee or their designated Affiliates in accordance with the mechanism set forth in Article 2 hereof, except for the performance of the obligations set forth herein or receipt of the prior written consent of the Transferee, the Transferors and the relevant Uxin Group Company shall not (1) use, license, sell, lease, reproduce, pledge or dispose of the Underlying Assets to be transferred or any portion thereof; (2) claim the ownership or Intellectual Property of the Underlying Assets to be transferred (or any update, upgrade or development portion); (3) apply for the registration of the name, similar name, or any Intellectual Property included in the Underlying Assets to be transferred (including, without limitation, any update, upgrade or development portion) as a trademark, domain name, tradename or other items, or register the copyright, or use the same without authorization; (4) disclose to a third party the trade secrets relating to the Underlying Assets to be transferred; (5) revoke the application for the Underlying Intellectual Property Rights under application or fail to take action within the specified time limit as required by the relevant Governmental Authorities with respect to such application.

7.2.3 The Transferors shall complete the matters set forth in Article 2 which shall be completed after the Closing Date in accordance with the methods and mechanisms set forth in this Agreement and provide the Transferee with evidence satisfactory to them at the time and in the manner requested by the Transferee.

7.2.4 The Transferors warrant that from the execution date of this Agreement to the date when all the change registration or filling of Governmental Authorities (if applicable) with respect to the transfer of the Underlying Assets are completed, the Transferors shall operate the Underlying Asset as normal and shall not establish or permit to exist any security or other Liabilities and Encumbrance which may affect the rights and interests of the Underlying Assets.

7.2.5 After the transfer of the Underlying Assets hereunder to the Transferee, the Transferors shall not take any action which would impair the legality, validity and value of such Underlying Assets or impedes the full use of the Underlying Assets by the Transferee.

7.2.6 The Transferors shall assist the Transferee in the operation of the business with respect to the Underlying Assets in accordance with this Agreement and give necessary support and cooperation to the Transferee to ensure the smooth implementation of such business.

7.2.7 If any business, Intellectual Property, contracts, assets in kind and other relevant assets are discovered to have not been disclosed in this Agreement and other Transaction Documents, and confirmed by the Parties in an amicable and fair manner as the assets that shall be used in the Underlying Business and necessary for the purpose of operating the Underlying Business by the Transferee in the same manner as conducted by the Transferors prior to the Closing Date (collectively, the "**Omitted Assets**", and for the avoidance of doubt the Omitted Assets shall not include the relevant assets which are expressly agreed to be excluded from the Underlying Business in this Transaction by the Transferee in writing), the Transferors shall disclose the existence and nature of such Omitted Assets as soon as practicable, provide the Transferee with relevant information concerning such Omitted Assets, and transfer or license such Omitted Assets to the Transferee or its designated Affiliate in accordance with the provisions hereof concerning license, and relevant consideration shall be deemed to have been included in the consideration set forth in this Agreement and the relevant ancillary agreements. Such transfer/license shall be deemed retroactively as effective as of the Closing Date.

7.2.8 Each of the Transferors and Uxin Group Company shall assist the transfer of the Underlying Assets between the Transferee and the Transferors in accordance with this Agreement and provide the Transferee or its designated Affiliate or their respective Affiliates with long-term and free of charge support and cooperation in respect of business, technology, finance and personnel so as to cause the smooth implementation of the transfer of the Underlying Assets. Specifically:

(i) With respect to technology, the Transferors shall use reasonable efforts to provide the Transferee and its Affiliates with necessary technical support needed for the Underlying Business. In particular, without prejudice to the generality of the foregoing, from the Closing Date to the 12-month period after the payment of the Second Installment of the Transfer Consideration, the Transferors and Uxin Group Company shall provide the Transferee, on a free-of-charge basis, with continuous and stable support and assistance no lower than the standards prior to the Closing Date in connection with shared technology and systems and services of Uxin Group Company with respect to Uxin Group Company's relevant business systems, technical systems and other Underlying Business and the Underlying Assets involved in the operation of the Underlying Business (for the avoidance of doubt, if such Underlying Technologies and Systems require the Transferors and relevant Uxin Group Company's paying for purchase of corresponding services from a third party, the Transferee shall settle with the Transferors based on actual use).

(ii) With respect to Intellectual Property, the Transferors shall assist the Transferee and its Affiliates in completing the change registration of the relevant Intellectual Property in accordance with this Agreement;

(iii) With respect to the personnel, the Transferors shall designate personnel to communicate promptly and fully with the Transferee and its Affiliates with respect to the details of the performance of this Agreement;

(iv) After the Underlying Business being transferred to the Transferee, except for any matter arising in accordance with this Agreement or other Transaction Documents, the Transferors or its Affiliates shall not take any action detrimental to the smooth operation of the Underlying Business or impede the smooth operation of the Underlying Business by the Transferee.

7.2.9 Within five (5) Business Days after the closing, the Transferors and relevant Uxin Group Company shall provide the financial and business data and relevant materials of the Underlying Business and the Underlying Assets (refer to the Appendix XXIII for the list of specific requirements for materials) as of the Closing Date for the convenience of the Transferee' review of the Underlying Assets and asset appraisal and audit.

7.3 After the Closing Date, each of Uxin Group Company shall not, and shall procure that none of their respective Affiliates shall, individually or jointly, without the prior written consent of the Transferee, directly or indirectly through any other Person (including by virtue of having a direct or indirect interest) or on behalf of any other Person (whether as a director, partner, consultant, manager, employee, agent or otherwise):

7.3.1 To carry on, be engaged or involved in or be interested (financially or otherwise) in any way in any business in competition with the Underlying Business, in any manner;

7.3.2 To purchase of any interest in, or establishment or merger of, any business competing with the Underlying Business;

7.3.3 To assist or license in any manner, any third party, in competition with the Underlying Business, to engage in any business the same as, or similar to or competing with, the Underlying Business (including, without limitation, transfer or license any assets and personnel of Uxin Group Company relating to the Underlying Business and/or the business cooperation conducted under the Business Cooperation Agreements to any third party, or assist any third party to engage in any business the same as, or similar to or competing with, the Underlying Business);

7.3.4 To interfere in any way with the relationships between the Transferee or its Affiliates and the customers, customers, employees or suppliers engaged in the conduct of the Underlying Business;

7.3.5 To approach any supplier or service provider of the Underlying Business by means of engaging the business in competition.

7.4 Within five (5) years from the Closing Date, without the prior written consent of the Transferee, Dai Kun shall not, and shall cause his Affiliates not to, individually or jointly, directly or indirectly through any other Person (including by virtue of having a direct or indirect interest) or on behalf of any other Person (whether as a director, partner, consultant, manager, employee, agent or otherwise):

7.4.1 To carry on, be engaged or involved in or be interested (financially or otherwise) in any way in any business in competition with the Underlying Business, in any manner;

7.4.2 To purchase of any interest in, or establishment or merger of, any business competing with the Underlying Business;

7.4.3 To assist or license in any manner, any third party, in competition with the Underlying Business, to engage in any business the same as, or similar to or competing with, the Underlying Business (including, without limitation, transfer or license any assets and personnel of Uxin Group Company relating to the Underlying Business and/or the business cooperation conducted under the Business Cooperation Agreements to any third party, or assist any third party to engage in any business the same as, or similar to or competing with, the Underlying Business);

7.4.4 To interfere in any way with the relationships between the Transferee or its Affiliates and the customers, customers, employees or suppliers engaged in the conduct of the Underlying Business;

7.4.5 To approach any supplier or service provider of the Underlying Business through engaging in the business in competition.

7.5 Each of the Warrantors understands, acknowledges and agrees that for the purpose of consummating this Transaction in the manner and according to the mechanism set forth herein, the business cooperation under the Business Cooperation Agreement and any other matters required to be carried out by the Transferors and/or the relevant Uxin Group Company after the closing (the "**Post-Closing Continuing Obligations**"), it shall maintain the good existence and operation of its relevant assets and business and shall not make any event or action that may have adverse effect on the Transferors and/or the relevant Uxin Group Company in their performance of Post-Closing Continuing Obligations. In particular, if the transfer or assignment of any Underlying Contracts and Underlying Customer Relationships fails to be completed prior to the payment date of the Second Installment of the Transfer Consideration, the Transferors and Uxin Group Company shall continue to cause and ensure the completion of the transfer and delivery of such Underlying Contracts and Underlying Customer Relationships in the manner and mechanism set forth herein as soon as practicable after the payment date of the Second Installment of the Transfer Consideration.

