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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 20-F

(Mark One)

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

OR

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the fiscal year ended March 31, 2021.

OR

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

For the transition period from to
OR

☐ **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)

1-3/F, No. 12 Beitucheng East Road
Chaoyang District,
Beijing 100029
People's Republic of China
(Address of principal executive offices)

Feng Lin, Chief Financial Officer
Telephone: +86 10 5691-6765
Email: ir@xin.com
1-3/F, No. 12 Beitucheng East Road
Chaoyang District,
Beijing 100029
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.

1,071,621,698 Class A ordinary shares (excluding the 12,721,632 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 March 31, 2021.

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

☒ Yes ☐ 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.

☐ Yes ☒ No

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.

☒ Yes ☐ 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).

☒ Yes ☐ 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 ☐ Accelerated filer ☒ Non-accelerated filer ☐ Emerging growth company ☒

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

† 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.

☐ Yes ☒ 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 ☒ International Financial Reporting Standards as issued by the International Accounting Standards Board ☐ Other ☐

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.

Item 17 ☐ 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).

☐ Yes ☒ 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.

☐ Yes ☐ No

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INTRODUCTION

Unless otherwise indicated or the context otherwise requires:

- we changed our fiscal year end from December 31 to March 31 in April 2020 and filed a transition report on Form 20-F covering the three-month period from January 1, 2020 through March 31, 2020, or the Transition Period. Prior to such transition report on Form 20-F, we filed an annual report on Form 20-F covering the fiscal year ended December 31, 2019. Unless otherwise noted, all references to years are to the calendar year from January 1 to December 31 and references to our fiscal year or years are to the fiscal year or years which, prior to the Transition Period, ended December 31, and from and after the Transition Period, ended March 31. For the avoidance of doubt, "fiscal year of 2021" refer to the year ended March 31, 2021;
- "ADSs" refer to the American depositary shares, each of which represents three Class A ordinary shares, par value US$0.0001 each;
- "Check Auto" refer to our proprietary car inspection system;
- "China" or "PRC" refer to the People's Republic of China, excluding, for the purpose of this annual report only, Taiwan, Hong Kong, and Macau;
- "GMV" refer to gross merchandise value of used cars as measured by gross selling price of used cars, excluding service fees and interests (if any) charged;
- "NPS" refer to net percentages of promoters for our products and services (those who are willing to keep buying and refer us to others) against detractors (those who are not satisfied with and complain about our offerings);
- "ordinary shares" refer to our Class A and Class B ordinary shares, par value US$0.0001 per share;
- "senior convertible preferred shares" refer to our senior convertible preferred shares, which can be convertible into our Class A ordinary shares on a one-for-one basis, par value US$0.0001. For the avoidance of doubt, the calculations of ownership and voting power in this annual report are made assuming that all the senior convertible preferred shares are converted into Class A ordinary shares on a one-for-one basis;
- "RMB" and "Renminbi" refer to the legal currency of China, which is our reporting currency;
- "shares" refer to our ordinary shares and, where applicable, our senior convertible preferred shares, par value US$0.0001 per share;
- "US$," "U.S. dollars," "$," and "dollars" refer to the legal currency of the United States;
- "Uxin" or "our platform" refer to our platform primarily for buying and selling used cars, which primarily consisted of vehicle sales businesses under our new inventory owning model for the fiscal year of 2021;
- "Our WFOEs" refer to our wholly-owned subsidiaries in China;
- "Our VIEs" refer 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" refer 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 RMB6.5518 to US$1.00, the exchange rate on as of March 31, 2021 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 provide customers with high-quality used cars and other related products;
- 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

We changed our fiscal year end from December 31 to March 31 in April 2020. The selected consolidated statements of comprehensive loss data for the years ended December 31, 2018 and 2019, the three months ended March 31, 2020, and the fiscal year ended March 31, 2021, the selected consolidated balance sheets data as of March 31, 2020 and March 31, 2021, and selected consolidated cash flow data for the years ended December 31, 2018 and 2019, the three months ended March 31, 2020, and the fiscal year ended March 31, 2021 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 2017, and selected consolidated balance sheets data as of December 31, 2016, 2017, 2018 and 2019 have been derived from our audited consolidated financial statements 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, September 2019 and April 2020, we entered into a binding term sheet, definitive agreements and supplemental 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). Liabilities associated with the divestiture were reclassified as liabilities held for sale on our consolidated balance sheet as of December 31, 2019 and March 31, 2020. 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.

In September 2020, we shifted to an inventory-owning model where we build-up and sell our own inventory of used cars.

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, the three months ended March 31, 2019 and 2020, and the fiscal year ended March 31, 2021:

	For the Year Ended December 31,				For the Three Months Ended March 31,		For the Fiscal Year Ended March 31,	
	2016 RMB	2017 RMB	2018 RMB	2019 RMB	2019 RMB	2020 RMB	2021 RMB	2021 US$
					(Unaudited)			
					(in thousands, except for share data)			
Selected Consolidated Statements of Comprehensive Loss Data:								
Revenues[1]:								
Retail vehicle sales	—	—	—	—	—	—	463,547	70,751
Wholesale vehicle sales	—	—	—	—	—	—	51,249	7,822
Commission revenue	—	—	203,158	711,362	148,840	48,038	41,939	6,401
Value-added service revenue	—	—	166,482	636,046	135,475	40,456	35,248	5,380
Others	135,298	309,133	289,450	240,623	51,476	15,367	65,425	9,986
Total Revenues	**135,298**	**309,133**	**659,090**	**1,588,031**	**335,791**	**103,861**	**657,408**	**100,340**
Cost of revenues[2]	(57,972)	(92,735)	(418,852)	(689,292)	(156,372)	(110,714)	(673,711)	(102,828)
Gross profit	**77,326**	**216,398**	**240,238**	**898,739**	**179,419**	**(6,853)**	**(16,303)**	**(2,488)**
Operating expenses:								
Sales and marketing[2]	(149,489)	(179,328)	(1,488,699)	(1,184,997)	(345,673)	(189,503)	(339,013)	(51,743)
Research and development[2]	—	—	(124,513)	(140,006)	(32,634)	(31,176)	(74,137)	(11,316)
General and administrative[2]	(569,845)	(389,072)	(1,070,419)	(402,040)	(86,970)	(74,926)	(277,925)	(42,420)
Gains/(losses) from guarantee liabilities	1,983	1,840	(4,414)	(194,385)	(9,188)	—	—	—
Provision for credit losses	(3,012)	(38,075)	(40,626)	(271,372)	—	(1,939,570)	(91,593)	(13,980)
Total operating expenses	**(720,363)**	**(604,635)**	**(2,728,671)**	**(2,192,800)**	**(474,465)**	**(2,235,175)**	**(782,668)**	**(119,459)**
Other operating income	—	—	—	1,925	—	56,043	246,346	37,600
Loss from continuing operations	**(643,037)**	**(388,237)**	**(2,488,433)**	**(1,292,136)**	**(295,046)**	**(2,185,985)**	**(552,625)**	**(84,347)**
Interest income	1,482	2,234	24,554	14,958	1,990	3,081	45,140	6,890
Interest expenses	(66)	(199)	(63,880)	(112,587)	(26,493)	(29,029)	(95,953)	(14,645)
Other income	2,643	4,248	23,721	71,142	25,140	2,420	15,672	2,392
Other expenses	(4,544)	(3,808)	(25,568)	(36,569)	(4,751)	(10,118)	(7,890)	(1,204)
Foreign exchange gains/(losses)	769	(627)	(8,232)	4,247	(799)	(388)	(15,887)	(2,425)
Fair value change of derivative liabilities	(116,056)	(885,821)	1,185,090	—	—	—	—	—
Gain from disposal of investment, net	—	—	—	28,257	—	—	—	—
Impairment of long-term investment	—	—	—	(37,775)	—	—	—	—
Gain from disposal of subsidiaries	—	—	—	—	—	179,020	—	—
Inducement charge	—	—	—	—	—	—	(121,056)	(18,477)
Loss from continuing operations before income tax expense	**(758,809)**	**(1,272,210)**	**(1,352,748)**	**(1,360,463)**	**(299,939)**	**(2,040,999)**	**(732,599)**	**(111,816)**
Income tax (expense)/benefit	(64)	(211)	(1,644)	2,554	(1,556)	(326)	(33)	(5)
Equity in (losses)/income of affiliates	(9,637)	3,597	2,631	30,231	5,956	6,940	15,657	2,390
Net loss from continuing operations, net of tax	**(768,510)**	**(1,268,824)**	**(1,351,761)**	**(1,327,678)**	**(295,539)**	**(2,034,385)**	**(716,975)**	**(109,431)**
Less: net loss attributable to non-controlling interests shareholders	(35,181)	(25,202)	(15,771)	(1,452)	(445)	(5,383)	(9)	(1)
Net loss from continuing operations, attributable to UXIN LIMITED	**(733,329)**	**(1,243,622)**	**(1,335,990)**	**(1,326,226)**	**(295,094)**	**(2,029,002)**	**(716,966)**	**(109,430)**
Discontinued operations								
Net (loss)/income from discontinued operations before income tax	(622,675)	(1,478,615)	(173,583)	(659,458)	22,977	(455,177)	295,744	45,139
Income tax expense	(1,741)	(359)	(12,941)	(2,992)	(12,422)	—	—	—
Net (loss)/income from discontinued operations, net of tax	**(624,416)**	**(1,478,974)**	**(186,524)**	**(662,450)**	**10,555**	**(455,177)**	**295,744**	**45,139**
Net (loss)/income from discontinued operations, attributable to UXIN LIMITED	**(624,416)**	**(1,478,974)**	**(186,524)**	**(662,450)**	**10,555**	**(455,177)**	**295,744**	**45,139**
Net loss	**(1,392,926)**	**(2,747,798)**	**(1,538,285)**	**(1,990,128)**	**(284,984)**	**(2,489,562)**	**(421,231)**	**(64,292)**
Less: net loss attributable to non-controlling interests shareholders	(35,181)	(25,202)	(15,771)	(1,452)	(445)	(5,383)	(9)	(1)
Net loss attributable to UXIN LIMITED	**(1,357,745)**	**(2,722,596)**	**(1,522,514)**	**(1,988,676)**	**(284,539)**	**(2,484,179)**	**(421,222)**	**(64,291)**
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)**	**(284,539)**	**(2,484,179)**	**(421,222)**	**(64,291)**
Net loss	**(1,392,926)**	**(2,747,798)**	**(1,538,285)**	**(1,990,128)**	**(284,984)**	**(2,489,562)**	**(421,231)**	**(64,292)**
Foreign currency translation, net of tax nil	(3,252)	43,406	4,818	(17,976)	6,027	40,028	110,983	16,939
Total comprehensive loss	**(1,396,178)**	**(2,704,392)**	**(1,533,467)**	**(2,008,104)**	**(278,957)**	**(2,449,534)**	**(310,248)**	**(47,353)**
Less: total comprehensive loss attributable to non-controlling interests shareholders	(31,438)	(27,861)	(22,359)	(1,558)	(445)	(3,927)	(9)	(1)
Total comprehensive loss attributable to UXIN LIMITED	(1,364,740)	**(2,676,531)**	**(1,511,108)**	**(2,006,546)**	**(278,512)**	**(2,445,607)**	**(310,239)**	**(47,352)**
Net loss attributable to ordinary shareholders	**(1,775,663)**	**(3,773,205)**	**(2,386,238)**	**(1,988,676)**	**(284,539)**	**(2,484,179)**	**(421,222)**	**(64,291)**
Weighted average number of ordinary shares used in computing net loss per share, basic	49,174,850	49,318,860	477,848,763	886,613,598	881,704,014	888,460,868	1,100,650,208	1,100,650,208
Weighted average number of ordinary shares used in computing net loss per share, diluted	49,174,850	49,318,860	477,848,763	886,613,598	881,704,014	888,460,868	1,330,913,033	1,330,913,033
Net (loss)/income per share for ordinary shareholders, basic								
—Continuing operations	(23.41)	(46.52)	(4.60)	(1.50)	(0.33)	(2.28)	(0.65)	(0.10)
—Discontinued operations	(12.70)	(29.99)	(0.39)	(0.75)	0.01	(0.51)	0.27	0.04
Net (loss)/income per share for ordinary shareholders, diluted								
—Continuing operations	(23.41)	(46.52)	(4.60)	(1.50)	(0.33)	(2.28)	(0.65)	(0.10)
—Discontinued operations	(12.70)	(29.99)	(0.39)	(0.75)	0.01	(0.51)	0.22	0.03

(1) The presentation of revenue components changed in the fiscal year of 2021 to reflect the changes of our business model since September 2020. Please see "Item 4. Information on the Company—B. Business Overview" for more detailed discussion.

(2) Share-based compensation in the amount of RMB226.4 million, RMB165.9 million, RMB1,052.0 million, RMB100.3 million, negative RMB32.6 million and negative RMB19.1 million (US$2.9 million) in 2016, 2017, 2018, 2019, the three months ended March 31, 2020 and the fiscal year ended March 31, 2021, 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, 2019, March 31, 2020 and March 31, 2021:

	As of December 31,				As of March 31,		
	2016 RMB	2017 RMB	2018 RMB	2019 RMB	2020 RMB	2021 RMB	2021 US$
	(in thousands, except for share data)						
Selected Consolidated Balance Sheets Data:							
Cash and cash equivalents	332,259	291,973	800,997	478,200	342,504	192,605	29,397
Restricted cash	705,854	1,617,230	1,011,705	706,988	454,931	41,114	6,275
Advance to sellers	45,774	246,287	692,714	288,550	132,526	—	—
Financial lease receivables, net	413,462	438,693	294,511	121,820	15,048	—	—
Total assets	**2,317,979**	**5,298,913**	**7,349,390**	**5,383,096**	**2,647,331**	**1,233,533**	**188,276**
Convertible notes, current	—	—	1,188,192	324,644	375,449	—	—
Short-term borrowings	204,068	426,783	624,588	263,425	119,069	79,560	12,143
Total liabilities	**1,986,194**	**5,059,894**	**4,977,747**	**4,917,976**	**4,991,978**	**3,229,388**	**492,903**
Total Mezzanine equity	**4,775,637**	**8,420,644**	—	—	—	—	—
Total shareholders' (deficit)/equity	**(4,443,852)**	**(8,181,625)**	**2,371,643**	**465,120**	**(2,344,647)**	**(1,995,855)**	**(304,627)**
Capital Stock	30	30	575	581	581	733	112
Number of outstanding ordinary shares	49,318,860	49,318,860	880,659,899	887,617,391	887,667,457	1,112,431,559	1,112,431,559

The following table presents our selected consolidated statements of cash flow data for the years ended December 31, 2016, 2017, 2018, 2019, the three months ended March 31, 2019 and 2020, and the fiscal year ended March 31, 2021:

	For the Year Ended December 31,				For the Three Months Ended March 31,		For the Fiscal Year Ended March 31,	
	2016 RMB	2017 RMB	2018 RMB	2019 RMB	2019 RMB	2020 RMB	2021 RMB	2021 US$
					(Unaudited) (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)	(188,061)	(411,271)	(1,122,308)	(171,299)
Net cash generated from / (used in) investing activities	576,083	(586,843)	(1,078,617)	(484,254)	(6,645)	159,898	443,016	67,618
Net cash (used in) / generated from financing activities	(133,001)	3,288,842	4,274,052	73,630	(127,066)	(165,519)	130,317	19,891
Effect of exchange rate changes on cash, cash equivalents and restricted cash	6,464	3,334	(9,278)	960	(11,983)	4,065	(14,741)	(2,250)
Net (decrease)/increase in cash, cash equivalents and restricted cash	(211,664)	871,090	904,824	(1,603,765)	(333,755)	(412,827)	(563,716)	(86,040)
Cash, cash equivalents and restricted cash at beginning of the year/(period)	1,249,777	1,038,113	1,730,001	1,812,702	1,812,702	1,185,188	797,435	121,712
Cash, cash equivalents and restricted cash at end of the year/(period)	1,038,113	1,730,001	1,812,702	1,185,188	1,256,356	797,435	233,719	35,672

B. Capitalization and Indebtedness

Not applicable.

C. Reasons for the Offer and Use of Proceeds

Not applicable.

D. Risk Factors

Summary of Risk Factors

Investing in the ADSs involves significant risks. You should carefully consider all of the information in this annual report before making an investment in the ADSs. Below please find a summary of the principal risks we face, organized under relevant headings.

Risks Related to Our Business and Industry

Risks and uncertainties related to our business and industry include, but are not limited to, the following:

- 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;
- Failure to maintain or enhance customer trust in us could damage our reputation, reduce or slowdown the growth of our customer base, which could harm our business, financial condition and results of operations;
- Our business, operating results and financial condition have been and may continue to be adversely affected by the ongoing COVID-19 pandemic;
- 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 are not profitable and have negative cash flows from operations, which may continue 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;
- Failure to acquire attractive inventory, whether because of supply, competition, or other factors, may have a material adverse effect on our business, sales, and results of operations;
- Failure to expeditiously sell our inventory could have a material adverse effect on our business, sales, and results of operations;
- 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 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 could be harmed; and
- We collect, process, store 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.

Risks Related to Our Corporate Structure

Risks and uncertainties related to our corporate structure include, but are not limited to, the following:

- 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 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; and

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

Risks Related to Doing Business in China

Risks and uncertainties related to doing business in China include, but are not limited to, the following:

- Changes in China's economic, political or social conditions or government policies could have a material adverse effect on our business and operations;
- Uncertainties in the interpretation and enforcement of Chinese laws and regulations could limit the legal protections available to us;
- 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;
- 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; and
- Our ADSs may be delisted under the Holding Foreign Companies Accountable Act if the PCAOB is unable to inspect auditors who are located in China. The delisting of our ADSs, or the threat of their being delisted, may materially and adversely affect the value of your investment. Additionally, the inability of the PCAOB to conduct inspections deprives our investors with the benefits of such inspections.

Risks Related to Our ADSs

Risks and uncertainties related to our ADSs include, but are not limited to, the following:

- The trading price of the ADSs is likely to be volatile, which could result in substantial losses to investors;
- 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;
- The dual-class structure of our ordinary shares may adversely affect the trading market for 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; and
- The sale or availability for sale of substantial amounts of the ADSs could adversely affect their market price.

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 provide customers with high-quality used cars and other related products;
- 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 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 slowdown the growth of our customer base, which could harm our business, financial condition and results of operations.

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

We work with third-party service providers to serve consumers and fulfill the transactions made on 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. We provide trainings to our third-party service providers and require them to act in line with our operating and customer servicing standards. However, if these third-party service providers 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 our platform or sold by us are defective or inconsistent with the 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 misconduct.

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

The COVID-19 pandemic has continued to spread across the world and has created unique global and industry-wide challenges. COVID-19 has resulted in quarantines, travel restrictions, and the temporary closure of facilities in China and many other countries. New COVID-19 variants have also emerged in a few countries, potentially extending the period where COVID-19 will negatively impact the global economy.

Substantially all of our revenues and our workforce are concentrated in China. Consequently, our results of operations and financial performance may be adversely affected, to the extent that COVID-19 exerts long-term negative impact on the Chinese economy. The disruption of COVID-19 to business activities in China has been eliminated to a large extent, however, it is still difficult to predict how COVID-19 will impact our business in the near term. We have taken a series of measures in response to the ongoing pandemic to protect our employees, including, among others, including supporting our employees to participate in vaccination programs in accordance with the latest national and local policy, and we likely will have to adopt similar measures if new COVID-19 variants strike in a future wave.

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 continued to weigh on our results until the date of this annual report. 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 have been 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. Although China's economy has been gradually recovering in the past few months, and the used car market has been slowly picking up since April 2020 as the industry's infrastructure and supply chain started to resume operations, the impact of the pandemic may continue to create significant challenges and uncertainties for the market environment as the COVID-19 pandemic is still evolving and its full impact will depend on future developments.

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 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 gross profit margin for vehicle sales, lower our service fees, 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 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 RMB1,351.8 million, RMB1,327.7 million, RMB2,034.4 million and RMB717.0 million (US$109.4 million) in 2018, 2019, the three months ended March 31, 2020 and the fiscal year ended March 31, 2021, respectively. In addition, we had negative cash flow from operating activities of RMB2,281.3 million, RMB1,194.1 million, RMB411.3 million and RMB1,122.3 million (US$171.3 million) in 2018, 2019, the three months ended March 31, 2020 and the fiscal year ended March 31, 2021, 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, 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 business upgrade and expansion may lead to new challenges and risks. As a result, 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 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:

- providing high quality and value-for-money used vehicles;
- continue to improve our existing full-range car purchasing service and customer's satisfaction;
- launch new services and develop cross-selling opportunities;
- stabilize our costs and expenses and enhance our efficiency;
- achieve success with respect to our Inspection and Reconditioning Center, or IRC, in Xi'an;
- recruit and retain skilled and experienced employees;
- strengthen relationships with our business partners;
- enhance our risk management and internal control;
- 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.

Failure to acquire attractive inventory, whether because of supply, competition, or other factors, may have a material adverse effect on our business, sales, and results of operations.

Since September 2020, we have shifted to an inventory-owning model where we build-up and sell our own inventory of used cars. By switching to and adopting the inventory-owning model, our vehicle supply channels are expanded to include consumers who intend to sell their existing cars, 4S shops, corporate clients and auction platforms. The transformation of our business model has enabled us to obtain better control over order flow and supply chain management, which further strengthens our ability to maximize customer value through our dedicated approach: offering quality value-for-money used cars alongside best-in-class purchasing services. However, there can be no assurance that the supply of high-quality value-for-money used vehicles will be sufficient to meet our needs. A reduction in the availability of or access to sources of desirable inventory could have a material adverse effect on our business, sales and results of operations.

Additionally, we evaluate and predict mechanical soundness, consumer desirability and relative value as prospective inventory. If we fail to properly assess vehicle condition before we purchase them, it could adversely affect our ability to acquire desirable inventory. Our ability to source vehicles could also be affected by competition, both from new and used vehicle dealers directly and through other online used-car trading platforms. In addition, we remain dependent on others to sell us used vehicles, and there can be no assurance of an adequate supply of such vehicles on terms that are attractive to us.

Failure to expeditiously sell our inventory could have a material adverse effect on our business, sales, and results of operations.

Our purchases of used vehicles for building our own inventory are largely based on projected demand, which was primarily determined based on the then existing market condition. If our projections turn out to be inaccurate or actual sales are materially less than our forecasts, we would experience an over-supply of used vehicle inventory, which will generally cause downward pressure on our sales prices and margins and increase our average days to sale. If we have excess inventory or our average days to sale increases, we may be unable to liquidate such inventory at prices that allow us to meet margin targets or to recover our costs, which could have a material adverse effect on our results of operations.

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-party service providers to serve consumers and fulfill the transactions made on our platform, such as auto financing, car delivery, title transfers, and other after-sales services. We carefully select our third-party service providers and business partners, but we are not able to 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, our business and reputation could be damaged. 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 could 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.

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 could 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 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 could 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 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 service providers, 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.

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. We have shifted to an inventory-owning model since September 2020, when we build-up and sell our own inventory. In addition, our first inspection and reconditioning center (IRC) in Xi'an was put into operation in March 2021. 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 price of used cars sold on our platform and the fees we charge may fluctuate or decline in the future, and any material decrease in such price and fees would harm our business, financial condition and results of operations.

We have started to build-up our own inventory since September 2020. Since then, most of our revenues are derived from vehicle sales. Before we built our own inventory, 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 offer high-quality value-for-money used cars to our customers;
- our ability to deliver satisfactory online used car transaction experience to our customers;
- our ability to attract consumers 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;
- 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.

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.

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. 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.

In addition, certain of our PRC subsidiaries and VIEs used to engage in Internet freight business temporarily, for which we might be required to obtain the Road Transportation Operation Permit and Value-added Telecommunications Business License that certain entities did not have. As of the date of this annual report, we are not aware of any action, claim, or investigation being conducted or threatened by the relevant authority. While we have ceased conducting such business activities, we cannot rule out the possibility that our past practice could be interpreted as "operating without a license" and subject us to enforcement actions such as confiscation of any illegal gains, or imposition of fines.

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, or the 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 have ceased to provide loan facilitation services since November 2019.

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 (i) 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 and (ii) have entered into a supplemental agreement with one of our major financing partners with regards to our historically-facilitated loans in July 2020, where we agreed to entirely settle all of our remaining guarantee liabilities associated with the historically-facilitated loans for this financing partner under the condition that we would pay the settlement amount in instalments from 2020 to 2025 based on an agreed schedule, we remain subject to minor 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 noncompliance. The imposition of any enforcement action would adversely affect our reputation and business, financial condition and results of operations.

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 have operated 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 to RMB1,000,000, 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. We have ceased to provide loan facilitation related guarantee services since November 2019 as a result of the divestiture and have divested the guarantee liabilities in relation to our historically-facilitated loans for XW Bank. In addition, we settled our remaining guarantee liabilities associated with the historically-facilitated loans for WeBank in July 2020. We remain subject to guarantee obligations in relation to a minority 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 relevant 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 and AI algorithms 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;
- ongoing COVID-19 pandemic 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, 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, 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 Cyber Security Law, which took effect in June 2017. The Cyber 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 Cyber 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 and their purchase of network products and services that may affect national securities shall be subject to national cybersecurity review. See "Item 4.B. Information on the Company—Business Overview—Regulation—Regulations on Information Security and Privacy Protection." 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, the State Administration for Market Regulation and the Standardization Administration jointly issued the new Standard of Information Security Technology—Personal Information Security Specification (GB/T 35273-2020) in March 2020, which replaced the previous standard GB/T 35273-2017 and took effect from October 2020. Pursuant to this standard, personal data controllers refer to entities or persons who are authorized to determine the purposes and methods for using and processing personal information. Such personal data controller should collect information in accordance with the principles of legality, minimization and voluntariness and should also obtain a consent from the information provider. We expect that these areas will receive greater and continued attention and scrutiny from regulators and the public going forward, which could increase our compliance costs and subject us to heightened risks and challenges associated with data security and protection. For the further purposes of regulating data processing activities, safeguarding data security, promoting data development and utilization, protecting the lawful rights and interests of individuals and organizations, and maintaining national sovereignty, security, and development interests, on June 10, 2021, Standing Committee of the PRC National People's Congress published the Data Security Law of the People's Republic of China, which will take effect on September 1, 2021. The Data Security Law requires data processing, which includes the collection, storage, use, processing, transmission, provision, publication of data, to be conducted in a legitimate and proper manner. The Data Security Law also introduces a data classification and hierarchical protection system based on the importance of data in economic and social development, and the degree of harm it may cause to national security, public interests, or legitimate rights and interests of individuals or organizations if such data are tampered with, destroyed, leaked, illegally acquired or illegally used. The appropriate level of protection measures is required to be taken for each respective category of data. Moreover, the Data Security Law provides a national security review procedure for those data activities which may affect national security and imposes export restrictions on certain data and information.

On July 10, 2021, Cyberspace Administration of China, or the CAC, released the Cybersecurity Review Measures soliciting public comments, or the Revised Draft, pursuant to which, data processors with information of over one million users shall be subject to cybersecurity review before their overseas listings. The cybersecurity review will evaluate, among others, the risk of critical information infrastructure, core data, important data, or a large amount of personal information being influenced, controlled or maliciously used by foreign governments after going public overseas. The procurement of network products and services, data processing activities and overseas listing should also be subject to cybersecurity review if they potentially pose risks to national security. See "Item 4.B. Information on the Company—Business Overview—Regulation—Regulations on Information Security and Privacy Protection."

There remain uncertainties regarding the further interpretation and implementation of those laws and regulations. For example, the scope of "core data" and "important data," two important concepts in the Data Security Law, are yet to be determined. It is uncertain whether and when the Revised Draft will be adopted, and if the adopted version will contain the same provisions as the Revised Draft. If the adopted version of the Revised Draft mandate clearance of cybersecurity review and other specific actions to be completed by critical information infrastructure operators, data processors or other companies as proposed in the Revised Daft, we face uncertainties as to whether we should obtain such clearance as a listed company in the United States and whether such clearance can be timely obtained, or at all. In early July 2021, regulatory authorities in China launched cybersecurity investigations with regard to several China-based companies that are listed in the United States. The relevant regulatory authorities in China continue to monitor the websites and apps in relation to the protection of personal data, privacy and information security, and may impose additional requirements from time to time. The relevant regulatory authorities also publicize, from time to time, their monitoring results and require relevant enterprises listed in such notices to rectify non-compliance. If any of our mobile apps is found not in compliance with these regulations, we could be subject to penalties, including revocation of our business licenses and permits.

Despite our efforts to comply with applicable laws, regulations and other obligations relating to privacy, data protection and information security, we cannot assure you that we will be compliant with such new regulations in all respects. For instance, we had been ordered by the relevant regulatory authority to rectify our collection and use of data. Although we rectified our practices accordingly and satisfied the relevant regulatory authority's rectification requirements, we may be subject to other similar orders in the future. If we cannot comply with such orders timely or entirely, we may be required to suspend our relevant businesses, shut down our website, take down our operating applications, or face other penalties, which may materially and adversely affect our business, financial condition, 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 an easy 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 any third-party action, employee error, malfeasance or otherwise. While we have taken reasonable 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 employment or services or fail 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 automobile market, business environment and regulatory regime in China. 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. Hence, we may not be able to retain the employment or 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 on the part of our employees.

We could be materially and adversely affected if transactions were redirected, misappropriated or otherwise improperly executed, if personal information was disclosed to unintended recipients or if an operational breakdown or failure occurred when processing transactions, whether as a result of human error, purposeful sabotage or fraudulent manipulation of our operations or systems.

Although we provide periodic and solid trainings to all our employees, it is not always possible to identify, deter or prevent misconduct or errors by employees, and the precautions we take to detect and prevent potential misconducts and human errors may not be completely effective in controlling risks or losses. If any of our employees takes, converts or misuses funds, documents or data or fails to follow protocols when interacting with customers or 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 failed to follow applicable protocols, 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 potentially 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 disclosure or use of our confidential information, unauthorized use of our intellectual property or technology and may not provide an adequate remedy in the event of such unauthorized disclosure or use. 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, 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 were subject to several trademark claims in the past and may in the future 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 attention 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 were named as a defendant in two putative shareholder class action lawsuits in the past that could have a material adverse impact on our business, financial condition, results of operation, cash flows and reputation.

We were named as a defendant in the two putative shareholder class action lawsuits described in "Item 8, Financial Information—A. Consolidated Statements and Other Financial Information—Legal Proceedings." In May 2021, we have settled the two putative shareholder class action lawsuits for a total of US$9.5 million approved by court, out of which US$6.5 million were covered by our insurance policy and we made a contribution of US$3.0 million. Although the lawsuits were settled, the process last for over a year and utilized a significant portion of our resources and diverted management's attention from the day-to-day operations of our company, all of which could harm our business. We cannot assure you that similar class action claims will not occur in the future. 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, our business, results of operations and financial condition could be materially and adversely affected.

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 unfair competition, trademark, 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 March 31, 2021 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$50 million and US$69 million in principal amount were converted into Class A ordinary shares on July 23, 2020 and July 12, 2021, respectively. In October 2020, we completed private placements with GIC and Wells Fargo for subscription of our Class A ordinary shares for an aggregate amount of US$25 million. We also entered into a term sheet and definitive agreements with NIO Capital and Joy Capital in March 2021 and June 2021, respectively, for the subscription of senior convertible preferred shares, to raise an aggregate amount of up to US$315 million. The first tranche of US$100 million was closed on July 12, 2021. However, we cannot guarantee that the remaining portion of the transaction will close or additional funds will 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 shareholders could suffer significant dilution, and any new equity securities we issue could have rights, preferences and privileges superior to those of holders of our ordinary shares. 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, 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.

We are a public company in the United States subject to the Sarbanes-Oxley Act of 2002. Section 404 of the Sarbanes-Oxley Act of 2002, or Section 404, requires that we include a report of management on our internal control over financial reporting in our annual report on Form 20-F. 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 fiscal year ended March 31, 2021. 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, as we are 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 has had a severe and negative impact on the Chinese and the global economy since early 2020. Whether this will lead to a prolonged downturn in the economy is still unknown, especially considering the multiple recent outbreaks in various countries and regions as well as the uncertainties brought by the newly launched vaccination programs. 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 service providers, consumer finance marketplaces or online used car dealers 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 laws 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, referred 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 the 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, 2018 and 2019, the three months ended March 31, 2020, and the fiscal year ended March 31, 2021, we recorded an aggregate of RMB1,052.0 million, RMB100.3 million, negative RMB32.6 million and negative RMB19.1 million (US$2.9 million), respectively, in share-based compensation expenses. As of March 31, 2021, the fair value of vested and nonvested options granted to employees and management amounted to RMB27.2 million (US$4.1 million) and RMB2.0 million (US$0.3 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 of each year, 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.

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 Beijing Docvit Law Firm, 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.

On March 15, 2019, the National People's Congress promulgated the PRC Foreign Investment Law or the FIL, which has become effective on January 1, 2020 and replaced the outgoing laws regulating foreign investment in China, namely, the PRC Equity Joint Venture Law, the PRC Cooperative Joint Venture Law and the Wholly Foreign-owned Enterprise Law, as well their implementation rules and ancillary regulations, or the Outgoing FIE Laws.

Meanwhile, the Implementation Rules to the FIL came into effect as of January 1, 2020, which clarified and elaborated the relevant provisions of the FIL. However, uncertainties still exist in relation to interpretation and implementation of the FIL, especially in regard to, including, among other things, the nature of variable interest entities contractual arrangements and specific rules regulating the organization form of foreign-invested enterprises within the five-year transition period. While FIL does not define contractual arrangements as a form of foreign investment explicitly, it has a catch-all provision under definition of "foreign investment" that includes investments made by foreign investors in the PRC through other means as provided by laws, administrative regulations or the State Council, we cannot assure you that future laws and regulations will not provide for contractual arrangements as a form of foreign investment. Therefore, there can be no assurance that our control over our VIEs through contractual arrangements will not be deemed as foreign investment in the future. In the event that any possible implementing regulations of the FIL, any other future laws, administrative regulations or provisions deem contractual arrangements as a way of foreign investment, or if any of our operations through contractual arrangements is classified in the "restricted" or "prohibited" industry in the future "negative list" under the FIL, our 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 any affected business. Also, if future laws, administrative regulations or provisions mandate further actions to be taken with respect to existing contractual arrangements, we may face substantial uncertainties as to whether we can complete such actions in a timely manner, or at all. Furthermore, under the FIL, foreign investors or the foreign investment enterprise should be imposed legal liabilities for failing to report investment information in accordance with the requirements. In addition, the FIL provides that foreign invested enterprises established according to the existing laws regulating foreign investment may maintain their structure and corporate governance within a five-year transition period, which means that we may be required to adjust the structure and corporate governance of certain of our PRC subsidiaries in such transition period. Failure to take timely and appropriate measures to cope with any of these or similar regulatory compliance challenges could materially and adversely affect our current corporate structure, corporate governance, financial condition and business operations.

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 COVID-19 also had some impact on the Chinese economy in 2020. 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 dealers 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. The Foreign Investment Law, which took effect on March 15, 2019, and its current implementation and interpretation rules, which came into effect on January 1, 2020, do not explicitly clarify whether VIEs that are controlled through contractual arrangements would be deemed as foreign-invested enterprises if they are ultimately "controlled" by foreign investors. However, it has a catch-all provision under the definition of "foreign investment" that includes investments made by foreign investors in China through other means as provided by laws, administrative regulations, or the State Council. If our control over its VIEs through contractual arrangements is deemed as a foreign investment in the future, and any business of our VIEs is "restricted" or "prohibited" from foreign investment under the "negative list" effective at the time, we may be deemed to be in violation of the Foreign Investment Law, the contractual arrangements that allow us to have control over our VIEs may be deemed as invalid and illegal.

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.

Furthermore, recently, certain PRC regulatory authorities issued Opinions on Strictly Cracking Down on Illegal Securities Activities, which were available to the public on July 6, 2021 and further emphasized to strengthen the cross-board regulatory collaboration, to improve relevant laws and regulations on data security, cross-border data transmission, and confidential information management, and provided that efforts will be made to revise the regulations on strengthening the confidentiality and file management relating to the offering and listing of securities overseas, to implement the responsibility on information security of overseas listed companies, and to strengthen the standardized management of cross-border information provision mechanisms and procedures. However, these opinions were newly issued, and there were no further explanations or detailed rules or regulations with respect to such opinions, and there are still uncertainties regarding the interpretation and implementation of these opinions.

These and other similar legal and regulatory developments could lead to legal and economic uncertainty, affect how we design, market and sell solutions, how we operate our business, how our customers process and share data, how we process and use data, and how we transfer personal data from one jurisdiction to another, which could negatively impact demand for our solutions. We may incur substantial costs to comply with such laws and regulations, to meet the demands of our customers relating to their own compliance with applicable laws and regulations, and to establish and maintain internal compliance policies.

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.

Atmospheric Pollution Prevention and Control Law of the People's Republic of China, as amended on August 29, 2015 and on October 26, 2018, advocate reasonable control over the number of fuel vehicles in accordance with urban planning. 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.

Changes in international trade policies and rising political tensions, particularly between the U.S. and China, may adversely impact our business and operating results.

Recently there have been changes in international trade policies and rising political tensions, particularly between the U.S. and China. The U.S. government has made statements and taken certain actions that may lead to potential changes to U.S. and international trade policies towards China. While the "Phase One" agreement was signed between the United States and China on trade matters, it remains unclear what additional actions, if any, will be taken by the U.S. or other governments with respect to international trade, tax policy related to international commerce, or other trade matters. In addition, China has implemented, and may further implement, measures in response to new trade policies, treaties and tariffs initiated by the U.S. government. The situation is further complicated by the political tensions between the United States and China that escalated during the COVID-19 pandemic and in the wake of the PRC National People's Congress' decision on Hong Kong national security legislation, sanctions imposed by the U.S. Department of Treasury on certain officials of the Hong Kong Special Administrative Region and the central government of the PRC and the executive orders issued by U.S. President in August 2020 that prohibit certain transactions with certain China-based companies and their respective subsidiaries. Rising trade and political tensions could reduce levels of trades, investments, technological exchanges and other economic activities between China and other countries, which would have an adverse effect on global economic conditions, the stability of global financial markets, and international trade policies. It could also adversely affect the financial and economic conditions in the jurisdictions in which we operate, as well as our overseas expansion, our financial condition, and results of operations.

While cross-border business currently may not be an area of our focus, if we plan to expand our business internationally in the future or list imported vehicles and other products on our platforms, any unfavorable government policies on international trade, such as capital controls or tariffs, may affect the consumer demands, our ability to provide certain products on our platforms or our ability to provide services in certain countries. In particular, if any new tariffs, legislation and/or regulations are implemented, or if existing trade agreements are renegotiated or, especially, if the U.S. government takes retaliatory trade actions due to the recent U.S.-China trade and political tension, such changes could have an adverse effect on our business, financial condition and results of operations. In addition, our results of operations could be adversely affected if any such tensions or unfavorable government trade policies harm the Chinese economy or the global economy in general.

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."

On December 19, 2020, the Measures for the Security Review for Foreign Investment was jointly issued by NDRC and MOFCOM and took effect from January 18, 2021. The Measures for the Security Review for Foreign Investment specified provisions concerning the security review mechanism on foreign investment, including the types of investments subject to review, review scopes and procedures, among others. As these measures are recently promulgated, designated office in charge of such security review has not yet issued official guidance. At this stage, the interpretation of those measures remains unclear in many aspects such as what would constitute "important information technology and internet services and products" and whether these measures may apply to foreign investment that is implemented or completed before the enactment of these new measures. In the future, we may grow our business by acquiring complementary businesses. Complying with the requirements of the above-mentioned regulations and other relevant rules to complete such transactions could be time consuming, and any required approval processes may delay or inhibit our ability to complete such transactions. It is unclear whether our business would be deemed to be in an industry that raises "national defense and security" or "national security" concerns. However, MOFCOM, NDRC and other government agencies may publish explanations in the future determining that our business is in an industry subject to the security review, in which case our future acquisitions in the PRC, including those by way of entering into contractual control arrangements with target entities, may be closely scrutinized or prohibited. Our ability to expand our business or maintain or expand our market share through future acquisitions would as such be materially and adversely affected.

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 for entities and up to RMB50,000 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 nonresident 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.

In October 2017, the SAT released the Public Notice Regarding Issues Concerning the Withholding of Non-resident Enterprise Income Tax at Source, or SAT Public Notice 37, effective from December 2017. STA Public Notice 37 replaced a series of important circulars, including but not limited to SAT Circular 698, and revised the rules governing the administration of withholding tax on China-source income derived by a nonresident enterprise. SAT Public Notice 37 provides for certain key changes to the previous withholding regime. For example, the withholding obligation for a non-resident enterprise deriving dividend arises on the date on which the payment is actually made rather than on the date of the resolution that declared the dividends.

Under SAT Public Notice 7 and SAT Public Notice 37, the entities or individuals obligated to pay the transfer price to the transferor are the withholding agents and must withhold the PRC income tax from the transfer price if the indirect transfer is subject to the PRC enterprise income tax. If the withholding agent fails to do so, the transferor should report to and pay the tax to the PRC tax authorities. In the event that neither the withholding agent nor the transferor fulfills their obligations under SAT Public Notice 7 and SAT Public Notice 37, according to the applicable law, apart from imposing penalties such as late payment interest on the transferor, the tax authority may also hold the withholding agent liable and impose a penalty of 50% to 300% of the unpaid tax on the withholding agent. The penalty imposed on the withholding agent may be reduced or waived if the withholding agent has submitted the relevant materials in connection with the indirect transfer to the PRC tax authorities in accordance with SAT Public Notice 7.

However, as there is a lack of clear statutory interpretation, we face uncertainties on the reporting and consequences on future private equity financing transactions, share exchange or other transactions involving the transfer of shares in our company by investors that are non-PRC resident enterprises, or sale or purchase of shares in other non-PRC resident companies or other taxable assets by us. Our company and other non-resident enterprises in our group may be subject to filing obligations or being taxed if our company and other non-resident enterprises in our group are transferors in such transactions, and may be subject to withholding obligations if our company and other non-resident enterprises in our group are transferees in such transactions. For the transfer of shares in our company by investors that are non-PRC resident enterprises, our PRC subsidiaries may be requested to assist in the filing under the rules and notices. As a result, we may be required to expend valuable resources to comply with these rules and notices or to request the relevant transferors from whom we purchase taxable assets to comply, or to establish that our company and other non-resident enterprises in our group should not be taxed under these rules and notices, which may have a material adverse effect on our financial condition and results of operations. There is no assurance that the tax authorities will not apply the rules and notices to our offshore restructuring transactions where non-PRC residents were involved if any of such transactions were determined by the tax authorities to lack reasonable commercial purpose. As a result, we and our non-PRC resident investors may be at risk of being taxed under these rules and notices and may be required to comply with or to establish that we should not be taxed under such rules and notices, which may have a material adverse effect on our financial condition and results of operations or such non-PRC resident investors' investments in us. We have conducted acquisition transactions in the past and may conduct additional acquisition transactions in the future. We cannot assure you that the PRC tax authorities will not, at their discretion, adjust any capital gains and impose tax return filing obligations on us or require us to provide assistance for the investigation of PRC tax authorities with respect thereto. Heightened scrutiny over acquisition transactions by the PRC tax authorities may have a negative impact on potential acquisitions we may pursue in the future.

Our ADSs may be delisted under the Holding Foreign Companies Accountable Act if the PCAOB is unable to inspect auditors who are located in China. The delisting of our ADSs, or the threat of their being delisted, may materially and adversely affect the value of your investment. Additionally, the inability of the PCAOB to conduct inspections deprives our investors with the benefits of such inspections.