7.6 The Parties hereto agree and acknowledge that, unless otherwise provided in this Agreement, the Transfer Consideration shall constitute reasonable and sufficient consideration for the transfer of the Underlying Assets hereunder. If a transfer and/or license and/or pledge agreement needs to be entered into separately by relevant parties for the purpose of completing relevant transfer and/or license and/or pledge registration formalities in connection with the transfer of the Underlying Assets, the Transferee shall not be required to pay any amount to the Transferors or the other parties pursuant to such agreement. In addition, if there is any discrepancy between such separately executed agreement and this Agreement, this Agreement shall prevail.

7.7 The Warrantors hereby undertake to assume joint and several liability for the liabilities and obligations of Dai Kun, the Transferors and Uxin Group under this Agreement. In respect of the obligations to be performed by Uxin Group Company hereunder, each Warrantor shall cause and ensure such Group Company to perform such obligations.

7.8 The Parties understand and agree that the C2B Business of Uxin Group Company shall be conducted through the following mechanism among Uxin Group Company, the Transferee and/or its Affiliates:

(1) The Parties agree that April 1, 2020 (the "**C2B Business Cooperation Commencement Date**") shall be the C2B Business Cooperation Commencement Date;

(2) In consideration that, a certain period of time is required for the switch over of systems, functions and technologies relating to the C2B Business (including their updates, innovations and re-developments from time to time) (collectively, the "**C2B System Technology**"), and of the payment systems and banking systems relating to the C2B Business (the "**C2B Payment System**"), the Parties agree that the date of switch over of the C2B System Technology and the C2B Payment System corresponding to the C2B Business shall be April 7, 2020 or such other date as the Transferee may reasonably request (the "**C2B System and Payment Switch Date**");

The Transferors and Uxin Group Company shall, at the time and in the manner reasonably requested by the Transferee, copy and deliver the C2B System Technology to the Transferee prior to the C2B System and Payment Switch Date, change the C2B Payment System to the payment system of the Transferee, and change the receiving and payment account corresponding to the C2B Business to the bank account designated by the Transferee;

(3) From the C2B Business Cooperation Commencement Date, Uxin Group Company agrees to sell all Personal Car Source Clues collected through its business platform and entrances (including, without limitation, the entrance of "I want to sell cars") to the Transferee at a price agreed by Uxin Group Company and the Transferee and the Transferors and Uxin Group Company shall ensure that such clues sold to the Transferee shall be exclusively owned by the Transferee;

(4) From the C2B Business Cooperation Commencement Date, the revenues and amounts corresponding to the C2B Business of Uxin Group Company shall belong to the Transferee. To achieve the above purposes and results, the Parties agree to:

(i) From the C2B System and Payment Switch Date, the relevant customer shall enter into an agreement with the Transferee directly in respect of any new business or new customer related to the C2B Business, and the deposits, prepayments and other amounts payable by the relevant customer shall be paid to the bank account designated by the Transferee accordingly;

(ii) From the C2B Business Cooperation Commencement Date to the C2B System and Payment Switch Date, the Transferors and Uxin Group Company shall, on behalf of the Transferee, enter into relevant agreements, collect and pay relevant amounts; provided that all package price payments, deposit payment amounts, prepayment amounts and other amounts corresponding to new orders and bookings arising from any C2B Business shall be paid to the bank account designated by the Transferee to the satisfaction of the Transferee prior to 24: 00 of the Business Day immediately following the generation of such amounts;

(iii) The Transferors and Uxin Group Company shall pay the balance of all funds deposited by the customers corresponding to all C2B Businesses, the balance of deposits, the amount of prepayment, the amount of services newly purchased by the customers in March 2020 and renewed by the customers for April 2020 and the all booking packages price paid by the customers as of the C2B Business Cooperation Commencement Date in a lump sum to the bank account designated by the Transferee in a manner and mechanism satisfactory to the Transferee.

(5) C2B Business Contracts Transfer

The Transferors and Uxin Group Company agree that the C2B Business Agreement entered into between any customer corresponding to any C2B Business and Uxin Group Company on or before the C2B Business Cooperation Commencement Date and during the period from the C2B Business Cooperation Commencement Date to the C2B System and the Payment Switch Date **(**the "**Transferred C2B Agreement**") shall be transferred in the following manner:

(i) The transfer of the C2B Agreements shall be completed on the C2B System and Payment Switch Date or any other time agreed by the Transferee in a manner and mechanism satisfactory to the Transferee;

(ii) If any customer does not agree to the transfer of the C2B Agreements in accordance with the above (i), unless otherwise requested by the Transferee, as a principal the Transferee shall return the unused balance and the corresponding deposits of the month when the transfer occurs to the customer concerned, and the Transferors and Uxin Group Company shall cooperate in the execution of the relevant service termination agreements in respect of such customer in a manner and mechanism satisfactory to the Transferee;

(iii) For the avoidance of doubt, Transferors and Uxin Group Company hereby acknowledge and agree that, for the sake of the switch of the C2B System Technology and the C2B Payment System, with respect to the customers newly executed and the cash withdrawal application initiated by the customers corresponding to the C2B Agreement during the period from the C2B Business Cooperation Commencement Date to the C2B System and the Payment Switch Date, such new agreements and withdrawal applications shall be completed by offline transfer and shall not be completed through online C2B Payment System.

(6) With respect to the C2B System Technology, the Transferors shall provide and deliver a complete code and data to the Transferee on or prior to the C2B Business Cooperation Commencement Date (unless otherwise provided for herein);

Meanwhile, Transferors and Uxin Group Company hereby acknowledge and agree that:

The Transferors and relevant Uxin Group Company hereby acknowledge and covenant that they shall license the C2B System Technology to the Transferee permanently and free of charge and the Transferee shall have the right to undertake internal sub-license and sublicense arrangements within the Transferee and its Affiliates and make reasonable sub-authorization and sub-license arrangements to third parties in respect of the C2B System Technology for the purpose of reasonably necessary for the conduct of C2B Business. The Transferors and the relevant Uxin Group Company further covenant that, with respect to the C2B System Technology, they shall continuously ensure the stability and good existing of such C2B System Technology and pay the relevant fees in a timely manner, handle the relevant issues in a timely manner and on their own and shall not assign, guarantee, create any Encumbrance, restriction or any third party rights. The Transferors and the relevant Uxin Group Company shall take all necessary measures to ensure that the Transferee can use the C2B System Technology in a sustainable and good manner.

(7) Within five (5) Business Days after the execution of this Agreement, but in any event no later than March 31, 2020, the Transferors and Uxin Group Company shall provide the Transferee with the following amount, details and list corresponding to the C2B Business in such manner and under such mechanism as reasonably satisfactory to the Transferee: the total outstanding balance of funds deposited by the customers corresponding to the C2B Business as of the C2B Business Cooperation Commencement Date, the balance of margin and the amount of prepayment, the amount of services newly purchased by the customers or renewed by the clients in March 2020 in April 2020 and the amount of all booked packages of the customers. Any customer refund claim and related claim that are not set forth in the above amount, list and schedule acknowledged by the Transferee shall be assumed and resolved by the Transferors and Uxin Group Company, and the Transferee shall not be liable therefor.

(8) For the avoidance of doubt, the Transferee hereby understands and agrees that the business cooperation set forth in this Article 7.8 is solely between the Transferors and Uxin Group Company and the Transferee in connection with the C2B Business. None of the contents and arrangements under this Article 7.8 shall affect the conduct of transactions corresponding to the Underlying Assets and the Underlying Business hereunder, and shall not be conditions precedent to the payment by the Transferee of the First Installment of the Transfer Consideration and the Second Installment of the Transfer Consideration in accordance with this Agreement.