The Holding Foreign Companies Accountable Act, or the HFCA Act, was enacted on December 18, 2020. The HFCA Act states if the SEC determines that we have filed audit reports issued by a registered public accounting firm that has not been subject to inspection by the PCAOB for three consecutive years beginning in 2021, the SEC shall prohibit our shares or ADSs from being traded on a national securities exchange or in the over the counter trading market in the U.S.

Our auditor, the independent registered public accounting firm that issues the audit report included elsewhere in this annual report, as an auditor of companies that are traded publicly in the United States and a firm registered with the PCAOB, is subject to laws in the United States pursuant to which the PCAOB conducts regular inspections to assess its compliance with the applicable professional standards. Since our auditor is located in China, a jurisdiction where the PCAOB has been unable to conduct inspections without the approval of the Chinese authorities, our auditor is currently not inspected by the PCAOB.

On March 24, 2021, the SEC adopted interim final rules relating to the implementation of certain disclosure and documentation requirements of the HFCA Act. We will be required to comply with these rules if the SEC identifies us as having a "non-inspection" year under a process to be subsequently established by the SEC. The SEC is assessing how to implement other requirements of the HFCA Act, including the listing and trading prohibition requirements described above.

On June 22, 2021, the U.S. Senate passed a bill which, if passed by the U.S. House of Representatives and signed into law, would reduce the number of consecutive non-inspection years required for triggering the prohibitions under the HFCA Act from three years to two.

The SEC may propose additional rules or guidance that could impact us if our auditor is not subject to PCAOB inspection. For example, on August 6, 2020, the President's Working Group on Financial Markets, or the PWG, issued the Report on Protecting United States Investors from Significant Risks from Chinese Companies to the then President of the United States. This report recommended the SEC implement five recommendations to address companies from jurisdictions that do not provide the PCAOB with sufficient access to fulfil its statutory mandate. Some of the concepts of these recommendations were implemented with the enactment of the HFCA Act. However, some of the recommendations were more stringent than the HFCA Act. For example, if a company was not subject to PCAOB inspection, the report recommended that the transition period before a company would be delisted would end on January 1, 2022.

The SEC has announced that the SEC staff is preparing a consolidated proposal for the rules regarding the implementation of the HFCA Act to address the recommendations in the PWG report. It is unclear when the SEC will complete its rulemaking and when such rules will become effective and what, if any, of the PWG recommendations will be adopted. The implications of this possible regulation in addition to the requirements of the HFCA Act are uncertain. Such uncertainty could cause the market price of our ADSs to be materially and adversely affected, and our securities could be delisted or prohibited from being traded "over-the-counter" earlier than would be required by the HFCA Act. If our securities are unable to be listed on another securities exchange by then, such a delisting would substantially impair your ability to sell or purchase our ADSs when you wish to do so, and the risk and uncertainty associated with a potential delisting would have a negative impact on the price of our ADSs.

The PCAOB's inability to conduct inspections in China prevents it from fully evaluating the audits and quality control procedures of our independent registered public accounting firm. As a result, we and investors in our ordinary shares are deprived of the benefits of such PCAOB inspections. The inability of the PCAOB to conduct inspections of auditors in China makes it more difficult to evaluate the effectiveness of our independent registered public accounting firm's audit procedures or quality control procedures as compared to auditors outside of China that are subject to the PCAOB inspections, which could cause investors and potential investors in our stock to lose confidence in the audit procedures and reported financial information and the quality of our financial statements.

In May 2013, the PCAOB announced that it had entered into a Memorandum of Understanding on Enforcement Cooperation with the China Securities Regulatory Commission, or the CSRC, and the PRC Ministry of Finance, which establishes a cooperative framework between the parties for the production and exchange of audit documents relevant to investigations undertaken by the PCAOB in the PRC or by the CSRC or the PRC Ministry of Finance in the United States. The PCAOB continues to be in discussions with the CSRC and the PRC Ministry of Finance to permit joint inspections in the PRC of audit firms that are registered with the PCAOB and audit Chinese companies that trade on U.S. exchanges.

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 ordinary shares 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 and April 29, 2021. 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.

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.

The trading price of our ADSs has been volatile since our ADSs became listed on Nasdaq on June 27, 2018. The trading price of the ADSs 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 dealers;
- 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.

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 July 15, 2021, Mr. Kun Dai, the beneficially owner of all our issued Class B ordinary shares, beneficially owned 22.9% of the aggregate voting power of our company, assuming all the senior convertible preferred shares are converted into Class A ordinary shares on a one-for-one basis. 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 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 July 15, 2021, we had 1,476,308,005 shares outstanding, comprising of (i) 1,144,207,728 Class A ordinary shares (excluding the 7,125,893 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), (ii) 40,809,861 Class B ordinary shares and (iii) 291,290,416 senior convertible preferred shares. Among these shares, 734,698,928 Class A ordinary shares are in the form of ADSs, which are freely transferable without restriction or additional registration under the Securities Act. Several existing shareholders have agreed not to sell, transfer or otherwise dispose of any of their Class A ordinary shares in our company for nine months following July 12, 2021. The remaining Class A ordinary shares outstanding and the Class B ordinary shares will be available for sale, subject to volume and/or 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 14,764,090 Class A ordinary shares that represent approximately 1.0% of our share capital as of July 15, 2021 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 December 2019 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$150.0 million under a facility agreement entered into between Kingkey New Era Auto Industry Limited as borrower and China Minsheng Banking Corp. Ltd. Hong Kong Branch and Huangpu Investment Holding Limited as lenders, Huangpu Investment Holding Limited enforced its security interests in shares pledged by Kingkey New Era Auto Industry Limited and as a result, 61,129,800 Class A ordinary shares were transferred to Huangpu Investment Holding Limited on May 17, 2021. Huangpu Investment Holding 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. 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 BOCOM International Supreme Investment Limited, Mr. Dai beneficially owned an aggregate of 22.9% of the total voting power of our company as of July 15, 2021, assuming all the senior convertible preferred shares are converted into Class A ordinary shares on a one-for-one basis. 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 Act (As Revised) 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 Act 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 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 our transaction with NIO Capital and Joy Capital in June 2021 in which the issue price is less than the minimum price requirements stipulated by the Nasdaq Rule 5635(d) without seeking shareholder approval, in adopting our 2018 Second Amended and Restated Share Incentive Plan in November 2018 without seeking shareholder approval and did not hold an annual shareholders meeting for the fiscal year of 2021. In addition, we rely on home country practice and our board of directors does not consist of a majority of independent directors. 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.

There can be no assurance that we will not be a passive foreign investment company, or PFIC, for U.S. federal income tax purposes for any taxable year, which could result in adverse U.S. federal income tax consequences to U.S. holders of our ADSs or ordinary shares.

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 and other unbooked intangibles 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 and their subsidiaries 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. If it were determined, however, that we do not own the stock of our VIEs and their subsidiaries for U.S. federal income tax purposes, we may be treated as a PFIC for the current taxable year and any subsequent taxable year.

Assuming that we are the owner of our VIEs and their subsidiaries for U.S. federal income tax purposes, we do not believe that we were a PFIC for our taxable year ended March 31, 2021 and we do not presently expect to be a PFIC for the current taxable year or the foreseeable future. However, no assurance can be given in this regard because the determination of whether we are or will become a PFIC is a fact-intensive inquiry made on an annual basis that depends, in part, upon the composition of our income and assets and the value of our assets. As previously disclosed, we believed that we were a PFIC for U.S. federal income tax purposes for our taxable year ended December 31, 2019. In addition, it is possible that one or more of our subsidiaries were also PFICs for such year for U.S. federal income tax purposes. Fluctuations in the market price of our ADSs may cause us to become a PFIC for the current or future taxable years because the value of our assets for the purpose of the asset test, including the value of our goodwill and unbooked intangibles, may be determined by reference to the market price of our ADSs from time to time (which may be volatile). The composition of our income and assets may also be affected by how, and how quickly, we use our liquid assets. If our market capitalization subsequently declines, we may be or become a PFIC for the current taxable year or future taxable years. Under circumstances where our revenue from activities that produce passive income significantly increases relative to our revenue from activities that produce non-passive income, or where we determine not to deploy significant amounts of cash for active purposes, our risk of becoming a PFIC may substantially increase.

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. Further, a U.S. Holder will generally be treated as holding an equity interest in a PFIC in the first taxable year of the U.S. Holder's holding period in which we become classified as a PFIC and subsequent taxable years even if, we in fact, cease to be a PFIC in subsequent taxable years. 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. Youxinpai subsequently 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 its interests 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 (Shaanxi) 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. Concurrently with our initial public offering, we sold convertible notes to CNCB and Golden Fortune, resulting in net proceeds to us of US$100 million and US$75 million, respectively. The notes each beared an interest rate of 6% and 6.5% per annum. They 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, TPG, 58.com, among others, which will become due and payable on June 11 and June 12, 2024 unless converted earlier. The noteholders have the right to convert the convertible notes into our Class A ordinary shares 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 and each note bears an interest rate of 3.75% per annum.

Between July and November 2019, we sold convertible notes in an aggregate principal amount of US$50 million to affiliates of PacificBridge. Among the notes, notes of US$20.05 million in principal amount bears an interest rate of 10% per annum, which will become due and payable 12 months after the issuance date, and notes of US$29.95 million in principal amount bears an interest rate of 11% per annum, which will become due and payable 15 months after the issuance date, unless converted earlier. The noteholders have the right to convert the convertible notes into our Class A ordinary shares 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 of the notes are US$1.663, US$1.683 and US$1.7, as applicable, and may be adjusted. On July 23, 2020, we entered into agreements with PacificBridge to amend the terms of the notes to adjust the conversion price. On the same day, PacificBridge converted its convertible notes 136,279,973 Class A ordinary shares at the adjusted conversion price.

On April 26, 2020, our board of directors approved the change in our fiscal year end from December 31 to March 31. We filed a transition report on Form 20-F covering the transition period from January 1, 2020 to March 31, 2020 with the SEC on July 24, 2020.

Since September 2020, we have shifted to an inventory-owning model where we build-up and sell our own inventory of used cars. Youxin (Ningbo) Information Technology Co., Ltd., established in July 2020, is the operating entity under the new business model.

In October 2020, we completed private placements with GIC and Wells Fargo for subscription of a total of 84,692,839 Class A ordinary shares for an aggregate amount of US$25 million.

In March 2021 and June 2021, we entered into a term sheet and definitive agreements, respectively, with NIO Capital and Joy Capital to raise an aggregate amount of up to US$315 million for the subscription of a total of 917,564,801 senior convertible preferred shares. See "Item 10. Additional Information—B. Memorandum and Articles of Association" for a more detailed description of our senior convertible preferred shares of Uxin Limited. The first closing in the amount of US$100 million was completed for Uxin Limited's issuance of 291,290,416 senior convertible preferred shares on July 12, 2021 and the second closing for the issuance of 145,645,208 senior convertible preferred shares in the amount of US$50 million is subject to customary closing conditions. The two investors have also purchased warrants to purchase 480,629,186 senior convertible preferred shares for an aggregate amount of US$165 million. In addition, several existing shareholders have agreed not to sell, transfer or otherwise dispose of any of their Class A ordinary shares in our company for nine months following July 12, 2021.

On July 12, 2021, the noteholders have converted a principal amount of US$69 million convertible notes to 66,990,291 Class A ordinary shares. The noteholders have also irrevocably waived the conversion rights with respect to their respective remaining portions.

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 our attention and resources towards developing and scaling up our 2C online transaction business, we have divested 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 binding 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. Liabilities associated with the 2B Divestiture were reclassified as liabilities held for sale on our consolidated balance sheet as of December 31, 2019 and March 31, 2020. 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.

B. Business Overview

We are a leading nationwide 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. In September 2020, we successfully shifted to an inventory-owning model. The completion of our business model upgrade gave us better control over order flow and supply chain management, and this further strengthens our ability to maximize customer value through our dedicated approach: offering quality value-for-money used cars alongside best-in-class purchasing services.

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. In the second half of 2020, we upgraded our used car transaction value chain and migrated every sales step online. 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. In addition, we engage offline third-party service providers to effectively serve consumers and fulfill the transactions made online, such as car delivery, title transfers and other after-sales services. In particular, we provide car inspection services leveraging our inspection capabilities, which allow us to collect proprietary data, images and videos of used cars and generate accurate car condition reports. This allow 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, one-stop online services capabilities and unique online used car transaction fulfillment capabilities.

- *Technology and Data Analytics Capabilities:* 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 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.

- *One-Stop Online Services and Online Transaction Fulfillment Capabilities*: In 2020, we have upgraded and transformed the entire used car buying process and migrated every step in the sales process online. We offer 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. As a result, we replaced our offline sales team with an online consulting team that delivers timely vehicle consulting services and facilitates a seamless self-service purchasing experience. In addition, we also enhanced the responsiveness and quality of our aftersales services delivered through online chat and hotlines to ensure high customer satisfaction. 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.

In April 2021, we entered into a strategic partnership with JD.com to launch our self-operated online store for used car transactions through JD's platform. The collaboration will provide consumers with one-stop online used car purchase solutions including used car inspection, purchasing, insurance, and aftersales services, and includes plans for joint development of data management, technology, inspection standards, and integrated supply chains in the used car business. The cooperation with JD.com will offer our customers a higher quality and more reliable used car purchasing experience than exists in the market at present.

Since we launched our online used-car-buying product and service offerings in early 2018, we have evolved from a financing-oriented platform to a transaction-centric online used car dealer who offers quality value-for-money used cars, premium purchasing services and online one-stop convenience. From 2018 when we started to provide 2C online used car transaction services to 2019, we witnessed significant growth in our business. However, as a result of the disruptions caused by the COVID-19 pandemic to our business operations as well as our business transformation, the total number of online used car transactions completed through our 2C platform decreased by 89.9% from 97,100 in 2019 to 9,835 in the fiscal year ended March 31, 2021.

To further strengthen our ability to provide used cars of high quality and value-for-money, we are building our own Inspection and Reconditioning Centers (IRCs) where we can refurbish highly selected inventory to a "like new" condition. Our first IRC in Xi'an has been in operation since March 2021. Equipped with the capacity of warehousing, exhibition, inspection and preparation, the Xi'an IRC is able to hold over 1,000 used cars and to provide services in connection with the vehicle registration and management bureau, providing consumers with a one-stop shopping experience.

We have also started to focus on improving NPS to measure the level of satisfaction for our services by our consumers.

Our Platform and Business

Vehicle sales business since September 2020

Retail vehicle sales and wholesale vehicle sales

We are dedicated to optimizing the selection of used cars listed on our platform. Since September 2020, we have shifted to an inventory-owning model where we build-up and sell our own inventory which enhancing our ability to lock in high-quality value-for-money used cars and to better control our supply chain for used cars and deliver higher transaction certainty to our customers. The revenue generated by selling our own inventory was presented as vehicle sales revenue. Leveraging the extensive user behavioral, used car and transactional data aggregated on our platform over the years of our operations, we are able to build-up our inventory based on our proprietary assessment of customer preference, a car's value-for-money performance and real-time market dynamics and trends. In addition, we have a team of vehicle experts to handpick the highest quality cars from a national pool, ensuring that only the qualified cars are eligible to be listed on our platform. We also work with third parties to offer refurbishment services that recondition our cars to a like-new condition before handing it over to our customers. As we move up the supply chain and access used cars at more favorable acquisition prices, we enjoy greater flexibility in offering more competitive pricing to customers.

Further, our first IRC in Xi'an has been in operation since March 2021, where we can refurbish selected inventory to a "like new" condition. Meanwhile, our vehicle supply channels are expanded to include consumers who intend to sell their existing cars, 4S shops, corporate clients and auction platforms. From then on, besides retail vehicle sales business, the vehicles we purchased from individuals that do not meet our retail standards to list and sell through our e-commerce platform will be sold to wholesalers through offline dealership, which is referred to as our wholesale vehicle sales business.

Others

We also generate other revenues from commissions earned from our financing and insurance partners, revenue streams from advertising and vehicle transportation revenue earned from our vehicle logistics business.

User journey in our vehicle sales 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. As we improve the quality and price competitiveness of the used-car inventories under our inventory-owning model, we provide users with wider choice of high-quality value-for-money used cars.

- *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. Leveraging our big data analytics capabilities, we also launched a proprietary rating system in October 2020 that provides a "like-new" score for each car, delivering a straightforward reading of the car's condition and enabling easy comparison of different used cars on a customer's short list. 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." 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. In addition, we continue to upgrade and transform the entire buying process and transit each step in the sales process online. 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 consumer. 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:* Every certified used car currently carries a 3-day no-questions-asked return policy, 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. The total return rate for the fiscal year of 2021 was approximately 2.6%. We provide these warranty programs to the consumer for no extra charge.

Online used car business (formerly known as "2C cross-regional business") after the divestiture of intra-regional business and loan facilitation 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."

Pursuant to the Loan Facilitation Divestiture, we had closed our divestiture of entire "2C intra-regional business" and loan facilitation business to Golden Pacer by April 2020. Therefore, "2C cross-regional business" is renamed as "online used car business". Accordingly, the revenues generated from the online used car business are renamed as commission revenue, and value-added service revenue starting in the three months ended September 30, 2019. We no longer provide any loan facilitation services since November 2019 as a result of the Loan Facilitation Divestiture.

Commission. We provided used car purchase assistance, used car inspection services, title transfer and title registration service, as well as logistics service during the purchase process. We charge consumers the commission fees based on agreed percentage of final sales price.

Value-added services. For consumers with financing needs, we provide additional services to them based on agreed amount or agreed percentages, including but not limited to the following:

- *Channel services*: We provided advice on financial solutions to our consumers and referred them to financing platforms. We also assisted consumers in preparing paperwork in relation to their applications to financial products.
- *Safety-guaranteed services*: We provided consumers with full range of safety-guaranteed services such as GPS purchase and installation services as well as other necessary assistance, for instance, sharing the GPS trajectory in the event of a car theft.
- *Mortgage service*: We assisted consumers in their mortgage registration process when needed and also assisted them in the purchase of insurance policies.

Others. We generated other revenues mainly from salvage car business and other miscellaneous revenue streams.

Intra-regional and loan facilitation business (formerly part of "2C business") and 2B business prior to their respective divestiture

Our 2C business

2C cross-regional. Cross-regional transactions mean transactions completed on our platform where the buyer completes the purchase of a car without the need to physically inspect the car on-site. These transactions primarily take place if the buyer is located in a different city from where the car is purchased.

2C intra-regional. 2C intra-regional transactions mainly include similar transactions when the consumers are located in the same city as where the cars are located. In intra-regional business model, consumers need to go to offline dealerships or inspect the car physically when making the purchase.

By April 2020, we had closed our divestiture of entire 2C intra-regional business and loan facilitation business to Golden Pacer. See "Item 4. Information on the Company—A. History and Development of the Company—Divestitures of Our Loan Facilitation, Salvage Car and 2B Businesses." Prior to such divestiture revenues generated from the 2C businesses were presented as revenue streams as transaction facilitation revenue to consumers and loan facilitation revenue to consumers if loan facilitation business was provided.

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 2018 and 2019, our 2B business achieved GMV of RMB15.3 billion and RMB6.8 billion, respectively. Our 2B business mainly generated revenues from the fees we charge for transaction facilitation services.

By April 2020, we had closed our divestiture of the entire 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."

Others

We also generated revenues from other businesses, including commission for sales of salvage cars and interest income of financing lease.

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:

- *Online sales and service network.* We provide consumers with car-buying services through our online sales and service network accessible from across China. As we have upgraded and transformed the entire buying process and migrated every sales step online, we now offer 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. By offering customers a seamless self-service online purchasing experience and enhancing the responsiveness and quality of our aftersales services, we have significantly improved our NPS from 10 for the three months ended June 30, 2020 to 42 for the three months ended March 31, 2021.

- *Warranty and repair services.* Every certified used car currently carries a 3-day no-questions-asked return policy, 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. To further strengthen consumer trust in our platform, we have further upgraded and integrated our certification program. We provide these warranty programs to the consumer for no extra charge.

- *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 March 31, 2021, we partnered with five 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 that has built a nationwide logistics and delivery network for used cars. 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 historically accumulated 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 the fiscal year of 2021, 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 March 31, 2021, we partnered with over 33 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 315 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 March 31, 2021, we had obtained 17 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 151,000 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 8.5 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* 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.

Proprietary Rating System

Leveraging our big data analytics capabilities, we launched a proprietary car rating system in October 2020 by analyzing the massive used car-related data that has been aggregated by our platform over the years, including car age, mileage, exterior and interior condition, driving and operating conditions, and the correlation between such metrics and pricing. When customers search for used cars on Uxin's mobile application or website, our rating system will place a "like-new" score for each car that to provide a straightforward reading of the car's condition and enable easy comparison of different used cars on a customer's short list.

Marketing and Brand Promotion

We have focused on marketing our Uxin Used Car mobile app through various channels in the past, such as mobile application stores, search engines, auto vertical websites and apps as well as news feed apps. In the fiscal year of 2021, we shifted our focus from the massive consumer coverage and conversion method of marketing to targeted and efficient marketing based on the core consideration of cost-effectiveness. In order to precisely capture interested consumers and successfully convert them to our customers later, we have gradually reduced the use of various channels and focused only on the ranking for search of industry keywords and download in mobile apps such as App Store and major Android Stores. Our sales and marketing expenses in this regard gradually decreased.

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. In 2020, we were named as the No. 1 Brand for Mind Share in the Used Car Transactions Market as well as the Premier Used Car Brand in the 9th Hubei Auto Jinlun Prize. As we continue to optimize our traffic acquisition channels, starting from 2020, we have also been working on enhancing NPS 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. We face intense competition from other used car dealers and may also face competition from online used car listing services. Competition with other used car dealers 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. 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 6,000 square meters as of March 31, 2021. See "Item 4. Information on the Company—D. Property, Plant and Equipment" for more details.

Intellectual Properties

Our intellectual property contributes to our competitive advantages among online used car dealers 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 March 31, 2021, we had obtained 91 patents (of which 19 patents have been non-exclusively licensed to an affiliate of 58.com in 2020 as part of the 2B Divestiture), 1,137 trademarks (of which 11 trademarks have been non-exclusively licensed and 88 trademarks have been exclusively licensed to an affiliate of 58.com in 2020 as part of the 2B Divestiture), 273 software copyrights (of which 17 software copyrights have been non-exclusively licensed to an affiliate of 58.com in 2020 as part of the 2B Divestiture), and 12 works copyrights (of which 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), 150 domain names (of which one domain name 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. On April 29, 2021, the Standing Committee of the National Peoples' Congress issued a Second Draft for review of the Personal Information Protection Law, or the Draft Personal Information Protection Law, which integrates the scattered rules with respect to personal information rights and privacy protection. For the further purposes of regulating data processing activities, safeguarding data security, promoting data development and utilization, protecting the lawful rights and interests of individuals and organizations, and maintaining national sovereignty, security, and development interests, on June 10, 2021, Standing Committee of the PRC National People's Congress published the Data Security Law of the People's Republic of China, which will take effect on September 1, 2021.

The Data Security Law requires data processing, which includes the collection, storage, use, processing, transmission, provision, publication of data, to be conducted in a legitimate and proper manner. The Data Security Law provides for data security and privacy obligations on entities and individuals carrying out data activities. The Data Security Law also introduces a data classification and hierarchical protection system based on the importance of data in economic and social development, and the degree of harm it may cause to national security, public interests, or legitimate rights and interests of individuals or organizations if such data are tampered with, destroyed, leaked, illegally acquired or illegally used. The appropriate level of protection measures is required to be taken for each respective category of data. For example, a processor of important data is required to designate the personnel and the management body responsible for data security, carry out risk assessments of its data processing activities and file the risk assessment reports with the competent authorities. Moreover, the Data Security Law provides a national security review procedure for those data activities which may affect national security and imposes export restrictions on certain data and information. As the Data Security Law was recently promulgated and has not yet taken effect, we may be required to make further adjustments to our business practices to comply with this law, as well as any adjustments that may be required by the ultimate Personal Information Protection Law. On July 6, 2021, certain PRC regulatory authorities issued Opinions on Strictly Cracking Down on Illegal Securities Activities, which were available to the public on July 6, 2021, to improve relevant laws and regulations on data security, cross-border data transmission, and confidential information management. It provided that efforts will be made to revise the regulations on strengthening the confidentiality and file management relating to the offering and listing of securities overseas, to implement the responsibility on information security of overseas listed companies, and to strengthen the standardized management of cross-border information provision mechanisms and procedures. On July 10, 2021, the Cyberspace Administration of China issued the Measures for Cybersecurity Review (Revision Daft for Comments), or the Measures. The scope of review under the Measures extends to critical information infrastructure operators, data processors carrying out data processing activities, and national security risks related to a non-PRC listing, especially the “risks of core data, important data or substantial personal information being stolen, leaked, damaged, illegally used or exported; risks of Critical Information Infrastructure, core data, important data or substantial personal information data being affected, controlled and maliciously used by foreign governments after a foreign listing.” According to Article 6 of the Measures, operators who possess personal information of over a million users shall apply to the Cybersecurity Review Office for cybersecurity reviews before listing abroad. Besides, where any activities affect or may endanger national security during the purchase of network products and services by key information infrastructure operators or the data processing by data workers, cybersecurity reviews should be conducted in accordance with the Measures.

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. Measures for the Supervision and Administration of Auctions, as amended in March 2013, November, 2017 and on October 23, 2020, stipulates that an applicant for the formation of an auction enterprise in accordance with the Auction Law and Company Law shall be approved by the autonomous region of the local province government. 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 interbank 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. On May 28, 2020, the PRC National People's Congress published the Civil Code of the People's Republic of China, which took effect on January 1, 2021. The Chapter 15 of PRC Civil Code detailed regulations on the financial leasing contract.

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 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, on October 26, 2018 and on April 29, 2021, 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, February 26, 2010 and June 1, 2021, 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.

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.

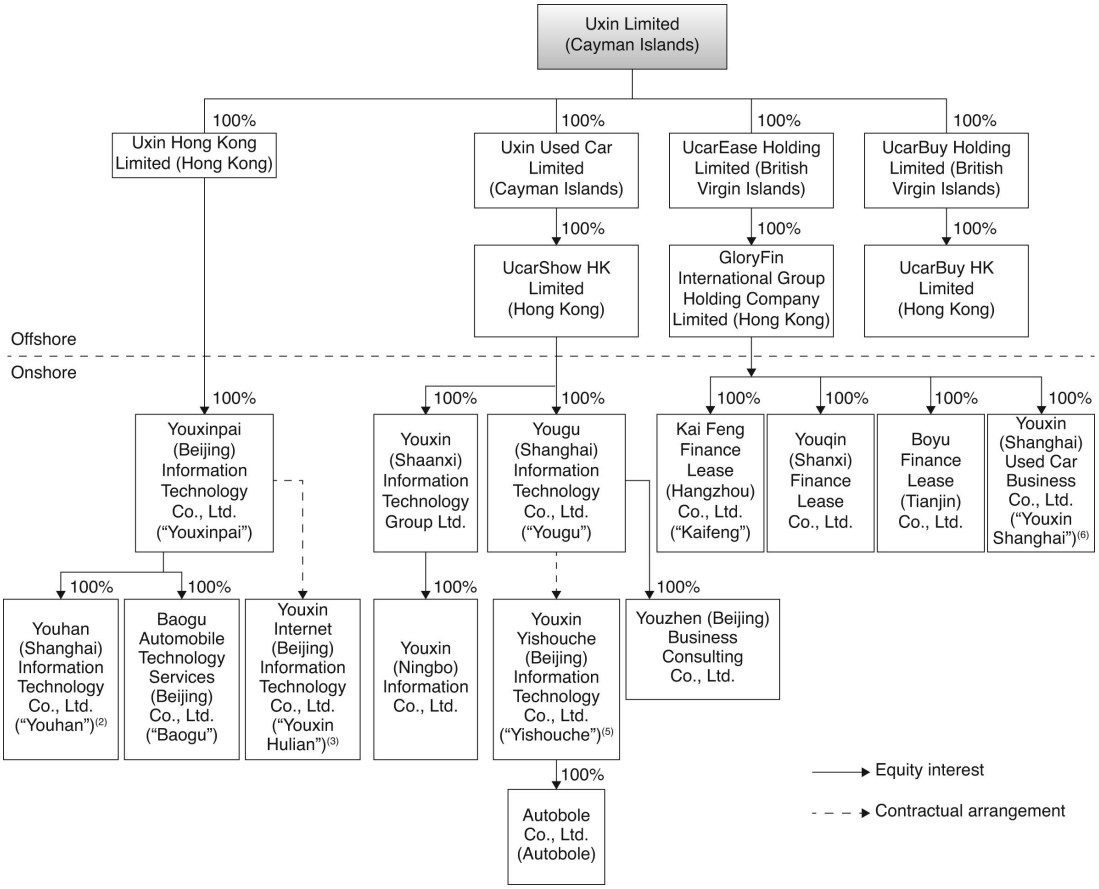
Pursuant to the Anti-Unfair Competition Law, a business operator shall not conduct any false or misleading commercial publicity in respect of the performance, functions, quality, sales, user reviews, and honors received of its commodities, in order to defraud or mislead consumers. A business operator 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 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 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 Beijing Docvit Law Firm, 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 6,000 square meters as of March 31, 2021. 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. In addition, we have local offices with an aggregate gross area of over 17,000 square meters for our 2C business in 102 cities. 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 the Loan facilitation transaction agreements, 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 2020.

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 March 31, 2020. 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.

On July 23, 2020, we entered into a supplemental agreement with WeBank to settle our remaining guarantee liabilities associated with the historically-facilitated loans for WeBank. Pursuant to the supplemental agreement, we will pay an aggregate amount of RMB372.0 million to WeBank from 2020 to 2025 as guarantee settlement with a maximum annual settlement amount of no more than RMB84.0 million. Upon the signing of the supplemental agreement, we are no longer subject to guarantee obligations in relation to our historically-facilitated loans for WeBank under the condition that we make the installments based on the agreed-upon schedule set forth in the supplemental agreement. As a result of such agreement, all guarantee liabilities associated with the historically-facilitated loans for WeBank were relieved, which represented that we settled the majority of remaining guarantee liabilities associated with the historically-facilitated loans for financing partners.

Since September 2020, we have shifted to an inventory-owning model where we build-up and sell our own inventory of used cars.

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. We operate vehicle sales business — Uxin Used Car, where we provide consumers with a one-stop online used-car-buying experience, including access to a nationwide selection of value-for-money 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. By April 2020, we had closed our divestiture of the entire 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." 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.

From September 2020, our vehicle sales business generates revenues from vehicle sales under the new inventory-owning model. Since March 2021, our first IRC in Xi'an has been in operation, where we can refurbish selected inventory to a "like new" condition. Meanwhile, our vehicle supply channels are expanded to include consumers who intend to sell their existing cars. The vehicles that do not meet our quality standards to list and sell through our ecommerce platform will be sold to wholesalers through offline dealership, which is our wholesale vehicle sales business. Prior to the inventory-owing model, our 2C business generated 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. By April 2020, we had closed our divestiture of entire 2C intra-regional business and loan facilitation business to Golden Pacer. Prior to the divestiture, 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."

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;
- ongoing COVID-19 pandemic or any other serious contagious diseases;
- changes in the supply and demand for used cars, and changes in geographic distribution of cars;
- consumers' 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.

Our business operations during the first quarter of 2020 have been materially and adversely affected by the COVID-19 pandemic 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. Consumer confidence and spending power in general have also been weakened as a result of the ongoing pandemic. 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 provided a significant provision for credit losses for the three months ended March 31, 2020 associated with our historically-facilitated loans that were not transferred to Golden Pacer.

Although the impact of COVID-19 pandemic on business operations in China is largely contained, the COVID-19 rebounded in certain cities in China during the three months ended March 31, 2021. We will continue to monitor and evaluate its impact on our financial condition, results of operations, and cash flows for future periods. The global spread of COVID-19 pandemic 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 affects the growth of our business and our revenues. From 2018 when we started to provide 2C online used car transaction services to 2019, we have witnessed significant growth in our business. However, as a result of the disruptions caused by the COVID-19 pandemic to our business operations as well as our business transformation, the total number of online used car transactions completed through our 2C platform decreased by 89.9% from 97,100 in 2019 to 9,835 in the fiscal year ended March 31, 2021. Since September 2020, we started to sell our own used car inventory. During the fiscal year ended March 31, 2021, our vehicle sales volume was 4,334, among which retail vehicle sales volume was 3,603 and wholesale vehicle sales volume was 731. 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 continuously maintain a broad inventory and 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 select high-quality value-for-money used cars for our customers

As a national online used car dealer, along with our growth strategy shifted from financing-driven to used car quality and purchasing service-oriented, our key focus now is on selecting high-quality value-for-money used cars for our customers and offering the best possible purchasing experience. Different from offline dealers' traditional way of acquiring inventory based only on individual experience, we will procure our used cars by analyzing the extensive user behavioral, used car and transactional data gathered on our platform over the years. So we can identify used cars that meet our criteria and procure those used cars our customers prefer, value-for-money and in line with the market trends and dynamics. Our data-driven and quality-focused inventory strategy will not only enhance customer satisfaction, but also enable us to achieve a fast inventory turnover.

Ability to enhance operational efficiency

Our results of operations are directly affected by our scale and operational efficiency. We replaced our entire offline sales team by an online team in 2020, which enabled us to deliver vehicle consulting services in a more timely fashion and facilitate a seamless self-service purchasing experience for our customers. As our business grows, we expect that we will be able to achieve greater operating leverage and improve the efficiency and utilization of our personnel.

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 in acquiring 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 74.6% and 51.6% of our total revenues in 2019 and the fiscal year ended March 31, 2021, respectively. Our ability to lower our sales and marketing expenses as a percentage of total revenues depends on our ability to grow our business scale and improve sales and marketing efficiency, including 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 retail vehicle sales, wholesale vehicle sales, commission and value-added services 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.

	For the Year Ended December 31,				For the Three Months Ended March 31,				For the Fiscal Year Ended March 31,		
	2018		2019		2019		2020		2021		
	RMB	%	RMB	%	RMB	%	RMB	%	RMB	US$	%
					(unaudited)						
					(in thousands, except for percentage data)						
Revenues											
Retail vehicle sales	—	—	—	—	—	—	—	—	463,547	70,751	70.5
Wholesale vehicle sales	—	—	—	—	—	—	—	—	51,249	7,822	7.8
Commission revenue	203,158	30.8	711,362	44.8	148,840	44.3	48,038	46.2	41,939	6,401	6.4
Value-added service revenue	166,482	25.3	636,046	40.0	135,475	40.4	40,456	39.0	35,248	5,380	5.4
Others	289,450	43.9	240,623	15.2	51,476	15.3	15,367	14.8	65,425	9,986	9.9
Total revenues	659,090	100.0	1,588,031	100.0	335,791	100.0	103,861	100.0	657,408	100,340	100.0

Retail vehicle sales

From September 2020, we have started to build-up our own used car inventory. We have also started to select “value-for-money” used cars in the market, procure these cars and arrange for reconditioning and refurbishment to upgrade them to a like-new condition before selling them to customers. Vehicle sales revenue is recognized on a gross basis as we sell our own inventory.

Wholesale vehicle sales

Wholesale vehicle sales include sales of vehicles acquired by us from individuals that do not meet our quality standards to list and sell through our e-commerce platform. These vehicles are then sold to car dealers through offline dealership.

Commission revenue and value-added revenue

Before we shifted to an “inventory-owning” model in September 2020, our business generated revenues from commission and value-added services. For each used car sold through our online used car 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. In accordance with the applicable accounting standards, net assets of RMB827.7 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 precondition 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.

On July 23, 2020, we entered into a supplemental agreement with WeBank to settle our remaining guarantee liabilities associated with the historically-facilitated loans for WeBank. Pursuant to the supplemental agreement, we will pay an aggregate amount of RMB372.0 million to WeBank from 2020 to 2025 as guarantee settlement with a maximum annual settlement amount of no more than RMB84 million. Upon the signing of the supplemental agreement, we are no longer subject to guarantee obligations in relation to our historically-facilitated loans for WeBank under the condition that we make the instalments based on the agreed-upon schedule set forth in the supplemental agreement. As a result of the aforementioned agreement we entered into with WeBank, all guarantee liabilities associated with the historically-facilitated loans for WeBank were relieved, which represents we settled the majority of remaining guarantee liabilities associated with the historically-facilitated loans for financing partners.

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 consist of rebates collected from our financing and insurance partners as well as revenue streams from advertising and vehicle transportation revenue collected from our vehicle logistics business.

Cost of Revenues

Cost of revenues primarily consists of salaries and benefits for personnel involved in car inspection and quality control, fulfillment costs related to logistics, delivery, title transfers and vehicle registration, cost of GPS tracking devices and cost of warranty services. Since we adopted the inventory-owning model in September 2020, vehicle acquisition was added to our cost of revenues, while costs related to outbound logistics are classified as sales and marketing expenses. We expect that our cost of revenues will increase in absolute dollar amounts resulting from our business model transformation and continuous business expansion.

Operating Expenses

Our operating expenses primarily consist of (i) sales and marketing expenses, (ii) general and administrative expenses, (iii) research and development expenses, and (iv) provision for credit losses. In the fiscal year ended March 31, 2021, we improved our overall operational efficiency through strict cost management and aimed at growing the business at the most cost-efficient level. Our cost management efforts will continue and we expect to continue to optimize our operating expense structure.

Sales and marketing expenses

Sales and marketing expenses primarily consist of salaries and benefits for our sales and marketing personnel, customer acquisition costs, which primarily include traffic acquisition costs, brand advertising costs and outbound logistic expenses. We expect that our sales and marketing expenses will increase in absolute dollar amounts in the foreseeable future as we may recruit more sales staff or engage in sales and marketing activities to further attract and serve more customers and grow our businesses.

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 performing 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.

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.

Provision for credit losses

Our provision for credit losses primarily consists of impairment due to loans recognized as a result of payment under the guarantee associated with our historically-facilitated loans and financial lease receivables. After the adoption of ASC 326, the provision for contingent guarantee liabilities measured under the current expected credit losses model is also recorded under "provision for credit losses". In November 2019, we transferred the legal titles of assets and liabilities in relation to the loans previously facilitated by XW Bank and divested the guarantee liabilities in relation to our historically-facilitated loans for XW Bank to Golden Pacer as a result of the Loan Facilitation Divestiture. Since then, we no longer provide any additional loan facilitation related guarantee services. In July 2020, we entered into a supplemental agreement with one of our major financing partners WeBank with regards to our historically-facilitated loans, where we agreed to entirely settle all of our remaining guarantee liabilities associated with the historically-facilitated loans with WeBank, under the condition that we should pay the settlement amount in instalments from 2020 to 2025 based on an agreed schedule. Since we have settled the majority of our remaining guarantee liabilities associated with the historically-facilitated loans for financing partners and provision for loan recognized as result of payment under the guarantee are fully provided, we expect our provision for credit losses will decrease in absolute dollar amounts in the foreseeable future.

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 2018, 2019, the three months ended March 31, 2020 and the fiscal year ended March 31, 2021.

PRC

Generally, our PRC subsidiaries, our variable interest entities, or 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. and Youfang (Beijing) Information Technology Co., Ltd. have been qualified as High and New Technology Enterprises, or HNTE, since 2016 and 2019, respectively, and enjoy a preferential income tax rate of 15% from 2019 to 2021. Youxin Internet (Beijing) Information Technology Co., Ltd. has been qualified as HNTE since 2020 and enjoy a preferential income tax rate of 15% from 2020 to 2022. 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.

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, 16% from May 1, 2018 to April 1, 2019 and 13% since April 1, 2019 for the new cars sold and 2% before May 1, 2020 and 0.5% from May 1, 2020 to December 31, 2023 for the second hand 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,				For the Three Months Ended March 31,				For the Fiscal Year Ended March 31,		
	2018		2019		2019		2020		2021		
	RMB	%	RMB	%	RMB	%	RMB	%	RMB	US$	%
					(unaudited)						
					(in thousands, except for percentage data)						
Revenues[1]											
Retail vehicle sales	—	—	—	—	—	—	—	—	463,547	70,751	70.5
Wholesale vehicle sales	—	—	—	—	—	—	—	—	51,249	7,822	7.8
Commission revenue	203,158	30.8	711,362	44.8	148,840	44.3	48,038	46.2	41,939	6,401	6.4
Value-added service revenue	166,482	25.3	636,046	40.0	135,475	40.4	40,456	39.0	35,248	5,380	5.4
Others	289,450	43.9	240,623	15.2	51,476	15.3	15,367	14.8	65,425	9,986	9.9
Total revenues	**659,090**	**100.0**	**1,588,031**	**100.0**	**335,791**	**100.0**	**103,861**	**100.0**	**657,408**	**100,340**	**100.0**
Cost of revenues[2]	(418,852)	(63.6)	(689,292)	(43.4)	(156,372)	(46.6)	(110,714)	(106.6)	(673,711)	(102,828)	(102.5)
Gross Profit	**240,238**	**36.4**	**898,739**	**56.6**	**179,419**	**53.4**	**(6,853)**	**(6.6)**	**(16,303)**	**(2,488)**	**(2.5)**
Operating expenses:											
Sales and marketing[2]	(1,488,699)	(225.9)	(1,184,997)	(74.6)	(345,673)	(102.9)	(189,503)	(182.5)	(339,013)	(51,743)	(51.6)
Research and development[2]	(124,513)	(18.9)	(140,006)	(8.8)	(32,634)	(9.7)	(31,176)	(30.0)	(74,137)	(11,316)	(11.3)
General and administrative[2]	(1,070,419)	(162.4)	(402,040)	(25.3)	(86,970)	(25.9)	(74,926)	(72.1)	(277,925)	(42,420)	(42.3)
Losses from guarantee liabilities	(4,414)	(0.7)	(194,385)	(12.2)	(9,188)	(2.7)	—	—	—	—	—
Provision for credit losses	(40,626)	(6.2)	(271,372)	(17.1)	—	—	(1,939,570)	(1,867.5)	(91,593)	(13,980)	(13.9)
Total operating expenses	**(2,728,671)**	**(414.0)**	**(2,192,800)**	**(138.1)**	**(474,465)**	**(141.3)**	**(2,235,175)**	**(2,152.1)**	**(782,668)**	**(119,459)**	**(119.1)**
Other operating income	—	—	1,925	0.1	—	—	56,043	54.0	246,346	37,600	37.5
Loss from continuing operations	**(2,488,433)**	**(377.6)**	**(1,292,136)**	**(81.4)**	**(295,046)**	**(87.9)**	**(2,185,985)**	**(2,104.7)**	**(552,625)**	**(84,347)**	**(84.1)**
Interest income	24,554	3.7	14,958	0.9	1,990	0.6	3,081	3.0	45,140	6,890	6.9
Interest expense	(63,880)	(9.7)	(112,587)	(7.1)	(26,493)	(7.9)	(29,029)	(27.9)	(95,953)	(14,645)	(14.6)
Other income	23,721	3.6	71,142	4.5	25,140	7.5	2,420	2.3	15,672	2,392	2.4
Other expenses	(25,568)	(3.9)	(36,569)	(2.3)	(4,751)	(1.4)	(10,118)	(9.7)	(7,890)	(1,204)	(1.2)
Foreign exchange (losses)/gains	(8,232)	(1.2)	4,247	0.3	(799)	(0.2)	(388)	(0.4)	(15,887)	(2,425)	(2.4)
Fair value change of derivative liabilities	1,185,090	179.8	—	—	—	—	—	—	—	—	—
Gain from disposal of investment, net	—	—	28,257	1.8	—	—	—	—	—	—	—
Impairment of long-term investment	—	—	(37,775)	(2.4)	—	—	—	—	—	—	—
Gain from disposal of subsidiaries	—	—	—	—	—	—	179,020	172.4	—	—	—
Inducement charge	—	—	—	—	—	—	—	—	(121,056)	(18,477)	(18.4)
Loss from continuing operations before income tax expense	**(1,352,748)**	**(205.2)**	**(1,360,463)**	**(85.7)**	**(299,939)**	**(89.3)**	**(2,040,999)**	**(1,965.1)**	**(732,599)**	**(111,816)**	**(111.4)**
Income (tax expense)/benefit	(1,644)	(0.2)	2,554	0.2	(1,556)	(0.5)	(326)	(0.3)	(33)	(5)	0.0
Equity in income of affiliates	2,631	0.4	30,231	1.9	5,956	1.8	6,940	6.7	15,657	2,390	2.4
Net loss from continuing operations, net of tax	**(1,351,761)**	**(205.1)**	**(1,327,678)**	**(83.6)**	**(295,539)**	**(88.0)**	**(2,034,385)**	**(1,958.8)**	**(716,975)**	**(109,431)**	**(109.1)**

(1) The presentation of revenue components changed in the fiscal year of 2021 to reflect the changes of our business model since September 2020. Please see "Item 4. Information on the Company-B. Business Overview" for more detailed discussion.