7.9 The Warrantors hereby jointly and severally agree that if the Transferee is subject to any damages, losses, claims, lawsuits, payment requirements, judgments, settlements, taxes, interests, costs and expenses (including, without limitation, reasonable attorneys' fee) at any time due to the ownership issues of Intellectual Property under the Underlying Contracts set forth in Appendix XX, the Warrantors shall jointly and severally indemnify, defend and hold harmless the Transferee and its applicable 58 Indemnified Persons (as defined below), and cause the Transferee and its Affiliates and each of its other 58 Indemnified Persons to be indemnified on behalf of themselves or each of other Indemnified Persons, whether or not a Party hereto.

Article 8 Liability for Breach

8.1 The Warrantors jointly and severally agree that the Warrantors shall jointly and severally indemnify, defend and hold harmless the Transferee and its Affiliates, directors, partners, shareholders, employees, agents and representatives (the "**58 Indemnified Persons**") from and against any damages, losses, claims, litigations, payment demands, judgments, settlements, taxes, interests, costs and expenses (including without limitation reasonable attorneys' fees) directly or indirectly relating to or arising out of the following matters or brought against the 58 Indemnified Persons (regardless of whether brought by third party, by the Parties hereto or of other circumstances); the Transferee and its Affiliates may act on behalf of themselves or on behalf of each Indemnified Person so that the Transferee and its Affiliates and each 58 Indemnified Persons could be indemnified, regardless of whether or not it is a Party to this Agreement:

8.1.1 Breach by any Warrantor of any representations, warranties, covenants, agreements or obligations made by it under this Agreement, including, without limitation, that any representation or warranty made by any Party under this Agreement is untrue;

8.1.2 The Transferors fail to fully pay any due taxes (including, without limitation, any penalties, surcharges, fines and interest relating to taxes) payable or shall be withheld by the Transferors with respect to the Underlying Assets on or prior to the Closing Date in accordance with the PRC Laws;

8.1.3 Penalty or Liability suffered by the Transferee or its Affiliates due to the use of the Underlying Intellectual Property Rights and any other losses suffered by the Transferee or its Affiliates in connection with or relating to the Underlying Intellectual Property Rights;

8.1.4 Any losses suffered by the Transferee or its Affiliates resulting from any litigation, claim, dispute, administrative penalty or other legal proceedings, damages, losses, judgments, legal actions and arbitration initiated against the Transferee or its Affiliates arising from any action taken on or prior to the Closing Date in respect of the Underlying Assets and Underlying Business;

8.1.5 Any liabilities arising from any non-compliance activities of the Transferors with respect to the Underlying Assets on or prior to the Closing Date;

8.1.6 Any Liability resulting from any non-compliance actions of the Transferors relating to the operation of the Underlying Business on or before the Closing Date, including, without limitation, failure to obtain payment license, commercial bribery and failure to comply with regulatory provisions of applicable Laws regarding the auctions;

8.1.7 The losses suffered by the Transferee due to the fact that the Underlying Assets are registered or registered under the name or otherwise vested in any Person other than the Transferors at any time prior to the transfer and/or delivery of the Underlying Assets to the Transferee in accordance with this Agreement;

8.1.8 The Transferee's losses arising from the missing Transferred Underlying Copyrights as disclosed in the Disclosure Letter;

8.1.9 The liabilities or losses suffered by the Transferee due to the Transferors' failure to provide the Transferee with all original copies of offline contracts prior to the Closing Date.

8.2 The Transferee agree that the Transferee shall indemnify, defend and hold harmless the Transferors and their Affiliates, directors, partners, shareholders, employees, agents and representatives (the "**Uxin Indemnified Persons**") from and against any damages, losses, claims, litigations, payment demands, judgments, settlements, taxes, interests, costs and expenses (including without limitation reasonable attorneys' fees) directly or indirectly relating to or arising out of the following matters or brought against the Uxin Indemnified Persons (regardless of whether brought by third party, by the Parties hereto or of other circumstances: Any breach by Transferee of any representations, warranties, covenants, agreements or obligations made by it under this Agreement, including, without limitation, the failure by Transferee to pay in full or in a timely manner any Transfer Consideration.

8.3 58 Information agrees to assume joint and several liability for the Transferee' performance of their obligation of paying the Transfer Consideration under this Agreement.

Article 9 Modification and Termination

9.1 This Agreement may be amended or modified by the Parties through mutual agreement. Any amendment or modification shall be made in writing and become effective upon execution by the Parties hereto.

9.2 This Agreement may be terminated upon the mutual written consent of the Parties.

9.3 After the rescission of this Agreement in accordance with Article 9.2 above, unless otherwise agreed upon by the Parties, each Party hereto shall return the considerations or the Underlying Assets received from the other Parties hereunder based on the principles of fairness, reasonableness, honesty and credibility and try to restore to the status when this Agreement is executed.

9.4 After the rescission of this Agreement, all rights and obligations of the Parties hereunder shall terminate. A Party shall not have other right of claim against the other Parties under this Agreement or for the rescission of this Agreement, except for the liabilities assumed in accordance with Article 8 and 9 hereof.

9.5 After the rescission of this Agreement, this Agreement (except for Article 8 (Liability for Breach), Article 9 (Modification and Termination), Article 10 (Confidentiality), Article 11 (Governing Law and Dispute Resolution) and Article 12.6 (Expenses) hereof) shall lapse and cease to be binding and effective and none of the Parties shall not assume liability and obligation of this Agreement. For the avoidance of doubt, notwithstanding the rescission of this Agreement, a Party shall remain liable for any loss suffered by other Parties due to its breach of this Agreement prior to the rescission hereof.

Article 10 Confidentiality

10.1 The Parties shall keep the existence and contents of this Agreement (the "**Confidential Information**") confidential and without the prior written consent of the Parties, shall not disclose the Confidential Information to any third party other than the professional consultants of the Parties, and the directors, officers and employees of the Parties who actively participate in this Transaction (collectively the "**Authorized Persons**"). The Parties must impel and ensure their respective Authorized Persons who receive the Confidential Information to comply with the same confidentiality obligations as the Parties.

10.2 None of the Parties shall disclose the Confidential Information to any third party through press conference, industrial or professional media, marketing materials or otherwise without the prior written consent of the Parties.

10.3 The restrictions set out in this Article 10 shall not apply to the disclosure of any information which:

10.3.1 The disclosure or use is required by the regulatory authorities;

10.3.2 The disclosure or use is required for the purpose of any judicial proceedings arising out of this Agreement or any other agreements entered into pursuant to this Agreement or the reasonable disclosure of relevant matters to tax authorities;

10.3.3 The information has become public due to any reason that is attributable to any Party hereto.

If Confidential Information is disclosed for any of the above reasons, the disclosing Party shall discuss such disclosed matter with the other Party within a reasonable time before its disclosure or submission of Confidential Information and shall request the other Party to give confidential treatment to the Confidential Information disclosed or submitted by the disclosing Party as much as possible.

Article 11 Governing Law and Dispute Resolution

11.1 The formation, validity, interpretation and performance of this Agreement shall be governed by and bound by the PRC Laws.

11.2 All disputes arising out of or in connection with this Agreement shall be settled by the Parties through friendly negotiations; if such dispute cannot be settled through negotiations within thirty (30) days from the date on which any Party gives notice to the other Parties, such dispute shall be submitted to the Beijing Arbitration Commission for arbitration in Beijing in accordance with the Commission's arbitration rules in effectiveness at the time of applying for arbitration. The arbitration tribunal shall consist of three arbitrators, and the arbitration proceedings shall be conducted in Chinese. The arbitral award shall be final and binding upon the Parties.

11.3 During arbitration procedure, the Parties shall continue to perform the other parts of this Agreement, except for the part in dispute.

Article 12 Others

12.1 This Agreement shall become effective upon signature or seal by the Parties. For matters not covered by this Agreement, the Parties shall enter into a supplementary agreement through consultations. The supplementary agreement shall have the same legal effect as this Agreement. Modification of this Agreement shall be made in writing through consultations and become effective on the date when the Parties affix their signatures or seals to this Agreement.

12.2 None of the Parties shall assign their respective rights and obligations under this Agreement to any third party without the prior written consent from the other Parties.