(2) Share-based compensation in the amount of RMB1,052.0 million, RMB100.3 million, negative RMB32. 6 million and negative RMB19.1 million (US$2.9 million) in 2018, 2019, the three months ended March 31, 2020 and the fiscal year ended March 31, 2021, respectively, was charged to cost of revenues, sales and marketing expenses, research and development expenses, and general and administrative expenses.

Fiscal Year Ended March 31, 2021 Compared to Year Ended December 31, 2019

Revenues

Total revenue. Our total revenues decreased by 58.6% from RMB1,588.0 million in 2019 to RMB657.4 million (US$100.3 million) in the fiscal year of 2021.

Retail vehicle sales revenue. Retail vehicle sales revenue was RMB463.5 million (US$70.7 million) in the fiscal year of 2021, compared to nil in 2019. Retail transaction volume was 3,603 units and all of them were sold from our own inventory. Therefore, the corresponding revenue was recognized on a gross basis.

Wholesale vehicle sales revenue. Wholesale vehicle sales revenue was RMB51.3 million (US$7.8 million) in the fiscal year of 2021, compared to nil in 2019. Wholesale vehicle sales include sales of vehicles acquired from individuals that do not meet our quality standards to list and sell through our e-commerce platform.

Commission revenue. Commission revenue decreased by 94.1% from RMB711.4 million in 2019 to RMB42.0 million (US$6.4 million) in the fiscal year of 2021.

Value-added service revenue. Value-added service revenue decreased by 94.5% from RMB636.0 million in 2019 to RMB35.2 million (US$5.4 million) in the fiscal year of 2021. The decreases were primarily due to decreases in transaction volume and GMV, as well as the implementation of our inventory-owning model under which we ceased recognizing commission revenue and began to recognize vehicle sales revenue instead since September 2020.

Others. Our other revenues were RMB65.4 million (US$10.0 million) in the fiscal year of 2021, compared with RMB240.6 million in 2019. The decrease was mainly due to the divestiture of our salvage car related business in January 2020.

Cost of revenues

Cost of revenues were RMB673.7 million (US$102.8 million) in the fiscal year of 2021, representing a decrease of 2.3% from RMB689.3 million in 2019. The increase was primarily due to an increase in vehicle acquisition costs related to the establishment of our own inventory since September 2020, which was partially offset by a decrease in salaries and benefits for employees engaged in car inspection, quality control as well as a decrease in fulfillment cost due to lower transaction volume.

Gross profit

Our total gross profit was negative RMB16.3 million (negative US$2.5 million) in the fiscal year of 2021, compared to RMB898.7 million in 2019. Our gross profit margin decreased from 56.6% in 2019 to negative 2.5% in the fiscal year of 2021 due to the implementation of our inventory-owing model.

Sales and marketing expenses

Our sales and marketing expenses decreased by 71.4% from RMB1,185.0 million in 2019 to RMB339.0 million (US$51.7 million) in the fiscal year of 2021. Since the adoption of the inventory-owning model in September 2020, most salaries and benefits for employees engaged in car sourcing and inspection as well as costs related to outbound logistics, which were classified as cost of revenues before, have been classified as sales and marketing expenses. The decrease was mainly due to a decrease in salaries and benefits expenses as a result of headcount reduction as well as a decrease in traffic acquisition cost, which was partially offset by an increase in costs related to outbound logistics due to the change of our business model.

Research and development expenses

Our research and development expenses decreased by 47.0% from RMB140.0 million in 2019 to RMB74.1 million (US$11.3 million) in the fiscal year of 2021, primarily attributable to a decrease in salaries and benefits expenses as a result of headcount reduction as well as a decrease in IT infrastructure services-related expenses.

General and administrative expenses

Our general and administrative expenses decreased by 30.9% from RMB402.0 million in 2019 to RMB277.9 million (US$42.4 million) in the fiscal year of 2021, primarily attributable to a decrease in salaries and benefits due to headcount reduction, decreases in rental expenses and professional fees as well as a reverse in share-based compensation due to the forfeitures in connection with termination of employment.

Losses from guarantee liabilities

Our losses from guarantee liabilities was nil in the fiscal year of 2021, compared to RMB194.4 million in 2019. We incurred guarantee liabilities associated with the remaining guarantee obligations from its historically facilitated loans that were not transferred to Golden Pacer. We adopted Accounting Standards Update (ASU) 2016-13, *Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments* on January 1, 2020 under a modified retrospective method. Before the adoption of ASC 326, gain or loss related to guarantee liabilities accounted for under the greater of the amount determined based on ASC 460 and the amount determined under ASC 450 was recorded as *gain or loss from guarantee liabilities*. After the adoption of ASC 326, expected credit losses of contingent guarantee liabilities shall be accounted for in addition to and separately from the stand ready guarantee liabilities accounted for under ASC 460, and the provision for contingent guarantee liabilities is currently recorded within *provision for credit losses* and the gain released from the stand ready guarantee liabilities accounted for under ASC 460 is currently recorded within *other operating income*.

Provision for credit losses, net

Our provision for credit losses, net decreased from RMB271.4 million in 2019 to RMB91.6 million (US$14.0 million) in the fiscal year of 2021, primarily as a result of a slight increase in provision of loans recognized as a result of payment under the guarantee and advance to sellers.

Other operating income

Our other operating income increased from RMB1.9 million in 2019 to RMB246.3 million (US$37.6 million) in the fiscal year of 2021, primarily as a result of the recognition of guarantee income.

We have adopted ASU No. 2016-13, *Financial Instruments—Credit Losses (Topic 326)*, or ASU 2016-13, effective January 1, 2020 using the modified retrospective method. Before the adoption of ASU 2016-13, gain or loss related to guarantee liabilities accounted for under ASC 460 was recorded as *gain or loss from guarantee liabilities*. After the adoption of ASU 2016-13, the gain released from the guarantee liabilities accounted for under ASC 460 is recorded within *other operating income* and the relevant credit losses of guarantee liabilities are recorded within *provision for credit losses*. As a result of the aforementioned July Agreement we entered into with WeBank, all guarantee liabilities associated with the historically-facilitated loans WeBank accounted for under ASC 460 were released and therefore a released gain of RMB168.6 million was recorded on August 8, 2020.

Interest income

We had interest income of RMB15.0 million in 2019 and RMB45.1 million (US$6.9 million) in the fiscal year of 2021, respectively. On July 23, 2020, we entered into a supplemental agreement with WeBank to settle our remaining guarantee liabilities associated with the historically-facilitated loans for WeBank, pursuant to which we are obliged to pay an aggregate amount of RMB372.0 million to WeBank from 2020 to 2025 as guarantee settlement with a maximum annual settlement amount of no more than RMB84.0 million. The increase of interest income was primarily due to the impact of potential discounted cash outflow under such agreement.

Interest expenses

We had interest expense of RMB112.6 million in 2019 and RMB96.0 million (US$14.6 million) in the fiscal year of 2021, respectively. The decrease in interest expense was mainly attributable to repayment of borrowing at maturity.

Other income

Other income decreased from RMB71.1 million in 2019 and RMB15.7 million (US$2.4 million) in the fiscal year of 2021, primarily because we ceased to gain penalty income from salvage car related business after its divestiture in July 2019.

Other expenses

Other expenses decreased from RMB36.6 million in 2019 and RMB7.9 million (US$1.2 million) in the fiscal year of 2021.

Foreign exchange gains/(losses)

We had foreign exchange losses of RMB15.9 (US$2.4 million) in the fiscal year of 2021, compared to foreign exchange gains of RMB4.2 million in 2019.

Gain from disposal of investment, net

Our gain from disposal of investment was nil in the fiscal year of 2021, compared to RMB28.3 million in 2019. 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 nil in the fiscal year of 2021, compared to RMB37.8 million in 2019. The impairment of long-term investment in 2019 was primarily attributable to our equity investment in a loss-making technology company.

Inducement charge

Our inducement charge was RMB121.1 million (US$18.5 million) in the fiscal year of 2021, compared to nil in 2019. Inducement charge in the fiscal year of 2021 was primarily attributable to the amended conversion price at which PacificBridge converted all the convertible notes into 136,279,973 Class A ordinary shares after we entered into agreements with PacificBridge on July 23, 2020 to amend the terms of the convertible notes in an aggregate principal amount of US$50 million that we issued to PacificBridge between July and November 2019.

Income tax credit/expense

We had income tax expense of RMB33.0 thousand (US$5.0 thousand) in the fiscal year of 2021, compared to a tax credit of RMB2.6 million in 2019.

Equity in income of affiliates

Equity in income of affiliates decreased from RMB30.2 million in 2019 to RMB15.7 million (US$2.4 million) in the fiscal year of 2021, 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 RMB1,327.7 million in 2019 to RMB717.0 million (US$109.4 million) in the fiscal year of 2021.

Three Months Ended March 31, 2020 Compared to Three Months Ended March 31, 2019

Revenues

Our revenues decreased by 69.1% from RMB335.8 million in the three months ended March 31, 2019 to RMB103.9 million in the three months ended March 31, 2020.

2C business. Revenues of our 2C business decreased by 68.9% from RMB284.3 million in the three months ended March 31, 2019 to RMB88.5 million in the three months ended March 31, 2020, which was primarily due to decreases in 2C transaction volume and GMV as a result of the disruptions caused by the COVID-19 pandemic to our business operations. 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 12.5% and 12.2% in the three months ended March 31, 2019 and 2020, respectively.

- *Commission revenue.* The commission revenue decreased by 67.7% from RMB148.8 million in the three months ended March 31, 2019 to RMB48.0 million in the three months ended March 31, 2020, primarily due to decreases in transaction volume and GMV. The number of 2C online used cars transactions decreased by 68.1% from 20,647 units in the three months ended March 31, 2019 to 6,584 units in the three months ended March 31, 2020, and the corresponding GMV decreased by 68.1% from RMB2.3 billion to RMB0.7 billion during the same period. Our commission rate remained stable at 6.6% in the three months ended March 31, 2020 compared with the same period in 2019.

- *Value-added service revenue.* Our value-added service revenue decreased by 70.1% from RMB135.5 million in the three months ended March 31, 2019 to RMB40.5 million in the three months ended March 31, 2020, primarily due to decreases in transaction volume and GMV. Our VAS take rate decreased to 5.6% in the three months ended March 31, 2020 from 6.0% in the three months ended March 31, 2019.

- *Others.* Our other revenues were RMB15.4 million in the three months ended March 31, 2020, compared with RMB51.5 million in the three months ended March 31, 2019.

Cost of revenues

Our cost of revenues decreased by 29.2% from RMB156.4 million in the three months ended March 31, 2019 to RMB110.7 million in the three months ended March 31, 2020, primarily as a result of a decrease in salaries and benefits for employees engaged in car inspection, quality control, customer service and after-sales services as we adopted a flexible work-load based staffing program, as well as a decrease in fulfillment cost due to a decrease in transaction volume.

Gross loss/profit

As a result of the foregoing, we recorded a gross loss of RMB6.9 million in the three months ended March 31, 2020, compared with a gross profit of RMB179.4 million in the three months ended March 31, 2019.

Sales and marketing expenses

Our sales and marketing expenses decreased by 45.2% from RMB345.7 million in the three months ended March 31, 2019 to RMB189.5 million in the three months ended March 31, 2020, mainly due to a decrease in salaries and benefits expenses.

General and administrative expenses

Our general and administrative expenses decreased by 13.8% from RMB87.0 million in the three months ended March 31, 2019 to RMB74.9 million in the three months ended March 31, 2020, primarily attributable to a decrease in salaries and benefits as well as share-based compensation expenses.

Research and development expenses

Our research and development expenses decreased by 4.5% from RMB32.6 million in the three months ended March 31, 2019 to RMB31.2 million in the three months ended March 31, 2020, primarily attributable to a decrease in salaries and benefits expenses.

Losses from guarantee liabilities

Our losses from guarantee liabilities was nil in the three months ended March 31, 2020, compared with RMB9.2 million in the three months ended March 31, 2019. We incurred guarantee liabilities associated with the remaining guarantee obligations from our historically-facilitated loans which were not transferred to Golden Pacer. We adopted Accounting Standards Update (ASU) 2016-13, “Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments” on January 1, 2020 under a modified retrospective method. Before the adoption of ASC 326, gain or loss related to guarantee liabilities accounted for the under the greater of the amount determined based on ASC 460 and the amount determined under ASC 450 was recorded as “gain or loss from guarantee liabilities”. After the adoption of ASC 326, expected credit losses of contingent guarantee liabilities need to be accounted for in addition to and separately from the stand ready guarantee liabilities accounted for under ASC 460. The provision for contingent guarantee liabilities is currently recorded under “provision for credit losses” and the gain released from the stand ready guarantee liabilities accounted for under ASC 460 is currently recorded under “other operating income.”

Provision for credit losses

Our provision for credit losses was RMB1,939.6 million in the three months ended March 31, 2020, compared with nil in the three months ended March 31, 2019. As COVID-19 had a material adverse impact on the performance of our historically-facilitated loans, we incurred a significant impairment primarily due to loans recognized as a result of payment under the guarantee and financial lease receivables. After the adoption of ASC 326, the provision for contingent guarantee liabilities measured under the current expected credit losses model is recorded under “provision for credit losses.”

Interest income

We had interest income of RMB2.0 million in the three months ended March 31, 2019 and RMB3.1 million in the three months ended March 31, 2020.

Interest expenses

We had interest expense of RMB26.5 million in the three months ended March 31, 2019 and RMB29.0 million in the three months ended March 31, 2020.

Other income

Other income decreased from RMB25.1 million in the three months ended March 31, 2019 to RMB2.4 million in the three months ended March 31, 2020.

Other expenses

Other expenses increased from RMB4.8 million in the three months ended March 31, 2019 to RMB10.1 million in the three months ended March 31, 2020.

Foreign exchange losses

We had foreign exchange losses of RMB0.4 million in the three months ended March 31, 2020, compared with RMB0.8 million in the three months ended March 31, 2019.

Gain from disposal of subsidiaries

Our gain from disposal of subsidiaries was RMB179.0 million in the three months ended March 31, 2020, compared with nil in the three months ended March 31, 2019. Gain from disposal of subsidiaries in the three months ended March 31, 2020 was primarily attributable to our divestiture of the salvage car related business in January 2020.

Income tax expense

We had income tax expense of RMB0.3 million in the three months ended March 31, 2020, compared with RMB1.6 million in the three months ended March 31, 2019.

Equity in income of affiliates

Equity in income of affiliates increased from RMB6.0 million in the three months ended March 31, 2019 to RMB6.9 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 increased from RMB295.5 million in the three months ended March 31, 2019 to RMB2,034.4 million in the three months ended March 31, 2020. The net loss from continuing operations in the three months ended March 31, 2020 was primarily attributable to a significant provision for credit losses of RMB1,939.6 million recorded in the period as a result of the impact of COVID-19 pandemic as well as the adoption of ASC326. See "*—Provision for credit losses*."

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 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 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 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 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 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 were RMB240.6 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 in 2019, primarily as a result of an increase from RMB71.0 million in 2018 to RMB207.8 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 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 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 in 2019, primarily attributable to an increase from RMB78.6 million in 2018 to RMB105.8 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 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 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 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 in 2019.

Interest expenses

We had interest expense of RMB63.9 million in 2018 and RMB112.6 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 in 2019.

Other expenses

Other expenses increased from RMB25.6 million in 2018 to RMB36.6 million in 2019.

Foreign exchange gains/(losses)

We had foreign exchange gains of RMB4.2 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 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 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 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, 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 in 2019.

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 10.2%, 4.6% 5.1% and 0.9% of our total revenues in the years ended December 31, 2018 and 2019, the three months ended March 31, 2020 and the year ended March 31, 2021.

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 revenues. 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.

Retail vehicle sales business

We sell used vehicles directly to its customers through our e-commerce platform (www.xin.com). The Company procures used cars by analyzing the extensive user behavioral, used car and transactional data aggregated on its platform over the years. This enables us to selectively build-up our inventory of used cars with value-for-money performance and have greater flexibility in offering more competitive pricing to individual consumers.

The prices of used vehicles are set forth in the customer contracts at stand-alone selling prices which are agreed upon prior to delivery. We satisfy our performance obligation for used vehicles sales upon consumer's physical acceptance of the used vehicles and receive payment directly from the customer at the time of sale.

Wholesale vehicle sales business

We sell vehicles to wholesalers through offline dealership, which are primarily acquired from individuals and do not meet our retail standards to list and sell through our ecommerce platform. We satisfy our performance obligation and recognize revenue for wholesale vehicle sales at a point in time when vehicle is sold. The transaction price is collected when vehicle sales are completed.

Online used car transaction services

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 revenues mainly comprise of revenues from commission from salvage car sales prior to our divestiture of our salvage car related business and interest income from financial leases, among others. For the fiscal year ended March 31, 2021, other revenues mainly included commissions earned from our financing and insurance partners as well as revenue from advertising and vehicle transportation revenue earned from our vehicle logistics business.

Remaining performance obligations

Revenue allocated to remaining performance obligations represent deferred revenue that has not yet been recognized. As of March 31, 2021, the aggregate amount of the transaction price allocated to remaining performance obligations was RMB5.4 million (US$0.8 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 historically provided short-term inventory financing to certain selected car dealers through our 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 ceased to provide Easy Loan program to car dealers in early 2020.

Financial lease receivables are measured at amortized cost and reported on our consolidated balance sheets at outstanding principal adjusted for the allowance for doubtful accounts/provision for credit losses. Allowance for financial lease receivables is provided when we have determined the balance is impaired. On January 1, 2020, we adopted Accounting Standards Update (ASU) 2016-13, Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments» and provision for credit losses was provided based on current expected credit losses impairment model.

Goodwill

Goodwill represents the excess of the purchase price over the fair value of the identifiable assets and liabilities acquired in a business combination.

Goodwill is not depreciated or amortized but is tested for impairment on an annual basis, and in between annual tests when an event occurs or circumstances change that could indicate that the asset might be impaired. In accordance with the FASB guidance on «Testing of Goodwill for Impairment» a company first has the option to assess qualitative factors to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount. If we decide, as a result of its qualitative assessment, that it is more likely than not that the fair value of a reporting unit is less than its carrying amount, the quantitative impairment test is mandatory. Otherwise, no further testing is required. The quantitative impairment test consists of a comparison of the fair value of each reporting unit with its carrying amount, including goodwill. Before the adoption of ASU No. 2017-04 Intangibles—Goodwill and Other (Topic 350), if the carrying amount of each reporting unit exceeds its fair value, an impairment loss equal to the difference between the implied fair value of the reporting unit’s goodwill and the carrying amount of goodwill will be recorded. We adopted ASU No. 2017-04 starting January 1, 2020, following the new guidance, an impairment charge shall be recognized for the amount by which the carrying amount exceeds the reporting unit’s fair value. Application of a goodwill impairment test requires significant management judgment, including the identification of reporting units, assigning assets and liabilities to reporting units, assigning goodwill to reporting units, and determining the fair value of each reporting unit.

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 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. RMB3.7 million and RMB9.5 million of goodwill impairment loss was recorded for Chefang for the year ended December 31, 2018 and the fiscal year ended March 31, 2021, respectively.

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. We divested Dongwang upon the completion of the divestiture of our salvage car related business in January 2020.

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 unvested options amounted to US$2.0 million and would be recorded over the remaining service period.

Options

We granted 25,224,000, 4,247,500, 2,175,300 and 6,700,655 options to our employees, with a weighted average exercise price of US$2.90, US$1.36, US$0.03 and US$0.01, for the years ended December 31, 2018 and 2019, the three months ended March 31, 2020 and the fiscal year ended March 31, 2021, respectively. 18,659,232, 19,698,819, 21,373,800 and 24,144,828 options were exercisable as of December 31, 2018 and 2019, and March 31, 2020 and 2021, respectively. 7,300,000, 10,570,575, 13,234,329 and 6,053,082 options granted to key management became exercisable as of December 31, 2018 and 2019 and March 31, 2020 and 2021, 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 March 31, 2021, the fair value of vested and non-vested options granted to employees and management amounted to RMB27.2 million (US$4.1 million) and RMB2.0 million (US$0.3 million), respectively, and a share-based compensation expense of RMB20.5 million (US$3.1 million) was reversed due to forfeiture during the fiscal year of 2021.

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 Limited, 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 RMB2,281.3 million, RMB1,194.1 million and RMB1,122.3 million (US$171.3 million) in 2018, 2019 and the fiscal year ended March 31, 2021, 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, or Redrock, TPG Growth III SF Pte. Ltd., or TPG, 58.com Holdings Inc., or 58.com, 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.