12.3 This Agreement represents the entire agreement of the Parties with respect to the underlying matter hereof and supersedes and replaces any other written or oral agreement or document executed by the Parties with respect to the underlying matter hereof.

12.4 If any term of this Agreement is invalid or unenforceable due to any law applicable to it, such term shall be deemed to have never existed and the validity of other terms of this Agreement shall not be affected. The Parties to this Agreement shall negotiate and agree upon the new provisions within the scope of lawfulness so as to ensure that the original provisions are fulfilled as to the greatest extent as possible.

12.5 No delay or omission by any Party to exercise any right, power or remedy accruing to any other Party upon any breach or default of this Agreement, shall impair such right, power or remedy of such Party nor shall be construed to be a waiver of such breach or default, or an acquiescence therein, or of any other breach or default theretofore or thereafter occurring. Any waiver, permit, consent, approval of breach or default of any nature or character of this Agreement, or any waiver of any terms or conditions of this Agreement, must be in writing and shall be effective only to the extent set forth in such writing. Any remedy provided for in this Agreement or by law or by other method to any Party, shall be cumulative, not alternative and not exclusive.

12.6 Expenses. Unless otherwise agreed herein, Transferors shall bear all costs and expenses arising out of this Transaction. While the Parties shall bear miscellaneous costs and expenses arising out of this Transaction and in connection with the transactions respectively (including, without limitation, professional service fees and other costs and expenses of auditing, financial, legal, agency and other professional service fees and other expenses).

12.7 All notices hereunder shall be written in Chinese and sent by delivery in person, registered mail, or E-mail to the following addresses and E-mail addresses, unless otherwise agreed for herein:

Transferee and 58 Information:
Address: Building 101, Garden Jia No. 10, Jiuxianqiao North Road, Chaoyang District, Beijing
Attention: Li Xiaoyang
Email: *

The Warrantor:
Address: 3/F, Zone E, Lixingxing Center, No. 8 Wangjing Guangshun South Street, Chaoyang District, Beijing
Attention: Zeng Zhen
Telephone: *
Email: *

Dai Kun:
Address: 3/F, Zone E, Lixingxing Center, No. 8 Wangjing Guangshun South Street, Chaoyang District, Beijing
Attention: Dai Kun
Phone: *
Email address: *

Any notice given or given under this Article shall:

(1) In the case of delivery in person and receipt of written receipts, if it is delivered no later than 17:00 on the Business Days of the place of delivery, it shall be deemed to be served upon receipts of the written receipts upon delivery to the relevant address; or if it is delivered after 17:00 on the Business Days of the place of delivery or any time on a non-Business Day at the place of delivery, it shall be deemed to be delivered at 9:00 a.m. on the next Business Day of the place of delivery;

(2) Delivery day shall be deemed to be five (5) business days from the mailing date if sent by postal courier service (postage prepaid) from and to any places inside the PRC;

(3) Delivery day shall be deemed to be ten (10) business days from the mailing date if sent by international courier service (postage prepaid) from or to any places outside of the PRC; or five (5) business days from the mailing date if sent by postal courier service (postage prepaid);

(4) Any notice given by e-mail shall be deemed to have been served on the date the e-mail is successfully transmitted, if the sender receives system information that indicates that the e-mail has been successfully sent or no system information has been received within 24 hours indicating that the e-mail has not been delivered or has been returned.

(5) During the term of this Agreement, any Party shall have the right to change its address or facsimile number for receiving notices by giving a written notice to the other Parties 15 days before the change.

12.8 In the event that a separate agreement is executed in accordance with the required forms of the governmental authorities for the purpose of requested performance of a specific act by a governmental authority in connection with the transactions in this Agreement, this Agreement shall have full priority over the separate agreement and such agreement may only be used to requested performance of such specific act from the governmental authority and shall not be used to establish and prove the rights and obligations of the relevant Parties with respect to the matters stipulated by this Agreement.

12.9 This Agreement is written in English. Ten (10) copies of this agreement shall be signed. The Transferors and the Warrantors shall hold five (5) copies. The transferee and 58 Information shall hold five (5) copies, each of which shall have the same effect.

[The remainder of this page is intentionally left blank]

In witness whereof, this Agreement is signed by the duly authorized representatives of the following parties on the date of above written:

Youxinpai (Beijing) Information Technology Co., Ltd.

By: /s/ Zhen Zeng
Name: Zhen Zeng
Title:

Youxin Internet (Beijing) Information Technology Co., Ltd.

By: /s/ Zhen Zeng
Name: Zhen Zeng
Title:

Uxin Data-sharing (Beijing) Information Technology Co., Ltd.

By: /s/ Yang Li
Name: Yang Li
Title:

Uxin Limited

By: /s/ Kun Dai
Name: Kun Dai
Title:

Kun Dai:

/s/ Kun Dai

[Signature Page to the Assets and Business Transfer Agreement]

In witness whereof, this Agreement is signed by the duly authorized representatives of the following parties on the date of above written:

Youhan (Shanghai) Information Technology Co., Ltd.

By: /s/ Zhen Zeng
Name: Zhen Zeng
Title:

Shenzhen Uxin Pengcheng Used Car Trading Market Co., Ltd.

By: /s/ Leilei Huang
Name: Leilei Huang
Title:

Yougu (Shanghai) Information Technology Co., Ltd

By: /s/ Zhen Zeng
Name: Zhen Zeng
Title:

[Signature Page to the Assets and Business Transfer Agreement]

In witness whereof, this Agreement is signed by the duly authorized representatives of the following parties on the date of above written:

Youxin Yishouche (Beijing) Information Technology Co., Ltd.

By: /s/ Zhen Zeng
Name: Zhen Zeng
Title:

Youzhen (Beijing) Business Consulting Co., Ltd

By: /s/ Zhen Zeng
Name: Zhen Zeng
Title:

Chebole (Beijing) Information Technology Co., Ltd.

By: /s/ Zhen Zeng
Name: Zhen Zeng
Title:

You Fang (Beijing) Information Technology Co., Ltd.

By: /s/ Zhen Zeng
Name: Zhen Zeng
Title:

In witness whereof, this Agreement is signed by the duly authorized representatives of the following parties on the date of above written:

Beijing 58 Paipai Information Technology Co., Ltd.

By: /s/ Jinbo Yao
Name: Jinbo Yao
Title:

In witness whereof, this Agreement is signed by the duly authorized representatives of the following parties on the date of above written:

Beijing 58 Information Technology Co., Ltd.

By: /s/ Jinbo Yao
Name: Jinbo Yao
Title:

Appendix I: Affiliates of Uxin Group Company

Appendix VI: List of Underlying Trademarks

Appendix VIII: List of Underlying Wechat Accounts

Appendix X: List of Underlying Deposits

Appendix XV: [Reserved]

Appendix XIX Leased Properties by the Transferors and the relevant Uxin Group Company for the operation of Underlying Business

Appendix XXIV: Payment Mechanism for the First Installment of Transfer Consideration

A. The Transferors and the Warrantors hereby irrevocably acknowledge and agree that, the Transferee shall pay the First Installment of Transfer Consideration based on the following mechanism:

(i) The First Installment of Transfer Consideration equivalent to RMB[*] shall be paid to a bank account in the name of the Transferors that has been actually and absolutely held by the Transferee as an escrow agent (that is (x) any payment or withdrawal from such bank account shall be subject to, and only to, the approval, signature or authorization of the Transferee or its designated representative and shall not be subject to the approval, signature or authorization of the Transferor and its Affiliates; and (y) the Transferee or its designated representative shall has the right to withdraw any amount from such bank account at any time at its sole discretion; and (z) the foregoing escrow authorization of such bank account shall be perpetual, irrevocable and inalterable) (the "**Transfer Consideration Escrow Bank Account**");

(ii) Except for RMB [*], the remaining Transfer Consideration shall be paid by the Transferee to the bank account designated by the Transferors.

B. The Transferors and the Warrantors further irrevocably acknowledge and agree that, they shall issue a power of attorney to the Transferee to its satisfaction with respect to the Transfer Consideration Escrow Bank Account prior to the closing, and irrevocably agree that the Transferee or its designated representative shall have the right, at its sole discretion, to withdraw and transfer any fund in the Transfer Consideration Escrow Bank Account at any time without obtaining any authorization or approval of the Transferors and the Warrantors, and that the abovementioned authorization shall be perpetual, irrevocable and inalterable.