  On July 12, 2021, the Notes for a principal amount of US$69 million were converted into a total of 66,990,291 Class A ordinary shares. The noteholders have also irrevocably waived the conversion rights with respect to their respective remaining amount. The two investors have also purchased warrants to purchase 480,629,186 senior convertible preferred shares for an aggregate amount of US$165 million.

- Between July and November 2019, we sold convertible notes in an aggregate principal amount of US$50 million to affiliates of PacificBridge Asset Management, or PacificBridge (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.

  On July 23, 2020, we entered into agreements with PacificBridge to amend the terms of the PB Notes. Pursuant to the agreements, the parties have agreed that the conversion prices of the PB Notes will be adjusted to our volume weighted average price for the last 30 trading days prior to the signing of the agreements multiplied by 78%, and PacificBridge will convert all the PB Notes into our Class A ordinary shares upon the signing of the agreements. On the same day, PacificBridge converted all the PB Notes into 136,279,973 Class A ordinary shares of ours at the adjusted conversion price.

- In October 2020, we completed private placements with GIC and Wells Fargo for subscription of a total of 84,692,839 Class A ordinary shares for an aggregate amount of US$25 million.

- In March 2021 and June 2021, we entered into a term sheet and definitive agreements, respectively, with NIO Capital and Joy Capital to raise an aggregate amount of up to US$315 million for the subscription of a total of 917,564,810 senior convertible preferred shares. The first closing in the amount of US$100 million was completed for the issuance of 291,290,416 senior convertible preferred shares on July 12, 2021 and the second closing for the issuance of 72,822,604 senior convertible preferred shares in the amount of US$50 million is subject to customary closing conditions. The two investors have also purchased warrants to purchase 480,629,186 senior convertible preferred shares for an aggregate amount of US$165 million.

- As of March 31, 2021, we had an outstanding balance of short-term borrowings of RMB79.6 million (US$12.1 million) due within 12 months, with a fixed annual interest rate of between 8.0% and 10.3%.

As of March 31, 2021, we had RMB192.6 million (US$29.4 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. We have been incurring losses from operations since our inception. We incurred net losses from continuing operations of RMB1,351.8 million, RMB1,327.7 million, RMB2,034.4 million and RMB717.0 million for the years ended December 31, 2018, 2019, three months ended March 31, 2020 and the fiscal year ended March 31, 2021. Accumulated deficit amounted to RMB15,488.8 million and RMB15,910.0 million as of March 31, 2020 and 2021, respectively.

We are entitled to an investment amount of up to US$315 million for the subscription of our senior convertible preferred shares, of which US$20 million and US$80 million was received in June and July 2021, respectively, and another US$50 million is expected to be received within the next twelve months from the first closing date, subject to customary closing conditions. Concurrently, certain convertible notes holders, including 58.com, TPG and Warburg Pincus, converted their convertible notes in an aggregate principal amount of US$69 million into 66,990,291 Class A ordinary shares in July 2021. In addition, we entered into operating payables waiver agreements with several suppliers, pursuant to which we were exempted from repayment of trade and other payables of approximately RMB120.4 million. Considering all the actions mentioned above, which have alleviated the substantial doubt of our ability to continue as a going concern, we believe that our current cash and cash equivalents, cash proceeds received from recent financing transactions and the anticipated cash flows from operations are sufficient to meet our anticipated working capital requirements for the next twelve months.

As of March 31, 2021, 2.2% 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, 0.2% 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."

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 RMB794.2 million (US$121.2 million), representing 39.8% of our total consolidated net assets as of March 31, 2021. 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,		For the Three Months Ended March 31		For the Fiscal Year Ended March 31,	
	2018	2019	2019	2020	2021	
	RMB	RMB	RMB	RMB	RMB	US$
			(unaudited)			
			(in thousands)			
Summary Consolidated Statements of Cash Flow Data:						
Net cash used in operating activities	(2,281,333)	(1,194,101)	(188,061)	(411,271)	(1,122,308)	(171,299)
Net cash used in investing activities	(1,078,617)	(484,254)	(6,645)	159,898	443,016	67,618
Net cash generated from financing activities	4,274,052	73,630	(127,066)	(165,519)	130,317	19,891
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(9,278)	960	(11,983)	4,065	(14,741)	(2,250)
Net increase/(decrease) in cash, cash equivalents and restricted cash	904,824	(1,603,765)	(333,755)	(412,827)	(563,716)	(86,040)
Cash, cash equivalents and restricted cash at beginning of the year/(period)	1,730,001	1,812,702	1,812,702	1,185,188	797,435	121,712
Cash, cash equivalents and restricted cash at end of the year/(period)	1,812,702	1,185,188	1,256,356	797,435	233,719	35,672

Operating Activities

Net cash used in operating activities was RMB1,122.3 million (US$171.3 million) for the fiscal year ended March 31, 2021. In the fiscal year of 2021, the difference between our net cash used in operating activities and our net loss RMB421.2 million (US$64.3 million) mainly resulted from certain non-cash expenses and non-operating income, including impairment of net assets transferred of RMB420.0 million (US$64.1 million), inducement charges of RMB121.1 million (US$18.5 million), and partially offset by transaction gain from divestiture of transactions of RMB721.2 million (US$110.1 million) and guarantee income of RMB207.8 million (US$31.7 million), and changes in certain working capital accounts. Changes in the working capital accounts mainly included a decrease in consideration payment to Webank of RMB334.3 million (US$51.0 million), a decrease in payables, accruals and other current liabilities of RMB354.7 million (US$54.1 million), partially offset by decrease in loan recognized as a result of payment under the guarantee of RMB134.4 million (US$20.5 million) and increase in amounts due to related parties of RMB69.4 million (US$10.6 million). The decrease in consideration payment to Webank was mainly due to the settlement of guarantee liabilities with Webank. The decrease in payables, accruals and other current liabilities was primarily attributable to the adjustment of our overall business structure. The decrease in loan recognized as a result of payment under the guarantee was mainly due to our cease of providing loan-facilitation business and balance of loan recognized as a result of payment under the guarantee decrease as our collection of outstanding balance. The increase in amounts due to related parties was primarily attributable to the increase of unpaid advertising service fee to our related party.

Net cash used in operating activities was RMB411.3 million for the three months ended March 31, 2020. The difference between our net cash used in operating activities and our net loss RMB2,489.6 million mainly resulted from certain non-cash expenses, including provision for credit losses of RMB1,954.5 million, impairment of net assets transferred of RMB407.7 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 RMB251.2 million, and a decrease in payables, accruals and other current liabilities of RMB101.8 million, partially offset by a decrease in receivables, prepaid expenses and other current assets of RMB138.6 million and a decrease of financial lease receivables of RMB102.7 million, The increase in loan recognized as a result of payment under the guarantee was mainly due to the performance fluctuations of outstanding historically-facilitated loans which were not transferred to Golden Pacer. The decrease in payables, accruals and other current liabilities was mainly due to a decrease of accrued salaries and benefits and tax payables. The decrease in receivables, prepaid expenses and other current assets was mainly due to a decrease of deposits made to non-bank financing partners' accounts as we are no longer working with them. As we ceased to provide Easy Loan program to car dealers, the balance of financial lease receivables decreased.

Net cash used in operating activities was RMB1,194.1 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 mainly resulted from certain non-cash expenses, including losses from guarantee liabilities of RMB362.6 million, provision for credit losses of RMB271.4 million, share-based compensation of RMB100.3 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 and a decrease in deposit of interests from consumers and payable to financing partners of RMB470.1 million, partially offset by an increase in payables, accruals and other current liabilities of RMB679.3 million and a decrease in advance to consumers on behalf of financing partners of RMB519.8 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.

Investing Activities

Net cash generated from investing activities was RMB443.0 million (US$67.6 million) for the fiscal year ended March 31, 2021, primarily attributable to proceeds received from our divestiture of 2B and salvage car business.

Net cash generated from investing activities was RMB159.9 million for the three months ended March 31, 2020, primarily attributable to the proceeds from the divestiture of salvage car related business.

Net cash used in investing activities was RMB484.3 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 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.

Financing Activities

Net cash generated from financing activities was RMB130.3 million (US$19.9 million) for the fiscal year ended March 31, 2021, primarily attributable to proceeds from issuance of Class A ordinary shares partially offset by repayment of borrowings.

Net cash used in financing activities was RMB165.5 million for the three months ended March 31, 2020, primarily attributable to the repayment of borrowings.

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

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					
	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	For the Three Months Ended March 31, 2020	For the Fiscal Year Ended March 31, 2021
Uxin Limited and its wholly-owned subsidiaries	87.4 %	87.5 %	89.8 %	95.4 %	94.9 %	99.1 %
VIEs	12.6 %	12.5 %	10.2 %	4.6 %	5.1 %	0.9 %
Total	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %

	Total Assets				
	As of December 31, 2017	As of December 31, 2018	As of December 31, 2019	As of March 31, 2020	As of March 31, 2021
Uxin Limited and its wholly-owned subsidiaries	90.5 %	96.1 %	91.0 %	90.6 %	88.3 %
VIEs	9.5 %	3.9 %	9.0 %	9.4 %	11.7 %
Total	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 RMB133.9 million, RMB46.8 million, RMB0.3 million, and RMB0.4 million (US$63 thousand) in 2018, 2019, three months ended March 31, 2020 and fiscal year ended March 31, 2021, respectively. In these periods our capital expenditures were mainly used for 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 fiscal year ended March 31, 2021 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 March 31, 2021:

	Payment due by period				
	Total	**Less than 1 year**	**1-3 years**	**3-5 years**	**Greater than 5 years**
	(in RMB thousands)				
Borrowings	312,560	79,560	233,000	—	—
Convertible notes[(1)]	1,511,399	—	—	1,511,399	—
Interests payable[(2)]	344,472	2,835	58,250	283,387	—
Operating lease commitments	51,811	12,654	25,160	13,997	—
Total	2,220,242	95,049	316,410	1,808,783	—

(1) A principal amount of US$69 million of the convertible notes have been converted into Class A ordinary shares on July 12, 2021, after which date, we are only subject to contractual obligations of RMB1,054.8 (US$161.0 million) with respect to the convertible notes.

(2) The noteholders have waived interest payable due in 3-5 years for a total of RMB283.4 million (US$43.1 million).

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 March 31, 2021.

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	39	Chairman of the Board of Directors and Chief Executive Officer
Bin Li	47	Director
Erhai Liu	53	Director
Cheng Lu	39	Independent Director
Rong Lu	50	Independent Director
Zhuang Yang	67	Independent Director
Feng Lin	41	Chief Financial Officer
Zhitian Zhang	40	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 interact 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. Bin Li has been serving as our director since July 2021. Mr. Li is the founder of NIO Inc., a NYSE-listed company with stock code NIO and has served as chairman of the board since the inception of NIO and the chief executive officer of NIO since March 2018. In 2000, Mr. Li co-founded Beijing Bitauto E-Commerce Co., Ltd. and served as its director and president until 2006. From 2010 to 2020, Mr. Li served as chairman of the board of directors at Bitauto Holdings Limited, (previously listed on NYSE with stock code BITA), a former NYSE-listed automobile service company and a leading automobile service provider in China. In 2002, Mr. Li co-founded Beijing Creative & Interactive Digital Technology Co., Ltd. as the chairman of the board of directors and had served as its president and director. Mr. Li received his bachelor's degree in sociology from Peking University.

Mr. Erhai Liu has been serving as our director since July 2021. Mr. Liu is the founding and managing partner of Joy Capital. He has nearly 20 years of investment experience in high-tech and innovative companies. Previously, Mr. Liu was engaged in engineering, R&D, operation and senior management in telecommunication and Internet companies for more than 10 years. Mr. Liu was named as one of the "Global Top 100 Technology Investors" on Forbes Midas List in 2012, and from 2018 to 2020. Mr. Liu holds a master's degree in communications and information system from Xidian University, a master's degree in psychology from Peking University, a master's degree in global finance and an MBA from Fordham University, an EMBA from Tsinghua University, and a bachelor's degree in communication engineering from Guilin University of Electronic Technology.

Mr. Cheng Lu has been serving as our director since July 2021. Mr. Lu is the President and Chief Executive Officer of TuSimple (Nasdaq: TSP), a global self-driving technology company based in San Diego, California. He has over 13 years of experience in strategy and corporate finance in the U.S. and Asia. Prior to TuSimple, Mr. Lu co-founded and was a Partner and Chief Operating Officer of KCA Capital Partners, a private equity investment firm. Prior to this, Mr. Lu worked in Beijing with HOPU Investments and CITIC Capital, and Cerberus Capital Management in New York, which focused on private equity and special situation investments. He started his career in the investment banking division of Citigroup in New York. Mr. Lu received his bachelor's degree in Computer Science and Economics from the University of Virginia and an MBA from the Harvard Business School.

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.

Dr. Zhuang Yang has been serving as our director since July 2021. Dr. Yang is currently a professor of Management at the National School of Development and the Co-Dean of the Beijing International MBA Program (BiMBA) at Peking University. He also holds a tenured professorship at the Graduate School of Business at Fordham University in New York. Dr. Yang's main research consists of organizational behavior and global leadership, with extensive focus on China strategies for multinational companies and strategies for Chinese companies expanding globally. Dr. Yang earned his bachelor's degree from the English Language and Literature Department of Peking University, a master's degree in Sociology from Columbia University, an MPA in International and Public Affairs from the Woodrow Wilson School of Public and International Affairs at Princeton University, and a Ph.D. in Business Administration from Columbia University.

Mr. Feng Lin joined us as vice president of finance in August 2019 and has been serving as our chief financial officer since January 2021. He has over 15 years of experience overseeing finance and operations at multinational corporations across technology, financial, and real estate industries. Prior to joining our company, Mr. Lin was the vice general manager of finance at China Fortune Land Development, where he managed corporate planning and group controlling. Prior to that, he served as finance director at Lenovo, and earlier as financial controller at Microsoft. Mr. Lin had also served at HSBC, Capital One Financial Corporation, and PricewaterhouseCoopers. Mr. Lin holds a double bachelor of science degree in geophysics and economics from Peking University. He received both an MBA degree and an MPP degree from The University of Chicago.

Mr. Zhitian Zhang joined us in April 2012 and has been serving as our chief operating officer since February 2020. 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 our company, 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 March 31, 2021, we paid an aggregate of RMB2.3 million (US$0.4 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 July 15, 2021, 590,340 restricted share units and 6,327,687 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 July 15, 2021:

	Ordinary Shares Underlying Outstanding Options or Restricted Share units		Exercise Price (US$/Share)	Grant Date	Expiration Date
Rong Lu	*		—	Various dates from November 19, 2018 to June 30, 2021	February 13, 2028
Feng Lin	*		0.00003333	Various dates from August 19, 2019 to June 30, 2021	August 20, 2028
Zhitian Zhang	*		0.1 to 1.03	Various dates from March 26, 2013 to March 1, 2020	March 25, 2023 and August 20, 2028
Total	*				

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

As of July 15, 2021, other grantees as a group held options to purchase 12,666,239 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 six 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 or transaction or proposed contract or transaction notwithstanding that he may be interested therein, and if he does so his vote shall be counted and he may be counted in the quorum at any meeting of the board of directors at which such contract or transaction or proposed contract or transaction is considered and voted upon. Any director who is in any way, whether directly or indirectly interested in a contract or transaction or proposed contract or transaction with our company is required to declare the nature of his interest at a meeting of the board. The directors may exercise all the powers of the company to raise or borrow money, and to mortgage or charge its undertaking, property and assets (present and future) and uncalled capital or any part thereof, and issue debentures, debenture stock, bonds and other securities, whether outright or as collateral security for any debt, liability or obligation of our company or of any third party. None of our non-executive directors has a service contract with us that provides for benefits upon termination of service.

Committees of the Board of Directors

We 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 Rong Lu, Cheng Lu and Zhuang Yang. Rong Lu is the chairperson of our audit committee. We have determined that each of Rong Lu, Cheng Lu and Zhuang Yang satisfies 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 Zhuang Yang, Rong Lu and Cheng Lu. Zhuang Yang is the chairperson of our compensation committee. We have determined that each of Zhuang Yang, Rong Lu and Cheng Lu. Zhuang Yang satisfies 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 Cheng Lu, Zhuang Yang and Rong Lu. Cheng Lu is the chairperson of our nominating and corporate governance committee. We have determined that each of Cheng Lu, Zhuang Yang and Rong Lu satisfies 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 March 31, 2021, we had a total of 693 employees. We had a total of 6,455 employees as of December 31, 2019 and 12,619 employees as of December 31, 2018. The significant decline in the number of employees during the past years is mainly due to the transformation of our business model and the negative impact of COVID-19.

The following tables give breakdowns of our employees as of March 31, 2021 by function:

	As of March 31, 2021
Functions:	
Products and technology	73
Operations	406
Car inspection and inventory related personnel	198
Sales and pre-sales customer service	89
Fulfillment and after-sales customer service	90
Other operations	29
Finance and legal	105
Human resources	25
Corporate communication and marketing	52
Others	32
Total	693

E. Share Ownership

The following table sets forth information with respect to the beneficial ownership of our ordinary shares as of July 15, 2021 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 1,476,308,005 shares outstanding as of July 15, 2021, comprising of (i) 1,144,207,728 Class A ordinary shares, excluding the 7,125,893 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, (ii) 40,809,861 Class B ordinary shares and (iii) 291,290,416 senior convertible preferred shares, which can be converted into 291,290,416 Class A ordinary shares on a one-for-one basis at the current applicable conversion price.

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	Senior Convertible Preferred Shares	Total Shares	%†	% of Aggregate Voting Power†
Directors and Executive Officers:**						
Kun Dai[1]	14,764,090	40,809,861	—	55,573,951	3.8	22.9
Bin Li[2]	—	—	458,782,405	458,782,405	25.6	21.3
Erhai Liu[3]	—	—	458,782,405	458,782,405	25.6	21.3
Cheng Lu	—	—	—	—	—	—
Rong Lu	*	—	—	*	*	*
Zhuang Yang	—	—	—	—	—	—
Feng Lin	*	—	—	*	*	*
Zhitian Zhang	*	—	—	*	*	*
All Directors and Executive Officers in the aggregate	19,679,427	40,809,861	917,564,810	978,054,098	44.0	53.0
Principal Shareholders:						
Xin Gao Group Limited[4]	—	40,809,861	—	40,809,861	2.8	22.1
Abundant Grace Investment Limited[2]	—	—	458,782,405	458,782,405	25.6	21.3
Astral Success Limited[3]	—	—	458,782,405	458,782,405	25.6	21.3
GIC Private Limited[5]	207,340,824	—	—	207,340,824	14.0	11.2
Redrock Holding Investments Limited[6]	123,847,794	—	—	123,847,794	8.4	6.7
Baidu (Hong Kong) Limited[7]	79,832,280	—	—	79,832,280	5.4	4.3

* Less than 1% of our total outstanding shares.

** Each of Mr. Kun Dai, Mr. Feng Lin, Mr. Zhitian Zhang, Mr. Cheng Lu, Ms. Rong Lu and Mr. Zhuang Yang's business address is 1-3/F, No. 12 Beitucheng East Road, Chaoyang District, Beijing 100029, People's Republic of China. Mr. Bin Li's business address is Unit 2412, 24F HKRI Taikoo Hui Center I, 288 Shimen Yi Road, Jing'an District, Shanghai, China 20041. Mr. Erhai Liu's business address is 1501, Greenland Center B, Wangjingdongyuan 4, Chaoyang District, Beijing, People's Republic of China.

† 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.

†† 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, Class B ordinary shares and senior convertible preferred shares, which are convertible into Class A ordinary shares on a one-for-one basis, 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, Class B ordinary shares and senior convertible preferred shares, which are convertible into Class A ordinary shares on a one-for-one basis, 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, and (ii) 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/A filed by Mr. Dai, among others, on May 27, 2021. Pursuant to the Schedule 13G/A filed by Mr. Dai on July 30, 2020, Gao Li Group Limited, which is wholly owned by Mr. Kun Dai, pledged 17,276,410 Class A ordinary shares pursuant to a share charge in connection with a loan in a maximum principal amount of US$50 million under a facility agreement entered into with a lender in June 2018. On April 6, 2020, the lender issued an instruction letter to enforce its security interests in the 17,276,410 Class A ordinary shares, and Gao Li Group Limited transferred such shares on July 21, 2020 to the lender. Pursuant to the Schedule 13G/A filed by Mr. Dai on May 27, 2021, Kingkey New Era Auto Industry Global Limited pledged 61,129,800 Class A ordinary shares pursuant to a share charge in connection with a loan in a maximum principal amount of US$150 million under a facility agreement entered into with certain lenders in December 2017, as amended from time to time. On March 15, 2021, one of the lenders issued a notice declaring that an event of default as defined under the facility agreement has occurred and an acceleration letter demanding immediate payment of the outstanding sum and declaring its intention to enforce its security interests. As a result, Kingkey New Era Auto Industry Global Limited transferred the 61,129,800 Class A ordinary shares it held to such lender on May 17, 2021. 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. 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 BOCOM International Supreme Investment Limited is Craigmuir Chambers, Road Town, Tortola, VG 1110, British Virgin Islands.