C. For the avoidance of doubt, on the day after the execution date of this Agreement and no later than five (5) Business Days prior to the Closing Date, the Transferors and the Warrantors shall open the Transfer Consideration Escrow Bank Account with the bank designated by the Transferee in the manner and mechanism that reasonably requested by the Transferee in respect of the Transfer Consideration Escrow Bank Account. Such Transfer Consideration Escrow Bank Account shall adhere to the following mechanism:

A seal of the representative of the Transferee shall be added to the seals and chops reserved at the opening bank of the Transfer Consideration Escrow Account and all the authorized administrators of the Transfer Consideration Escrow Account shall be replaced with the designated personnel of the Transferee. And all the administrator U-Keys for the operation of the Transfer Consideration Escrow Bank Account, including without limitation, U-key for the operation, U-key for the approval and U-key for the review, shall be handed over to the Transferee. For the avoidance of doubt, all the administrator authorization set up by the Transferor and the relevant Uxin Group Company prior to the Closing shall automatically and permanently become invalid as of the date on which the Transfer Consideration Escrow Account is opened.

The Transferee agrees to grant the Transferor the right to inquire about the Transfer Consideration Escrow Bank Account to the reasonable extent (for the avoidance of doubt, the Transferee shall not be deemed to breach this Agreement if the Transferors fail to make such inquiry for any reason not attributable to the Transferee).

Exhibit 4.39

Business Cooperation Agreement

April 14, 2020

CERTAIN INFORMATION HAS BEEN EXCLUDED FROM THE EXHIBIT BECAUSE IT IS NOT MATERIAL AND WOULD LIKELY CAUSE COMPETITIVE HARM TO THE COMPANY IF PUBLICLY DISCLOSED.

[*] indicates the redacted confidential portions of this exhibit.

Business Cooperation Agreement

This Business Cooperation Agreement (this "**Agreement**") is entered into on April 14, 2020 in Beijing, People's Republic of China ("**PRC**", for the purpose of this Agreement, excluding the Hong Kong Special Administrative Region, Macau Special Administrative Region and Taiwan Region) by and between:

Party A1: Youxinpai (Beijing) Information Technology Co., Ltd.
Registered address: Room 323610, Floor 36, Building 5, Yard 1, Futong East Avenue, Chaoyang District, Beijing;

Party A2: Youxin Internet (Beijing) Information Technology Co., Ltd.
Registered address: Room 532, Floor 5, Southern Building, Block C, No.2 Kexueyuan South Road, Haidian District, Beijing;

Party A3: Youhan (Shanghai) Information Technology Co., Ltd.
Registered address: Room 105-37, Floor 1, Building 2, No.38 Debao Road, (Shanghai) Pilot Free Trade Zone, PRC;

Party A4: Shenzhen Uxin Pengcheng Used Car Trading Market Co., Ltd.
Registered address: the intersection of Chaguang Road and Shigu Road, Xili Street, Nanshan District, Shenzhen (within the vehicle exhibition space of Youxinpai);

Party A5: Uxin Data-sharing (Beijing) Information Technology Co., Ltd.
Registered address: Unit 1501, Floor 15, Building 3, Chengying Center, No.5 Laiguangying West Road, Chaoyang District, Beijing;

Party A6: Yougu (Shanghai) Information Technology Co., Ltd.
Registered address: Room 368, Part 302, No.211 Fute North Road, (Shanghai) Pilot Free Trade Zone, PRC;

Party A7: Uxin Limited
Registered address: the offices of Maples Corporate Services Limited at PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands;

Party A8: Youxin Yishouche (Beijing) Information Technology Co., Ltd.
Registered address: 323602 Room, 36/F, Building 5, No. 1 yard, Futongdong Street, Chaoyang District, Beijing;

Party A9: Youzhen (Beijing) Business Consulting Co., Ltd.
Registered address: 323608 Room, Building 5, No. 1 yard, Futongdong Street, Chaoyang District, Beijing;

Party A10: Chebole (Beijing) Information Technology Co., Ltd.
Registered address: 323609 Room, Building 5, No. 1 yard, Futongdong Street, Chaoyang District, Beijing;

Party A11: You Fang (Beijing) Information Technology Co., Ltd.
Registered address: 323607 Room, Building 5, No. 1 yard, Futongdong Street, Chaoyang District, Beijing;

Party B: Beijing 58 Paipai Information Technology Co., Ltd.
Registered address: Room 406, Floor 4, College Park, Dongsheng Science & Technology Park, Zhongguancun, No.A18, Xueqing Road, Haidian District, Beijing.

In this Agreement, Party A1, Party A2, Party A3, Party A4, Party A5, Party A6, Party A7, Party A8, Party A9, Party A10, Party A11 are collectively referred to as "**Party A**", Party A and its respective Subsidiaries collectively referred to as "**Uxin Group Company**", Party A and Party B are collectively referred to as "**Parties**", and individually referred to as "**Party**".

WHEREAS:

1. On March 24, 2020, Party A, Party B and other relevant parties entered into the Assets and Business Transfer Agreement (the "**Assets and Business Transfer Agreement**", as set forth in Appendix I), which provides for business cooperation among Party A, Party B and/or its Affiliates with respect to Party A's C2B Business (as defined in the Assets and Business Transfer Agreement).

2. Uxin Group Company intends to sell the Personal Car Source Clues (as defined below) collected by it from the Uxin Business Platform to Party B at the price negotiated and agreed between Uxin Group Company and the Transferee. Party B agrees to accept the above Personal Car Source Clues and intends to cooperate with Uxin Group Company in respect of C2B Business.

To clarify the content and methods of business cooperation, the Parties reach the following agreement through mutual consultation.

1 Definitions and Description

1.1 "**Uxin Business Platform**" shall mean all transaction platforms and entrances developed and operated by Uxin Group Company, which are used to collect Personal Car Source Clues, including, without limitation, the entrance of "I want to sell car" on "Uxin" PC end (the corresponding domain name is www.xin.com), "Uxin" M end (the corresponding domain name is m.xin.com.cn) and all of application ends of "Uxin".

1.2 "**Personal Car Source Clue**" or "**Clue**" shall mean the relevant information of the used cars for sale by individuals, including, among others, geographic location, vehicle license plate, vehicle brand/model/type, the time of issuance of the license plate, travelled mileage and contact information.

1.3 "**Customer**" shall mean a merchant or individual which purchases Personal Car Source Clues from Party B and enters into contracts with Party B or its Affiliates therefore becoming Party B's business partner for Personal Car Source Clues.

1.4 "**Affiliate**" shall mean, with respect to any legal person or unincorporated entity, (i) a person that directly or indirectly Controls such legal person or unincorporated entity, or is (ii) Controlled directly or indirectly by, such legal person or unincorporated entity; (iii) any other person that is under a direct or indirect common Control of the same person with such legal person or unincorporated entity. "Affiliate" of any natural person means the immediate family of such natural person and persons Controlled by such natural person or the immediate family thereof, which includes spouse, parents, children, brothers and sisters, grandparents, maternal grandparents, grandchildren and maternal grandchildren.

1.5 "**Subsidiary**" shall mean, with respect to legal person or unincorporated entity, any person Controlled by such legal person or unincorporated entity.

1.6 "**Control**" shall mean the right to direct or cause others to direct a Party (including, without limitation, the right to direct the business, management and policies of such person directly or indirectly) obtained due to the ownership of more than fifty percent (50%) of equity interest in the Party, or ownership of less than fifty percent (50%) of but relative majority of equity interest in the Party, or by way of agreement, appointment of directors or other non-contractual means.

1.7 "**Day**" shall mean a calendar day.

1.8 "**Business Day**" shall mean a day (other than a Saturday, Sunday or statutory holiday) on which banks in the PRC are open for general business.

1.9 Interpreting Rules:

(1) Unless otherwise specified, any reference to a section, article, list, appendix or schedule of this Agreement is a reference to the section, article, list, appendix or schedule of this Agreement;

(2) Any reference to a law, statute, regulation or ordinance shall be construed as a reference to such law, statute, regulation or ordinance as from time to time in force, as amended, replaced or re-enacted and shall include any auxiliary legislation made under it;

(3) Words such as "including" and other similar expressions are not intended to be restrictive and shall be construed as if followed by the words "without limitation";

(4) Words importing the singular shall include the plural and vice versa; words importing a gender shall include all gender meanings;

(5) The table of contents and headings for this Agreement are for convenience only and do not affect in any way the content or interpretation of any provision of this Agreement;

(6) The appendices and schedules are integral parts of this Agreement and have the same effect as the main content of this Agreement. All references to this Agreement include the appendices and schedules;

(7) References to writing or written shall include any mode of reproducing words in a legible and non-transitory form.

1.10 Where references are made in this Agreement to the specific undertakings or obligations of Uxin Group Company, Party A shall be responsible for the performance of, or shall procure the specific members of Uxin Group Company to perform such undertakings and, to the extent that the relevant members of Uxin Group Company perform such undertakings, Party A shall be jointly and severally liable for the performance of such obligations of each Uxin Group Company.

2 Cooperation Mechanism

(1) The Parties acknowledge and agree that, as requested by Party B, Party A shall transmit all Personal Car Source Clues collected by Party B from the Uxin Business Platform to the interface designated by Party B in real time on a daily basis through API. If Party B has special requirements for Personal Car Source Clues, such as geographic area of Personal Car Source Clues, Party B shall notify Uxin Group Company of such special requirements in writing prior to 12: 00 of the previous Day. If Party B does not notify special requirements for Personal Car Source Clues provided by Uxin Group Company, Uxin Group Company shall provide Party B with all the Personal Car Source Clues collected from the Uxin Business Platform.

(2) After receiving the above Personal Car Source Clues provided by Party A, Party B shall conduct repeated clues testing within 1 Day. Clues passed the repeated clues testing (i.e. with the Clues which have been provided by Uxin Group Company to Party B (including the Clues provided by Uxin Group Company to Party B or its Affiliates within 2 calendar months in accordance with the Assets and Business Transfer Agreement)) shall enter Party B's personal car source clue library (the Personal Car Source Clues entering Party B's personal car source clue library are hereinafter referred to as the "**Stored Clues**"), and such Stored Clues shall be provided by Party B to the Customers.

(3) The Parties acknowledge and agree that Party B undertakes to purchase all Stored Clues collected from the Uxin Business Platform during the Cooperation Term. Without the prior written consent of Party B, Party A shall not sell to any other party any Personal Car Source Clues provided by Party A to Party B in accordance with Article 2(1) hereof or use such Personal Car Source Clues in any manner.

(4) Party A covenants that, the Personal Car Source Clues provided to Party B in accordance with this Agreement are true, accurate, complete and legal, and the methods and channels through which it obtains the Personal Car Source Clues are in compliance with laws and regulations. There is no Personal Car Source Clues fabricated by Uxin Group Company in any manner or any Personal Car Source Clues obtained through any illegal channel.

(5) Party A acknowledges and agrees that the persons who shall perform the obligations under this Agreement shall include all Uxin Group Company, whether or not they are Parties to this Agreement, i.e. each Uxin Group Company shall provide Party B with the Personal Car Source Clues collected from the Uxin Business Platform in accordance with the provisions hereof and perform their obligations under this Agreement.

3 Fees and settlements

(1) The Parties acknowledge and agree that the price of the Personal Car Source Clues that Party A sells to Party B (the "**Clue Price**") shall be:

(i) Clue Price of Type I: RMB[*]/piece (taxes included), Clue of Type I means the information of the car for sale submitted through the function of "car sales reservation" after entering into the entrance of "I want to sell car" (or the entrance of similar function if renamed) of "Uxin" PC end (the corresponding domain name is www.xin.com), "Uxin" M end (the corresponding domain name is m.xin.com.cn) or all of application ends of "Uxin";

(ii) Clue Price of Type II: RMB[*]/piece (taxes included). Clue of Type II means the information of the car for sale submitted through the function of "to estimate the price" in the "Uxin" PC end (the corresponding domain name is www.xin.com), "Uxin" M end (the corresponding domain name is m.xin.com) or all the app application ends of "Uxin".

(iii) With each Clue of Type I purchased by Party B, Party A provides 0.65 piece of Clue of Type II as gift.

(2) The Parties shall check the quantity of Stored Clues on the 3rd Business Day of each month, and confirm the quantity of Clues purchased (including the quantity of Clue of Type I and Clue of Type II). The fees for purchasing Personal Car Source Clues paid by Party B to Party A each month (the "**Purchase Fees**") shall be calculated as follows: Purchase Fees = Clue Price of Type I × Pieces of Stored Clues of Type I + Clue Price of Type II × Pieces of Stored Clues of Type II — Clue Price of Type II × Pieces of Clues as a gift.

(3) Party A shall issue VAT special invoice equivalent to the Purchase Fees to Party B within 3 Business Days after the Parties determine the quantity of Clues purchased and the Purchase Fees based on the above provision. Party B shall pay the Purchase Fees to Party A's designated account within 30 Days upon receipt of the invoice.

4 Cooperation Term

(1) This Agreement shall commence from April 1, 2020 and end on March 31, 2021 (the "**Cooperation Term**"). If the Parties agree to extend the Cooperation Term before the expiration of the Cooperation Term, the Parties shall enter into a separate agreement for the extended Cooperation Term.

(2) If, during the Cooperation Term, either Party is bankrupt, insolvent, or enters into liquidation or dissolution proceedings, or ceases to carry on business or is unable to pay its debts as they fall due or is otherwise unable to continue its existence, such Party shall give a written notice to the other Party and the other Party shall have the right, but not an obligation, to terminate this Agreement upon thirty (30) Days prior written notice.

5 Further Arrangements

5.1 After the execution of this Agreement, the Parties agree to jointly procure their respective professional personnel to cooperate with each other and be responsible for the coordination and overall arrangement of the cooperation between the Parties during the Cooperation Term hereof.

6 Intellectual Property and Data

6.1 Unless otherwise stipulated in this Agreement and the Assets and Business Transfer Agreement, for the purpose of this Agreement, the ownership of any materials and information provided by the Parties respectively and the Intellectual Property (as defined below) thereon, including, without limitation, all software systems, hardware systems and algorithms independently researched and developed by the Parties and the Intellectual Property thereof shall still belong to the original Intellectual Property owner or provider who provides such materials, technology and algorithms, and the ownership thereof shall not be changed due to the cooperation under this Agreement.

6.2 Unless otherwise expressly provided in this Agreement and the Assets and Business Transfer Agreement, without the prior written consent of the right holder, neither party shall use without consent or reproduce the patent, trademark, name, mark, trade secret, know-how, data material, domain name, copyright or other intellectual property (the "**Intellectual Property**") of the other party.

6.3 The Parties shall use their best efforts to guarantee that the related business of this business cooperation is lawful and compliant; if any Party's cooperation under this Agreement infringes the Intellectual Property rights or other legitimate rights of any other party, or the products, services, data or materials provided by such Party infringe the Intellectual Property rights or other legitimate rights of any other party, thus causing losses to the other Party's group, the group of such Party shall indemnify the other Party's group for such losses.

6.4 From the execution date of this Agreement, with respect to the use of data generated by the Parties as a result of the cooperation under this Agreement (including, without limitation, customer data, launch data, user data and others, collectively the "**Business Data**"), the Parties covenant and warrant that they will not disclose such Business Data to the public or provide such Business Data to third parties and shall attach great importance to and take all reasonable and necessary confidentiality measures to protect the Business Data collected during the cooperation so as to ensure the security of such Business Data, except as permitted by the Parties in writing in advance.

6.5 Neither Party shall use or mention any name, trade name, trademark or logo of the other Party or its Affiliates in any products or in any promotion or marketing channels without the prior written consent of the other Party.

7 Confidentiality

7.1 The terms, detailed provisions, and appendices of this Agreement (including if any, all terms and provisions, and even the existence of this Agreement, as well as any other relevant investment documents) shall be treated as confidential information and shall not be disclosed by the Parties under this Agreement to any third party, unless otherwise specified.