To our knowledge, a total of 40,809,861 Class B ordinary shares beneficially owned by Mr. Kun Dai through Xin Gao Group Limited, representing 2.8% of outstanding ordinary shares and 22.1% 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, which was terminated by way of a termination agreement dated July 12, 2021. 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 458,782,405 senior convertible preferred shares, comprising of (i) 145,645,208 senior convertible preferred shares held by Abundant Grace Investment Limited, (ii) 72,822,604 senior convertible preferred shares that Abundant Grace Investment Limited has a right to purchase at the second closing pursuant to the share subscription agreement on June 14, 2021 among us, Abundant Grace Investment Limited and Astral Success Limited, and (iii) up to 240,314,593 senior convertible preferred shares that may be acquired upon exercise of the warrant by Abundant Grace Investment Limited pursuant to the warrant agreement entered into with us on July 12, 2021. NBNW Investment Limited and Eve One Fund II L.P. comprise the owners of the majority of the voting interest of Abundant Grace Investment Limited. NBNW Investment Limited is a holding company indirectly and wholly owned by a family trust set up by Mr. Bin Li. Nio Capital II LLC is the general partner of Eve One Fund II L.P., and Mr. Bin Li is one of the managers of Nio Capital II LLC. The registered office of Abundant Grace Investment Limited is at Craigmuir Chambers, Road Town, Tortola, VG 1110, British Virgin Islands. The business address of NBNW Investment Limited is P.O. Box 957, Offshore Incorporations Centre Road Town, Tortola, British Virgin Islands. The address of Eve One Fund II L.P. is c/o Harneys Fiduciary (Cayman) Limited, 4th Floor, Harbour Place, 103 South Church Street, Grand Cayman KY1-1002, Cayman Islands. The address of Nio Capital II LLC is Sertus Chambers, Governors Square, Suite #5-204, 23 Lime Tree Bay Avenue, P.O. Box 2547, Grand Cayman, KY1-1104, Cayman Islands. The above is based on the Schedule 13D filed by Abundant Grace Investment Limited, among others, on July 22, 2021.

(3) Represents 458,782,405 senior convertible preferred shares, comprising of (i) 145,645,208 senior convertible preferred shares held by Astral Success Limited, (ii) 72,822,604 senior convertible preferred shares that Astral Success Limited has a right to purchase at the second closing pursuant to the share subscription agreement on June 14, 2021 among us, Abundant Grace Investment Limited and Astral Success Limited, and (iii) up to 240,314,593 senior convertible preferred shares that may be acquired upon exercise of the warrant by Astral Success Limited pursuant to the warrant agreement entered into with us on July 12, 2021. Joy Capital Opportunity, L.P., Joy Capital II, L.P. and Joy Capital III, L.P. comprise the owners of the majority of the voting interest of Astral Success Limited. Joy Capital Opportunity GP, L.P., Joy Capital II GP, L.P. and Joy Capital III GP, L.P. are the respective general partners of Joy Capital Opportunity, L.P., Joy Capital II, L.P. and Joy Capital III, L.P. Joy Capital GP, Ltd. is the general partner of Joy Capital Opportunity GP, L.P., Joy Capital II GP, L.P. and Joy Capital III GP, L.P. Each of these entities are ultimately controlled by Mr. Erhai Liu. Mr. Erhai Liu disclaims beneficial ownership of the securities in us held by each of the above entities, except to the extent of Mr. Erhai Liu's pecuniary interest therein, if any. The registered office of Astral Success Limited is at Craigmuir Chambers, Road Town, Tortola, VG 1110, British Virgin Islands. The address of each of Joy Capital Opportunity, L.P., Joy Capital Opportunity GP, L.P., Joy Capital II, L.P., Joy Capital II GP, L.P., Joy Capital III, L.P., Joy Capital III GP, L.P. and Joy Capital GP, Ltd. is c/o Harneys Fiduciary (Cayman) Limited, 4th Floor, Harbour Place, 103 South Church Street, Grand Cayman KY1-1002, Cayman Islands. The above is based on the Schedule 13D filed by Astral Success Limited, among others, on July 22, 2021.

(4) 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 July 15, 2021, all Class B ordinary shares held by Xin Gao Group Limited, representing 2.8% of outstanding ordinary shares and 22.1% 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.

(5) Represents, to our knowledge, 207,340,824 Class A ordinary shares beneficially owned by GIC Private Limited ("GIC") as of June 18, 2021. Based on the Schedule 13G/A filed by GIC on April 23, 2021, GIC beneficially owned 189,436,303 Class A ordinary shares. GIC is 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 155,811,890 securities beneficially owned by the GoS. GIC shares power to vote and dispose of 33,624,413 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/A filed by GIC on April 23, 2021 and information that became available to us subsequently.

(6) Represents 112,197,309 Class A ordinary shares directly held by Redrock Holding Investments Limited in the form of 37,399,103 ADSs and 11,650,485 Class A ordinary shares by way of conversion from the convertible notes held by Redrock Holding Investments Limited in principal amount of US$12 million at a conversion price of $1.03 per Class A ordinary share on July 12, 2021, as reported on the Schedule 13D/A filed by Redrock Holding Investments Limited, among others, on July 13, 2021. 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 July 13, 2021.

(7) 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.

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. We have also issued senior convertible preferred shares, which are convertible into our Class A ordinary shares. 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 July 15, 2021, 1,185,017,589 of our ordinary shares and 291,290,416 of our senior convertible preferred shares were issued and outstanding. To our knowledge, a total of 860,373,405 Class A ordinary shares were held by four record holders in the United States, representing approximately 58.3% of our total outstanding ordinary shares, assuming the senior convertible preferred shares are converted into Class A ordinary shares on a one-for-one basis (including the 7,125,893 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 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 March 31, 2021, the remaining balance due from Baidu was nil.

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 Fairlubo 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. Kim 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. Kim 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.

On July 12, 2021, the IRA was terminated and shall have no further effect by way of a termination agreement.

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 from April 1, 2020 to March 31, 2021.

Other Transactions with 58.com

In 2019, three months ended March 31, 2020 and the fiscal year ended March 31, 2021, 58.com provided advertising and other services to us at arm's length in the amount of RMB47.1 million, RMB23.5 million and RMB89.8 million, respectively.

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 were 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. 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 23, 2021, we settled the two cases for a total sum of US$9.5 million approved by court, out of which US$6.5 million were covered by our insurance policy and we made a contribution for US$3.0 million. 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 were named as a defendant in two putative shareholder class action lawsuits in the past 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 unfair competition, trademark, 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, our business, results of operations and financial condition could be materially and adversely affected."

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 Act (As Revised) of the Cayman Islands, which is referred to as the Companies Act below, and the common law of the Cayman Islands.

Memorandum and Articles of Association and Ordinary Shares

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 Act, 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 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 sale, transfer, 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 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 and our senior convertible preferred 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 or the Certificate of Designation. In respect of matters requiring shareholders' vote, each Class A ordinary share is entitled to one vote, each Class B ordinary share is entitled to ten votes, and each senior convertible preferred share is entitled to that number of votes equal to the largest number of whole Class A Ordinary Shares into which each such senior convertible preferred share could be converted. 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 shareholder who holds not less than 10% of the votes attaching to the total 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 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 shares cast by those shareholders entitled to vote who are present in person or by proxy at a general meeting. Both ordinary resolutions and special resolutions may also be passed by a unanimous written resolution signed by all the shareholders of our company, as permitted by the Companies Act 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 our shares may, among other things, divide or combine all or any of our company's share capital by ordinary resolution.

General Meetings of Shareholders

As a Cayman Islands exempted company, we are not obliged by the Companies Act 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 the chairman of our board of directors or by a resolution passed 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 holding shares which carry in aggregate (or representing by proxy) not less than one-third of all votes attaching to the issued and outstanding shares in our company entitled to vote at general meetings, present in person or by proxy or, if a corporation or other non-natural person, by its duly authorized representative. Holders of our senior convertible preferred shares shall be included for the purposes of determining whether the quorum requirement is satisfied.

The Companies Act 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, and subject to the rights of the senior convertible preferred shares as set out in the Certificate of Designation, 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 Act, 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 Act 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 (subject to any rights or restrictions for the time being attached to any class or series), may only be materially adversely varied with the consent in writing of the holders of all 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 that class or series. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, subject to any rights or restrictions for the time being attached to the shares of that class, be deemed to be materially adversely varied by 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 and articles 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 and articles of association also authorize our board of directors to authorize the division of our shares into any number of classes and the different classes shall be authorized, established and designated (or re-designated as the case may be), and the variations in the relative rights (including, without limitation, voting, dividend and redemption rights), restrictions, preferences, privileges and payment obligations as between the different classes may be fixed and determined by our board of directors. Our directors may issue shares with such preferred or other rights, all or any of which may be greater than the rights of our ordinary shares, at such time and on such terms as they may think appropriate. Our directors may issue from time to time one or more series of preferred shares in their absolute discretion and without approval of our shareholders, and to determine, with respect to any series of preferred shares, the terms and rights of that series, including:

- the designation of the series;
- the number of shares of the series;
- the dividend rights, dividend rates, conversion rights, voting rights; and
- the rights and terms of redemption and liquidation preferences.

Issuance of preferred 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 (other than our memorandum and articles of association, special resolutions passed by our shareholders, and our register of mortgages and charges). 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 preferred shares in one or more series and to designate the price, rights, preferences, privileges and restrictions of such preferred shares without any further vote or action by our shareholders; and
- limit the ability of shareholders to requisition and convene general meetings of shareholders.

However, under Cayman Islands law, our directors may only exercise the rights and powers granted to them under our 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 Act. The Companies Act 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 Act, 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. The shareholders recorded in our register of members are 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.

Certificate of Designation and Preferred Shares

We have issued senior convertible preferred shares on July 12 2021, which have the rights, preferences, privileges and restrictions set out in the Certificate of Designation dated July 12, 2021 and approved by a resolution of our board of directors (the "Certificate of Designation"). On the same day, we also issued warrants to purchase senior convertible preferred shares.

The following summarizes the key rights, preferences, privileges and restrictions on our senior convertible preferred shares:

Dividend

Each senior convertible preferred share has a par value of US$0.0001 per share and a stated value equal to US$0.3433 per share. If we declare any dividend, the holders of senior convertible preferred shares shall be entitled to receive, on parity with each other holders and in preference to ordinary shares and/or other junior securities, dividends at the rate of 8% per annum of the stated value.

Voting Rights

Each holder of each senior convertible preferred share shall be entitled to vote that number of votes equal to the largest number of whole shares of Class A ordinary shares into which each such senior convertible preferred share could be converted.

Liquidation

Upon any liquidation, dissolution or winding-up of our company, each holder of senior convertible preferred share, *pari passu* with other holders and in preference to the holders of junior securities, shall be entitled to receive an amount equal to 150% of the stated value per senior convertible preferred share held by ordinary shares and/or such holder, plus any accrued and unpaid dividends.

Conversion

Each senior convertible preferred share shall be convertible, at any time at the option of the holder at its sole discretion, into that number of Class A ordinary shares or ADSs determined by dividing the stated value of such senior convertible preferred share by the conversion price, which shall initially be the stated value and is subject to adjustment from time to time.

Redemption Right

Upon the occurrence of certain events, our company shall redeem all or part of the senior convertible preferred shares upon written notice of each holder of senior convertible preferred shares. The redemption price shall equal to the sum of (i) the aggregate amount of the stated value, as adjusted, plus (ii) an amount accruing at a compound annual rate of 8% of such stated value for a period commencing from the original issue date and ending on the redemption closing date, plus (iii) any accrued but unpaid dividends.

C. Material Contracts

Other than in the ordinary course of business and other than those described in this item, "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.

Certain Agreements with GIC

In October 2020, we entered into a series of agreements with GIC Private Limited in connection with a private placement. Set forth below is a summary of certain of the agreements.

Share Subscription Agreement. On October 5, 2020, we entered into a share subscription agreement with GIC, pursuant to which GIC subscribed for 50,813,008 of our newly issued Class A ordinary shares for an amount of US$15 million. GIC also agreed, for a period of 180 days commencing from the closing date, not to transfer, sell or dispose of any of the newly subscribed shares except to its affiliates.

Registration Rights Agreement. On October 8, 2020, we entered into a registration rights agreement with GIC, pursuant to which, on or no later than three business days after (i) the date of the filing of the annual report on Form 20-F for the fiscal year ended March 31, 2021 and (ii) July 31, 2021, we shall prepare and file with the SEC a registration statement on Form F-3 for an offering to be made on a continuous basis pursuant to Rule 415 under the Securities Act. GIC also has piggyback registration rights.

Share Subscription Agreement with Wells Fargo

On October 5, 2020, we entered into a share subscription agreement with Wells Capital Management, Inc., pursuant to which Wells Fargo subscribed for 33,879,831 of our newly issued Class A ordinary shares for an amount of US$10 million. Wells Fargo also agreed, for a period of 180 days commencing from the closing date, not to transfer, sell or dispose of any of the newly subscribed shares with limited exceptions.

Certain Agreements with NIO Capital and Joy Capital

In June 2021, we entered into a series of agreements with Abundance Grace Investment Limited, an affiliate of NIO Capital, and Astral Success Limited, an affiliate of Joy Capital, in connection with a new round of financing. Set forth below is a summary of certain of the agreements.

Share Subscription Agreement. On June 14, 2021, we entered into a share subscription agreement with NIO Capital and Joy Capital. Pursuant to the share subscription agreement, NIO Capital and Joy Capital agreed to subscribe for 436,935,624 of our newly issued senior convertible preferred shares for an aggregate amount of US$150 million. On July 12, 2021, the first closing was completed for an aggregate amount of US$100 million for the issuance of 291,290,416 senior convertible preferred shares. The completion of the second closing for an aggregate amount of US$50 million for the issuance of 145,645,208 senior convertible preferred shares is subject to customary closing conditions. Each of NIO Capital and Joy Capital also agreed, for a period of 180 days commencing from July 12, 2021, not to transfer, sell or dispose of any of the newly subscribed shares with limited exceptions.

Investors' Rights Agreement. On July 12, 2021, we entered into an investors' rights agreement with NIO Capital and Joy Capital. Pursuant to the investors' rights agreement, NIO Capital and Joy Capital enjoy pre-emptive rights. In addition, they agreed to certain lock-up, co-sale, rights of first refusal and other transfer restrictions provided in the investors' rights agreement. During the lock-up period, upon the occurrence of certain events, the 40,809,861 Class B ordinary shares beneficially owned by Mr. Kun Dai will be automatically converted into an equal number of Class A ordinary shares.

Voting Agreement. On July 12, 2021, we entered into a voting agreement with NIO Capital and Joy Capital. Pursuant to the voting agreement, each of NIO Capital and Joy Capital is entitled to nominate one director of our company under certain conditions. In addition, NIO Capital and Joy Capital are entitled to jointly nominate two independent directors of our company under certain conditions. The certain major shareholders (as defined therein) are entitled to jointly nominate one director of our company under certain conditions. Mr. Kun Dai is entitled to nominate one director and one independent director under certain conditions.

Registration Rights Agreement. On July 12, 2021, we entered into a registration rights agreement with NIO Capital and Joy Capital. Pursuant to the registration rights agreement, on or no later than three business days after (i) the date of the filing of the annual report on Form 20-F for the fiscal year ended March 31, 2021 and (ii) July 31, 2021, we shall prepare and file with the SEC a registration statement on Form F-3 for an offering of registrable securities to be made on a continuous basis pursuant to Rule 415 under the Securities Act. NIO Capital and Joy Capital also have piggyback registration rights.

Warrant. On July 12, 2021, we also issued warrants to each of NIO Capital and Joy Capital. Pursuant to the warrants, each of NIO Capital and Joy Capital has the right to purchase up to 240,314,593 senior convertible preferred shares with an exercise price of US$0.3433, exercisable, at the option of the holder, at any time and from time to time on or prior to 5 p.m. (New York City time) of January 12, 2023.

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. In addition, SAT Public Notice 37 provided certain key changes to the previous withholding regime, such as (i) the withholding obligation for a non-resident enterprise deriving dividend arises on the date on which the payment is actually made rather than on the date of the resolution that declared the dividends, (ii) non-resident enterprises are not obligated to report tax to relevant authorities if their withholding agents fail to perform the withholding obligation is removed. However, there is uncertainty as to the application of SAT Public Notice 37 and 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 37 and SAT Public Notice 7 and we may be required to expend valuable resources to comply with SAT Public Notice 37 and SAT Public Notice 7 or to establish that we should not be taxed under SAT Public Notice 37 and SAT Public Notice 7. 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. 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.

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. The remainder of this discussion assumes that a U.S. Holder of the ADSs or Class A ordinary shares will be treated in this manner.

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 and other unbooked intangibles 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 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 and their subsidiaries 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. If it were determined, however, that we do not own the stock of our VIEs and their subsidiaries for U.S. federal income tax purposes, we may be treated as a PFIC for the current taxable year and any subsequent taxable year.

Assuming that we are the owner of our VIEs and their subsidiaries for U.S. federal income tax purposes, we do not believe that we were a PFIC for our taxable year ended March 31, 2021 and we do not presently expect to be a PFIC for the current taxable year or the foreseeable future. However, no assurance can be given in this regard because the determination of whether we are or will become a PFIC is a fact-intensive inquiry made on an annual basis that depends, in part, upon the composition of our income and assets and the value of our assets. As previously disclosed, we believed that we were a PFIC for U.S. federal income tax purposes for our taxable year ended December 31, 2019. Fluctuations in the market price of our ADSs may cause us to become a PFIC for the current or future taxable years because the value of our assets for the purpose of the asset test, including the value of our goodwill and unbooked intangibles, may be determined by reference to the market price of our ADSs from time to time (which may be volatile). The composition of our income and assets may also be affected by how, and how quickly, we use our liquid assets. If our market capitalization subsequently declines, we may be or become a PFIC for the current taxable year or future taxable years. Under circumstances where our revenue from activities that produce passive income significantly increases relative to our revenue from activities that produce non-passive income, or where we determine not to deploy significant amounts of cash for active purposes, our risk of becoming a PFIC may substantially increase.

If we are a PFIC for any year during which a U.S. Holder holds our ADSs or Class A ordinary 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 ordinary shares even if we cease to meet the threshold requirements for PFIC status. However, if we cease to be a PFIC, provided that you have not made a mark-to-market election, as described below, you may avoid some of the adverse effects of the PFIC regime by making a "deemed sale" election with respect to the ADSs or ordinary shares, as applicable. If such election is made, you will be deemed to have sold our ADSs or Class A ordinary shares you hold at their fair market value and any gain from such deemed sale would be subject to the rules described in the following two paragraphs. After the deemed sale election, so long as we do not become a PFIC in a subsequent taxable year, your ADSs or Class A ordinary shares with respect to which such election was made will not be treated as shares in a PFIC and you will not be subject to the rules described below with respect to any "excess distribution" you receive from us or any gain from an actual sale or other disposition of the ADSs or Class A ordinary shares. The rules dealing with deemed sale elections are very complex. Each U.S. Holder should consult its tax advisors regarding the possibility and consequences of making a deemed sale election if we cease to be a PFIC and such election becomes available to you.

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.

A 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. There can be no assurance that our ADSs will continue to be considered readily tradable on an established securities market in later years. Furthermore, as previously disclosed, we believed that we were a PFIC for U.S. federal income tax purposes for our taxable year ended December 31, 2019. 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"), a U.S. Holder may be subject to PRC withholding taxes on dividends paid on the ADSs or Class A ordinary shares. We may, however, 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. Dividends received on the ADSs or ordinary shares will not be eligible for the dividends received deduction allowed to corporations.

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

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 that have a penalizing effect regardless of whether we remain a PFIC 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" in a PFIC may make a mark-to-market election with respect to such stock. 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. 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.

Because a mark-to-market election technically 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, including the possibility of making a mark-to-market election.

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 March 31, 2021, we had RMB-denominated cash and cash equivalents and restricted cash RMB45.3 million, and U.S. dollar-denominated cash balances of US$28.7 million. Assuming we had converted RMB45.3 million into U.S. dollars at the exchange rate of RMB6.5518 for US$1.00 as of March 31, 2021, our U.S. dollar cash balance would have been US$6.9 million. If the RMB had depreciated by 10% against the U.S. dollar, our U.S. dollar cash balance would have been US$6.3 million instead. Assuming we had converted US$28.7 million into RMB at the exchange rate of RMB6.5518 for US$1.00 as of March 31, 2021, our RMB cash balance would have been RMB188.4 million. If the RMB had depreciated by 10% against the U.S. dollar, our RMB cash balance would have been RMB207.3 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 2018, 2019 and 2020 were increases of 1.9%, 4.5% and 0.2%, 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 fiscal year of 2021, we received approximately US$1.4 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 March 31, 2021 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 March 31, 2021, 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 March 31, 2021. 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://irxin.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.

	In the Year of 2019	In the Fiscal Year ended March 31, 2021
Audit fees[(1)]	US$1,146,756	US$818,096
All other fees[(2)]	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 2019 and the fiscal year of 2021, 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; (ii) shareholder approval is not required for the adoption or amendment of an equity compensation plan; (iii) shareholder approval is not required for 20% share issuance at a price that is less than the minimum price as required in Nasdaq Rule 5635(d); and (iv) we are not required to maintain a majority independent board as required in Nasdaq Rule 5605(b)(1). 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 in the transaction with Nio Capital and Joy Capital in June 2021 in which the issue price is less than the minimum price requirements and when adopting our 2018 Second Amended and Restated Share Incentive Plan in November 2018, in each case without seeking shareholder approval. In addition, we rely on home country practice so that our board of directors does not consist of a majority of independent directors.