7.2 The restrictions mentioned in Article 7 above does not apply to the information disclosed in the following situations:

7.2.1 The disclosure or use is required by laws, any regulatory authority or any stock exchange (the Parties shall then negotiate in good faith to agree on the disclosure or use of the core commercial contents of this Agreement to the minimum extent as possible);

7.2.2 The disclosure is made to professional consultants of the Parties' group, provided that the Parties' group shall require such professional consultants to comply with this Article 7 with respect to such confidential information as they were the Party to this Agreement;

7.2.3 The information has been in the public domain due to any reason that is not attributable to the Parties hereto;

7.2.4 The disclosure or use has been approved in advance and in writing by all the other Parties.

7.3 Regardless of whether the other terms in this Agreement are invalid, changed, cancelled, terminated, or not operational for any reason, Article 7 remains valid.

8 Expenses

Unless otherwise stipulated by this Agreement and the Assets and Business Transfer Agreement, each of the Parties shall bear all of its own costs and expenses (including but not limited to taxes and fees) arising from the execution and performance of this Agreement.

9 Representation, Undertakings and Warranties

Each Party makes the following representation, undertakings and warranties to the other Party:

9.1 It is a company established legally and validly existing;

9.2 It has the right to enter into this Agreement, and the execution, delivery and performance of this Agreement have been fully authorized, approved or permitted; Upon execution, this Agreement shall be binding upon such Party, and shall be valid, effective and enforceable; the execution of this Agreement by the duly authorized representative shall have been duly authorized on behalf of such Party;

9.3 The execution, delivery and performance of this Agreement do not require filing with, or sending notice to, any governmental authority or license, permit, consent or other approvals from any governmental authority or any other person; and

9.4 It is capable of performing its obligations under this Agreement; and such performance of obligations does not violate any applicable law and regulation, its articles of association, other constitutional documents, and any other legal documents binding upon it.

10 Force Majeure

10.1 Force majeure under this Agreement means any objective conditions that is unforeseeable at the time of execution of this Agreement, the occurrence of which is unavoidable, and the consequences of which is insurmountable by the Parties.

10.2 In case where a force majeure event occurs, the Party affected by such event shall not be responsible for any damage, additional costs, or losses which the other Party may suffer due to the failure or delay of performance of such Party's obligations under this Agreement, and such failure or delay of performance of this Agreement shall not be deemed a breach of this Agreement. The Party alleging the occurrence of the force majeure event shall take appropriate actions to minimize or eliminate the effects of the force majeure event, and attempt to resume the performance of the obligations delayed or hindered by the force majeure event within the shortest possible time.

11 Governing Law and Dispute Resolution

11.1 The formation, validity, interpretation, implementation of this Agreement and the settlement of any disputes arising under this Agreement shall be governed by and interpreted in accordance with the PRC laws.

11.2 All disputes arising from the implementation of this Agreement or in connection with this Agreement shall be settled by the Parties through friendly consultation. If any dispute cannot be settled through consultation, either Party shall have the right to submit the dispute to the Beijing Arbitration Commission for arbitration in Beijing in accordance with the arbitration rules of the Beijing Arbitration Commission effective at that time. The arbitration proceedings shall be conducted in Chinese. The arbitration award shall be final and binding for all Parties.

11.3 During the dispute resolution period, except for the matters in dispute, the Parties shall continue to respectively be entitled to the other rights and perform the other obligations under this Agreement.

12 Liabilities

12.1 If any Party (the "**Breaching Party**") breaches any provision of this Agreement (including, without limitation, breach of any representations, undertakings and warranties herein), fails to perform its obligations under this Agreement (including, without limitation, various undertakings and obligations that shall be performed), or performed the obligations in a way contrary to the provisions hereof, such Party shall be deemed to have constituted a breach of this Agreement (the "**Breach**"). The non-breaching Party shall have the right to give a written notice to the defaulting party to request the Breaching Party to remedy the Breach and perform its obligations under this Agreement as soon as possible from the date of receipt of the notice.

12.2 The Breaching Party shall be liable to indemnify the non-breaching Party and its Affiliates for the losses suffered by them as a result of the Breach. Unless otherwise provided for herein, the indemnification amount paid by the Breaching Party to the non-breaching Party for the Breach shall equal to the losses, costs and expenses (including, without limitation, reasonable fees and expenses of legal counsels and consultants) incurred by the non-breaching Party and its Affiliates due to the Breach.

12.3 It is specifically agreed that if Uxin Group Company breaches this Agreement and causes Party B's inability to obtain Personal Car Source Clues within 15 minutes, Party A undertakes to solve such problem within 24 hours upon receiving the service request of Party B. If Party A fails to solve the problem within the agreed time period due to Party A's own reason, resulting in revenue decrease on the part of Party B, or disputes between Party B and its Customers and the indemnification liability of Party B, Party A shall pay a sum of liquidated damages equals to 0.5% of the settlement amount of the same month to Party B.

13 Others

13.1 During the Cooperation Term, neither Party shall comment negatively on the other Party in the public, including but not limited to commenting the company's image, company brand, product design, research and development, applications, operation strategy, and all other information related to the company and its products.

13.2 In the case of termination of this Agreement, unless otherwise provided herein, the Parties shall not further perform this Agreement. However, Articles 7, Articles 10, Articles 11, Articles 12 and Articles 13 hereof shall remain valid. The termination of this Agreement does not affect the indemnification or compensation or other remedies to which each Party is entitled to under this Agreement.

13.3 Any notice or other communication in connection with this Agreement delivered from one Party to the other Party (the "**Notice**") shall be in writing and shall be delivered to the contact person according to the correspondence address or communication number or email address listed below:

Party A
Contact person: Xuemei He
Mailing Address: 4/F, Tower E, Lixingxing Center, No. 8 Guangshun South Street, Chaoyang District, Beijing
Mobile phone: *
E-mail: *

Party B
Contact person: Jiang Zhao
Mailing Address: Building 101, No. 10 Jia, Jiuxianqiao North Road, Chaoyang District, Beijing
Email: *

13.4 The time when the Notice is served with respect to the notifying methods specified in the preceding paragraph shall be determined in the following ways:

13.4.1 If the Notice is delivered face-to-face, it shall be deemed to be served when the recipient signs for receipt;

13.4.2 All the Notices delivered by mailing shall be given by registered mail or express mail. The Notices by registered mail shall be deemed to be served to the recipient on the seventh (7th) day from the mailing date, and the Notices by express mail shall be deemed to have been served when the recipient signs for receipt.

13.4.3 If the Notices is delivered by email, the Notice shall be deemed to be served when the email system shows that the recipient actually receives the Notice.

If either Party changes the above mailing address or contact information (the "**Party with Contact Information Update"**), it shall notify the other Party within seven (7) days after the occurrence of such change. If the Party with Contact Information Update fails to notify the other Party in time as agreed, it shall bear the losses caused hereby.

Any Party may at any time change its address for the Notices by a notice delivered to the other Party in accordance with the terms hereof.

13.5 The Parties shall designate personnel to communicate with each other in respect of the cooperation matters set forth in Article 2 hereof. In case of any change of the contact person of either Party, such Party shall notify the other Party in accordance with the notifying methods set forth in Article 13.4 within 12 hours upon the occurrence of such change of the contact person.

13.6 This Agreement may be amended and supplemented by consultation and consensus between the parties, and any amendment and supplement to this Agreement shall be agreed in writing. The Parties agree that the Parties shall review and discuss the terms and conditions of this Agreement at least once a year after the effective date of this Agreement based on circumstances then. If any amendment or supplement to the terms and conditions of this Agreement is needed according to the circumstance then, the Parties shall actively cooperate with each other to reach an agreement. The amendments and supplements that have been duly performed by the Parties related to this Agreement shall be a part of this Agreement and shall have the same legal effect as this Agreement.

13.7 This Agreement shall come into effect on the date it is performed by all parties. After coming into effect, this Agreement shall constitute the entire agreement and consensus reached by the Parties with respect to the subject matter hereof, and replace any and all other oral or written agreements and consensus reached by the Parties prior to this Agreement other than the Asset and Business Transfer Agreement.

13.8 Failure of any Party hereto to timely exercise a right under this Agreement shall not constitute a waiver thereof, nor affect the exercise of such right in the future by such Party.

13.9 If any term of this Agreement is deemed as invalid or unenforceable, such invalidity or unenforceability shall not affect the validity or enforceability of any other term of this Agreement. Under such circumstance, the Parties hereto shall negotiate in good faith to agree on the substitute terms that are as consistent as possible with the expressed intent of the original terms and satisfactory to all the Parties.

13.10 In the case of any discrepancy between the provisions of this Agreement and the Assets and the Business Transfer Agreement, this Agreement shall prevail to the extent of the matters agreed in this Agreement.

13.11 The headings that are used in this Agreement are for convenience only and shall not to be used in construing or interpreting this Agreement.

13.12 This Agreement shall be made in four (4) copies with Party A and Party B holding two (2) copies respectively. Each copy shall have the same legal effect.

[The remainder of this page is intentionally left blank]

In witness whereof, this Agreement is signed by the duly authorized representatives of the following parties on the date of above written:

Youxinpai (Beijing) Information Technology Co., Ltd. (Seal)

By: /s/ Zhen Zeng
Name: Zhen Zeng
Title:

Youxin Internet (Beijing) Information Technology Co., Ltd. (Seal)

By: /s/ Zhen Zeng
Name: Zhen Zeng
Title:

Uxin Data-sharing (Beijing) Information Technology Co., Ltd. (Seal)

By: /s/ Yang Li
Name: Yang Li
Title:

Uxin Limited

By: /s/ Kun Dai
Name: Kun Dai
Title:

Kun Dai:
/s/ Kun Dai

In witness whereof, this Agreement is signed by the duly authorized representatives of the following parties on the date of above written:

Youhan (Shanghai) Information Technology Co., Ltd. (Seal)

By: /s/ Zhen Zeng
Name: Zhen Zeng
Title:

Shenzhen Uxin Pengcheng Used Car Trading Market Co., Ltd. (Seal)

By: /s/ Leilei Huang
Name: Leilei Huang
Title:

Yougu (Shanghai) Information Technology Co., Ltd. (Seal)

By: /s/ Zhen Zeng
Name: Zhen Zeng
Title:

In witness whereof, this Agreement is signed by the duly authorized representatives of the following parties on the date of above written:

Youxin Yishouche (Beijing) Information Technology Co., Ltd. (Seal)

By: /s/ Zhen Zeng
Name: Zhen Zeng
Title:

Youzhen (Beijing) Business Consulting Co., Ltd (Seal)

By: /s/ Zhen Zeng
Name: Zhen Zeng
Title:

Chebole (Beijing) Information Technology Co., Ltd. (Seal)

By: /s/ Zhen Zeng
Name: Zhen Zeng
Title:

You Fang (Beijing) Information Technology Co., Ltd. (Seal)

By: /s/ Zhen Zeng
Name: Zhen Zeng
Title:

In witness whereof, this Agreement is signed by the duly authorized representatives of the following parties on the date of above written:

Beijing 58 Paipai Information Technology Co., Ltd. (Seal)

By: /s/ Jinbo Yao
Name: Jinbo Yao
Title:

Appendix I
The Assets and Business Transfer Agreement

EXHIBIT 8.1

List of Principal Subsidiaries and Consolidated Affiliated Entities

	Place of Incorporation
Subsidiaries:	
Uxin Used Car Limited	Cayman Islands
UcarEase Holding Limited	British Virgin Islands
UcarBuy Holding Limited	British Virgin Islands
Uxin Hong Kong Limited	Hong Kong
UcarShow HK Limited	Hong Kong
GloryFin International Group Holding Company Limited	Hong Kong
UcarBuy HK Limited	Hong Kong
Youxinpai (Beijing) Information Technology Co., Ltd.	PRC
Youhan (Shanghai) Information Technology Co., Ltd.	PRC
Yougu (Shanghai) Information Technology Co., Ltd.	PRC
Youzhen (Beijing) Business Consulting Co., Ltd.	PRC
Kai Feng Finance Lease (Hangzhou) Co., Ltd.	PRC
Youqin (Shanxi) Finance Lease Co., Ltd.	PRC
Boyu Finance Lease (Tianjin) Co., Ltd.	PRC
Youxin (Shanghai) Used Car Business Co., Ltd.	PRC
Baogu Automobile Technology Services (Beijing) Co., Ltd.	PRC
Consolidated affiliated entities:	
Youxin Internet (Beijing) Information Technology Co., Ltd.	PRC
Youxin Yishouche (Beijing) Information Technology Co., Ltd.	PRC

EXHIBIT 12.1

Certification by the Principal Executive Officer
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Kun Dai, certify that:

1. I have reviewed this annual report on Form 20-F of Uxin Limited (the "Company");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this report;

4. The Company's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Company and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the Company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the Company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting; and

5. The Company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company's auditors and the audit committee of the Company's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control over financial reporting.

Date: May 12, 2020

By: /s/ Kun Dai
Name: Kun Dai
Title: Chief Executive Officer

EXHIBIT 12.2

Certification by the Principal Financial Officer
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Zhen Zeng, certify that:

1. I have reviewed this annual report on Form 20-F of Uxin Limited (the "Company");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this report;

4. The Company's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Company and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the Company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the Company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting; and

5. The Company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company's auditors and the audit committee of the Company's board of directors (or persons performing the equivalent function):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control over financial reporting.

Date: May 12, 2020

By: /s/ Zhen Zeng
Name: Zhen Zeng
Title: Chief Financial Officer

EXHIBIT 13.1

Certification by the Principal Executive Officer
Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Annual Report of Uxin Limited (the "Company") on Form 20-F for the year ended December 31, 2019 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Kun Dai, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 12, 2020

By: /s/ Kun Dai
Name: Kun Dai
Title: Chief Executive Officer

EXHIBIT 13.2

Certification by the Principal Financial Officer
Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Annual Report of Uxin Limited (the "Company") on Form 20-F for the year ended December 31, 2019 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Zhen Zeng, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 12, 2020

By: /s/ Zhen Zeng
Name: Zhen Zeng
Title: Chief Financial Officer

EXHIBIT 15.1

Consent of Independent Registered Public Accounting Firm

We hereby consent to the incorporation by reference in the Registration Statements on Form S-8 (No. 333-227576 and No. 333-232204) of Uxin Limited of our report dated May 12, 2020 relating to the financial statements, which appears in this Form 20-F.

/s/ PricewaterhouseCoopers Zhong Tian LLP

Shanghai, the People's Republic of China
May 12, 2020

EXHIBIT 15.2

May 12, 2020

Uxin Limited.
2-5/F, Tower E, LSHM Center,
No. 8 Guangshun South Avenue,
Chaoyang District,
Beijing, 100102
People's Republic of China

Dear Sir/Madam:

We hereby consent to the reference of our name under the headings "Item 3. Key Information—D. Risk Factors—Risks Related to Our Corporate Structure" and "Item 4. Information on the Company—C. Organizational Structure" in Uxin Limited's Annual Report on Form 20-F for the year ended December 31, 2019 (the "**Annual Report**"), which will be filed with the Securities and Exchange Commission (the "**SEC**") on the date hereof, and further consent to the incorporation by reference into the Registration Statements on Form S-8 (No. 333-227576 and No. 333-232204) pertaining to Uxin Limited's 2018 Amended and Restated Share Incentive Plan and 2018 Second Amended and Restated Share Incentive Plan of the summary of our opinion under the headings "Item 3. Key Information—D. Risk Factors—Risks Related to Our Corporate Structure" and "Item 4. Information on the Company—C. Organizational Structure" in the Annual Report. We also consent to the filing of this consent letter with the SEC as an exhibit to the Annual Report.

In giving such consent, we do not thereby admit that we come within the category of persons whose consent is required under Section 7 of the Securities Act of 1933, or under the Securities Exchange Act of 1934, in each case, as amended, or the regulations promulgated thereunder.

Very truly yours,

/s/ JunHe LLP
JunHe LLP