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)
1.2*	Certificate of Designation of Senior Convertible Preferred Shares of the Registrant dated July 12, 2021
1.3*	Form of Warrant to Purchase Senior Convertible Preferred Shares of the Registrant dated July 12, 2021
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 (incorporated by reference to Exhibit 3.1 of the annual report on Form 20-F filed by the Registrant with the Securities and Exchange Commission on May 12, 2020)
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)
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)

Exhibit Number	Description of Document
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)
4.13	English translation of the Equity Interest Pledge Agreement among Yougu, Yishouche and Mr. Kw 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

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	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)
4.23	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)
4.24†	Convertible Note Purchase Agreement (First Closing) by and between the Registrant and PacificBridge Asset Management dated July 12, 2019 (incorporated by reference to Exhibit 4.29 of the annual report on Form 20-F filed by the Registrant with the Securities and Exchange Commission on May 12, 2020)
4.25†	Convertible Note Purchase Agreement (Second Closing) by and between the Registrant and PacificBridge Asset Management dated July 12, 2019 (incorporated by reference to Exhibit 4.30 of the annual report on Form 20-F filed by the Registrant with the Securities and Exchange Commission on May 12, 2020)
4.26†	Amendment to Convertible Note Purchase Agreement (Second Closing) by and between the Registrant and PacificBridge Asset Management dated August 13, 2019 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 (incorporated by reference to Exhibit 4.31 of the annual report on Form 20-F filed by the Registrant with the Securities and Exchange Commission on May 12, 2020)
4.27†	Convertible Note Purchase Agreement (Third Closing) by and between the Registrant and PacificBridge Asset Management dated July 12, 2019 (incorporated by reference to Exhibit 4.32 of the annual report on Form 20-F filed by the Registrant with the Securities and Exchange Commission on May 12, 2020)
4.28†	Amendment to Convertible Note Purchase Agreement (Third Closing) by and between the Registrant and PacificBridge Asset Management dated August 13, 2019 (incorporated by reference to Exhibit 4.33 of the annual report on Form 20-F filed by the Registrant with the Securities and Exchange Commission on May 12, 2020)
4.29†	Second Amendment to Convertible Note Purchase Agreement (Third Closing) by and between the Registrant and PacificBridge Asset Management dated October 10, 2019 (incorporated by reference to Exhibit 4.34 of the annual report on Form 20-F filed by the Registrant with the Securities and Exchange Commission on May 12, 2020)

Exhibit Number	Description of Document
4.30†	Asset Transfer Agreement by and among the Registrant, Tianjin Wuba Rongxin Information Technology Co., Ltd. and certain other parties dated September 30, 2019 (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 May 12, 2020)
4.31†	Supplementary Agreements to Assets Transfer Agreement by and among the Registrant, Tianjin Wuba Rongxin Information Technology Col, Ltd. and certain other parties dated April 23, 2020 (incorporated by reference to Exhibit 4.36 of the annual report on Form 20-F filed by the Registrant with the Securities and Exchange Commission on May 12, 2020)
4.32†	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 (incorporated by reference to Exhibit 4.37 of the annual report on Form 20-F filed by the Registrant with the Securities and Exchange Commission on May 12, 2020)
4.33†	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 (incorporated by reference to Exhibit 4.38 of the annual report on Form 20-F filed by the Registrant with the Securities and Exchange Commission on May 12, 2020)
4.34†	Business Cooperation Agreement by and among the Registrant, Beijing 58 Paipai Information Technology Co., Ltd. and certain other parties dated April 14, 2020 (incorporated by reference to Exhibit 4.39 of the annual report on Form 20-F filed by the Registrant with the Securities and Exchange Commission on May 12, 2020)
4.35	English translation of Supplemental Agreement to Vehicle Financing Business Cooperation Agreement by and among WeBank, Kai Feng Finance Lease (Hangzhou) Co., Ltd. and certain other parties dated July 23, 2020 (incorporated by reference to Exhibit 4.40 of the transition report on Form 20-F filed by the Registrant with the Securities and Exchange Commission on July 24, 2020)
4.36	Agreement to Convertible Promissory Note by and between the Registrant and PacificBridge Asset Management dated July 23, 2020 (incorporated by reference to Exhibit 4.41 of the transition report on Form 20-F filed by the Registrant with the Securities and Exchange Commission on July 24, 2020)
4.37	Agreement to Convertible Promissory Note by and between the Registrant and PacificBridge Asset Management dated July 23, 2020 (incorporated by reference to Exhibit 4.42 of the transition report on Form 20-F filed by the Registrant with the Securities and Exchange Commission on July 24, 2020)
4.38*	Share Subscription Agreement by and between the Registrant and GIC Private Limited dated October 5, 2020
4.39*	Registration Rights Agreement by and between the Registrant and GIC Private Limited dated October 8, 2020
4.40*	Share Subscription Agreement by and between the Registrant and Wells Capital Management, Inc. on behalf of Wells Fargo Emerging Markets Equity Fund, Emerging Markets Equity Fund, a series of 525 Market Street Fund, LLC and Emerging Markets Equity CIT dated October 5, 2020
4.41*	Share Subscription Agreement by and among the Registrant, Astral Success Limited and Abundant Grace Investment Limited dated June 14, 2021
4.42*	Investors' Rights Agreement by and among the Registrant, Kun Dai, Xin Gao Group Limited, Astral Success Limited and Abundant Grace Investment Limited dated July 12, 2021
4.43*	Voting Agreement by and among the Registrant, Kun Dai, Xin Gao Group Limited, Astral Success Limited, Abundant Grace Investment Limited, Redrock Holding Investments Limited, TPG Growth III SF Pte. Ltd. and 58.com Holding Inc. dated July 12, 2021
4.44*	Registration Rights Agreement by and among the Registrant, Astral Success Limited and Abundant Grace Investment Limited dated July 12, 2021

Exhibit Number	Description of Document
4.45*	Supplemental Agreement in connection with the Convertible Note Purchase Agreement and Convertible Promissory Notes by and among the Registrant, Redrock Holding Investments Limited, TPG Growth III SF Pte. Ltd., 58.com Holdings Inc., Kun Dai, Xin Gao Group Limited, Gao Li Group Limited, ClearVue UXin Holdings, Ltd. and Magic Carpet International Limited dated June 17, 2021
4.46*	Termination Agreement by and among the Registrant, Redrock Holding Investments Limited, TPG Growth III SF Pte. Ltd., 58.com Holdings Inc., Kun Dai, Xin Gao Group Limited, Gao Li Group Limited and JenCap UX dated July 12, 2021
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 Beijing Docvit Law Firm
101.INS*	XBRL Instance Document
101.SCH*	XBRL Taxonomy Extension Schema Document 140
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
104*	Cover Page Interactive Data File (embedded within the Inline XBRL 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: July 30, 2021

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 March 31, 2021 and 2020, and the related consolidated statements of comprehensive loss, changes in shareholders' equity/(deficit) and cash flows for the fiscal year ended March 31, 2021, for the three months ended March 31, 2020, and for the years ended December 31, 2019 and 2018, 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 March 31, 2021 and 2020, and the results of its operations and its cash flows for the fiscal year ended March 31, 2021, for the three months ended March 31, 2020, and for the years ended December 31, 2019 and 2018 in conformity with accounting principles generally accepted in the United States of America.

Changes in Accounting Principle

As discussed in Note 2 to the consolidated financial statements, the Company changed the manner in which it accounts for credit losses on certain financial assets and guarantee liabilities on January 1, 2020.

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
July 30, 2021

We have served as the Company's auditor since 2017.

UXIN LIMITED

CONSOLIDATED BALANCE SHEET
AS OF MARCH 31, 2020 AND 2021
(All amounts in thousands, except for share and per share data, unless otherwise noted)

	Notes	March 31, 2020	March 31, 2021	
		RMB	RMB	US$ (Note 2.7)
ASSETS				
Current assets:				
Cash and cash equivalents		342,504	192,605	29,397
Restricted cash		454,931	41,114	6,275
Accounts receivables, net		6,397	2,446	375
Amounts due from related parties, net		28,070	129,383	19,748
Loan recognized as a result of payment under the guarantee, net of provision for credit losses of RMB2,190,575 and RMB1,182,609 as of March 31, 2020 and 2021, respectively	5	404,174	179,947	27,465
Advance to sellers, net		132,526	—	—
Other receivables, net of provision for credit losses of RMB51,666 and RMB20,980 as of March 31, 2020 and 2021, respectively		287,753	110,025	16,793
Inventory, net		10,314	69,587	10,621
Prepaid expenses and other current assets		137,148	107,836	16,459
Financial lease receivables, net of provision for credit losses of RMB27,250 and RMB27,021 as of March 31, 2020 and 2021, respectively		15,048	—	—
Net assets transferred		420,000	—	—
Total current assets		**2,238,865**	**832,943**	**127,133**
Non-current assets:				
Property, equipment and software, net		87,558	29,306	4,473
Intangible assets, net		139	27	4
Goodwill, net		9,541	—	-
Long-term investments		276,762	288,428	44,023
Other non-current assets		—	36,000	5,495
Right-of-use assets, net		34,466	46,829	7,148
Total non-current assets		**408,466**	**400,590**	**61,143**
Total assets		**2,647,331**	**1,233,533**	**188,276**
LIABILITIES AND EQUITY				
Current liabilities (including amounts of the consolidated VIEs and VIEs' subsidiaries without recourse to the primary beneficiary of RMB74,022 and RMB65,476 as of March 31, 2020 and 2021, respectively)				
Short-term borrowings and current portion of long-term borrowings		119,069	79,560	12,143
Accounts payable		132,357	101,205	15,447
Guarantee liabilities		910,949	2,441	373
Deposit of interests from consumers and payable to financing partners, current		25,968	—	—
Advance from buyers collected on behalf of sellers		110,493	—	—
Other payables and other current liabilities		1,175,914	788,303	120,319
Deferred revenue		50,348	23,296	3,556
Convertible notes, current		375,449	—	—
Amounts due to related parties		—	69,434	10,598
Operating lease liabilities, current		32,842	11,657	1,779
Consideration payment to Webank, current		—	71,309	10,884
Liabilities held for sale		143,009	—	—
Total current liabilities		**3,076,398**	**1,147,205**	**175,099**
Non-current liabilities				
Long-term borrowings		234,585	233,000	35,563
Convertible notes, non-current		1,679,130	1,614,040	246,351
Operating lease liabilities, non-current		1,865	34,365	5,245
Consideration payment to Webank, non-current		—	200,778	30,645
Total non-current liabilities		**1,915,580**	**2,082,183**	**317,804**
Total liabilities		**4,991,978**	**3,229,388**	**492,903**

UXIN LIMITED

CONSOLIDATED BALANCE SHEETS
AS OF MARCH 31, 2020 AND 2021
(All amounts in thousands, except for share and per share data, unless otherwise noted)

	Notes	March 31, 2020	March 31, 2021	
		RMB	RMB	US$ (Note 2.7)
Contingencies	27			
Shareholders' deficit				
Ordinary shares (US$0.0001 per value, 10,000,000,000 shares authorized as of March 31, 2020 and 2021, respectively; 846,857,596 Class A ordinary shares and 40,809,861 Class B ordinary shares issued and outstanding as of March 31, 2020; 1,071,621,698 Class A ordinary shares and 40,809,861 Class B ordinary shares issued and outstanding as of March 31, 2021)		581	733	112
Additional paid-in capital		13,036,989	13,695,877	2,090,399
Accumulated other comprehensive income		106,764	217,747	33,235
Accumulated deficit		(15,488,827)	(15,910,049)	(2,428,348)
Total UXIN LIMITED shareholders' deficit		**(2,344,493)**	**(1,995,692)**	**(304,602)**
Non-controlling interests		(154)	(163)	(25)
Total shareholders' deficit		**(2,344,647)**	**(1,995,855)**	**(304,627)**
Total liabilities and shareholders' deficit		**2,647,331**	**1,233,533**	**188,276**

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, 2018 AND 2019, THE THREE MONTHS ENDED MARCH 31, 2020, AND THE FISCAL YEAR ENDED MARCH 31, 2021
(All amounts in thousands, except for share and per share data, unless otherwise noted)

	For the year ended December 31,		For the three months ended March 31,	For the fiscal year ended March 31,	
	2018	2019	2020	2021	
	RMB	RMB	RMB	RMB	US$ (Note 2.7)
Revenues:					
Retail vehicle sales	—	—	—	463,547	70,751
Wholesale vehicle sales	—	—	—	51,249	7,822
Commission revenue	203,158	711,362	48,038	41,939	6,401
Value-added service revenue	166,482	636,046	40,456	35,248	5,380
Others (including RMB10,869 from related party during the fiscal year ended March 31, 2021)	289,450	240,623	15,367	65,425	9,986
Total Revenues	**659,090**	**1,588,031**	**103,861**	**657,408**	**100,340**
Cost of revenues	(418,852)	(689,292)	(110,714)	(673,711)	(102,828)
Gross profit	**240,238**	**898,739**	**(6,853)**	**(16,303)**	**(2,488)**
Operating expenses:					
Sales and marketing	(1,488,699)	(1,184,997)	(189,503)	(339,013)	(51,743)
Research and development	(124,513)	(140,006)	(31,176)	(74,137)	(11,316)
General and administrative	(1,070,419)	(402,040)	(74,926)	(277,925)	(42,420)
Losses from guarantee liabilities	(4,414)	(194,385)	—	—	—
Provision for credit losses, net	(40,626)	(271,372)	(1,939,570)	(91,593)	(13,980)
Total operating expenses	**(2,728,671)**	**(2,192,800)**	**(2,235,175)**	**(782,668)**	**(119,459)**
Other operating income	—	1,925	56,043	246,346	37,600
Loss from continuing operations	**(2,488,433)**	**(1,292,136)**	**(2,185,985)**	**(552,625)**	**(84,347)**
Interest income	24,554	14,958	3,081	45,140	6,890
Interest expenses	(63,880)	(112,587)	(29,029)	(95,953)	(14,645)
Other income	23,721	71,142	2,420	15,672	2,392
Other expenses	(25,568)	(36,569)	(10,118)	(7,890)	(1,204)
Foreign exchange (loss)/ gains	(8,232)	4,247	(388)	(15,887)	(2,425)
Fair value change of derivative liabilities	1,185,090	—	—	—	—
Gain from disposal of investments, net	—	28,257	—	—	—
Impairment of long-term investment	—	(37,775)	—	—	—
Gain from disposal of subsidiaries	—	—	179,020	—	—
Inducement charge	—	—	—	(121,056)	(18,477)
Loss from continuing operations before income tax expense	**(1,352,748)**	**(1,360,463)**	**(2,040,999)**	**(732,599)**	**(111,816)**
Income tax (expense)/ benefit	(1,644)	2,554	(326)	(33)	(5)
Equity in income of affiliates	2,631	30,231	6,940	15,657	2,390
Net loss from continuing operations, net of tax	**(1,351,761)**	**(1,327,678)**	**(2,034,385)**	**(716,975)**	**(109,431)**
Less: net loss attributable to non-controlling interests shareholders	(15,771)	(1,452)	(5,383)	(9)	(1)
Net loss from continuing operations, attributable to UXIN LIMITED	**(1,335,990)**	**(1,326,226)**	**(2,029,002)**	**(716,966)**	**(109,430)**
Accretion on redeemable preferred shares	(318,951)	—	—	—	—
Deemed dividend to preferred shareholders	(544,773)	—	—	—	—
Net loss from continuing operations, attributable to ordinary shares	**(2,199,714)**	**(1,326,226)**	**(2,029,002)**	**(716,966)**	**(109,430)**
Discontinued operations					
Net (loss)/income from discontinued operations before income tax	(173,583)	(659,458)	(455,177)	295,744	45,139
Income tax expense	(12,941)	(2,992)	—	—	—
Net (loss)/income from discontinued operations	**(186,524)**	**(662,450)**	**(455,177)**	**295,744**	**45,139**
Net (loss)/income from discontinued operations attributable to UXIN LIMITED	**(186,524)**	**(662,450)**	**(455,177)**	**295,744**	**45,139**
Net loss	(1,538,285)	(1,990,128)	(2,489,562)	(421,231)	(64,292)
Less: net loss attributable to non-controlling interests shareholders	(15,771)	(1,452)	(5,383)	(9)	(1)
Net loss attributable to UXIN LIMITED	**(1,522,514)**	**(1,988,676)**	**(2,484,179)**	**(421,222)**	**(64,291)**
Accretion on redeemable preferred shares	(318,951)	—	—	—	—
Deemed dividend to preferred shareholders	(544,773)	—	—	—	—
Net loss attributable to ordinary shareholders	**(2,386,238)**	**(1,988,676)**	**(2,484,179)**	**(421,222)**	**(64,291)**
Net loss	**(1,538,285)**	**(1,990,128)**	**(2,489,562)**	**(421,231)**	**(64,292)**
Other comprehensive income/ (loss)					
Foreign currency translation, net of tax nil	4,818	(17,976)	40,028	110,983	16,939
Total comprehensive loss	**(1,533,467)**	**(2,008,104)**	**(2,449,534)**	**(310,248)**	**(47,353)**
Less: total comprehensive loss attributable to non-controlling interests shareholders	(22,359)	(1,558)	(3,927)	(9)	(1)
Total comprehensive loss attributable to UXIN LIMITED	**(1,511,108)**	**(2,006,546)**	**(2,445,607)**	**(310,239)**	**(47,352)**
Net loss from continuing operations, attributable to ordinary shareholders	(2,199,714)	(1,326,226)	(2,029,002)	(716,966)	(109,430)
Net (loss)/ income from discontinued operations, attributable to ordinary shareholders	(186,524)	(662,450)	(455,177)	295,744	45,139
Net loss attributable to ordinary shareholders	**(2,386,238)**	**(1,988,676)**	**(2,484,179)**	**(421,222)**	**(64,291)**
Weighted average shares outstanding - basic	477,848,763	886,613,598	888,460,868	1,100,650,208	1,100,650,208
Weighted average shares outstanding - diluted	477,848,763	886,613,598	888,460,868	1,330,913,033	1,330,913,033
Net (loss)/ income per share for ordinary shareholders, basic					
Continuing operations	(4.60)	(1.50)	(2.28)	(0.65)	(0.10)
Discontinued operations	(0.39)	(0.75)	(0.51)	0.27	0.04
Net (loss)/ income per share for ordinary shareholders, diluted					
Continuing operations	(4.60)	(1.50)	(2.28)	(0.65)	(0.10)
Discontinued operations	(0.39)	(0.75)	(0.51)	0.22	0.03

The accompanying notes are an integral part of these consolidated financial statements.

UXIN LIMITED

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY/(DEFICIT)
FOR THE YEAR ENDED DECEMBER 31, 2018 AND 2019, THE THREE MONTHS ENDED MARCH 31, 2020, AND THE FISCAL YEAR ENDED MARCH 31, 2021
(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	Additional paid-in capital	Accumulated other comprehensive income	Accumulated deficit	Total UXIN LIMITED shareholders' equity/(deficit)	Non-controlling interest	Total shareholders' equity/(deficit)
		RMB	RMB	RMB	RMB	RMB	RMB	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 options	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
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 options	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
Balance as of December 31, 2019	887,617,391	581	13,069,560	68,192	(12,669,165)	469,168	(4,048)	465,120
Cumulative effect of adoption of new accounting standard (Note 2.32)	—	—	—	—	(319,036)	(319,036)	—	(319,036)
Balance as of January 1, 2020	887,617,391	581	13,069,560	68,192	(12,988,201)	150,132	(4,048)	146,084
Foreign currency translation adjustments	—	—	—	38,572	—	38,572	1,456	40,028
Net loss	—	—	—	—	(2,484,179)	(2,484,179)	(5,383)	(2,489,562)
Issuance of ordinary shares due to exercise of the share options	50,066	*	—	—	—	—	—	—
Share-based compensation	—	—	(32,571)	—	—	(32,571)	—	(32,571)
Repurchase of ordinary shares from Fairlubo's minority interest	—	—	—	—	(16,447)	(16,447)	7,821	(8,626)
Balance as of March 31, 2020	887,667,457	581	13,036,989	106,764	(15,488,827)	(2,344,493)	(154)	(2,344,647)
Balance as of March 31, 2020	887,667,457	581	13,036,989	106,764	(15,488,827)	(2,344,493)	(154)	(2,344,647)
Foreign currency translation adjustments	—	—	—	110,983	—	110,983	—	110,983
Net loss	—	—	—	—	(421,222)	(421,222)	(9)	(421,231)
Issuance of ordinary shares due to exercise of the share options	3,791,290	2	1,909	—	—	1,911	—	1,911
Issuance of Class A ordinary shares (Note 22)	84,692,839	57	169,442	—	—	169,499	—	169,499
Share-based compensation	—	—	(19,122)	—	—	(19,122)	—	(19,122)
Conversion of convertible notes (Note 17)	136,279,973	93	506,659	—	—	506,752	—	506,752
Balance as of March 31, 2021	1,112,431,559	733	13,695,877	217,747	(15,910,049)	(1,995,692)	(163)	(1,995,855)

*Less than 1.

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, 2018 AND 2019, THE THREE MONTHS ENDED MARCH 31, 2020, AND THE FISCAL YEAR ENDED MARCH 31, 2021
(All amounts in thousands, except for share and per share data, unless otherwise noted)

	For the year ended December 31,		For the three months ended March 31,	For the fiscal year ended March 31,	
	2018	2019	2020	2021	
	RMB	RMB	RMB	RMB	US$ (Note 2.7)
Cash flows from operating activities:					
Net loss (continuing and discontinued operations)	(1,538,285)	(1,990,128)	(2,489,562)	(421,231)	(64,292)
Adjustments to reconcile net loss to net cash generated from operating activities:					
Shared-based compensation	1,052,032	100,295	(32,571)	(19,122)	(2,919)
Depreciation and amortization of property, equipment and software	88,803	88,939	21,339	46,391	7,081
Amortization of intangible assets	5,619	6,892	87	111	17
Amortization of right-of-use assets	—	75,924	1,252	10,950	1,671
Loss from disposal of property, equipment and software	290	2,710	1,210	6,568	1,002
Equity in income of affiliates	(2,631)	(30,231)	(6,940)	(15,657)	(2,390)
Provision of inventory	—	—	—	16,279	2,485
Losses from guarantee liabilities	1,931	362,597	—	—	—
Accrual of allowance for doubtful accounts	19,703	1,411	—	—	—
Deferred income tax liabilities	(1,107)	(1,678)	—	—	—
Impairment of long-term investment	—	37,775	—	—	—
Gains from disposal of long-term investment, net	—	(28,257)	—	—	—
Gain from disposal of subsidiaries	—	—	(179,020)	—	—
Provision for credit losses	40,626	271,372	1,954,516	91,593	13,980
Fair value change of derivative liabilities	(1,185,090)	—	—	—	—
Goodwill impairment	3,670	—	—	9,541	1,456
Impairment of net assets transferred	—	—	407,710	420,000	64,105
Guarantee income	—	—	(44,471)	(207,825)	(31,720)
Transaction gain from divestiture transactions, net	—	—	—	(721,211)	(110,078)
Discounting impact of consideration payment to Webank	—	—	—	(30,898)	(4,716)
Inducement charge of convertible notes	—	—	—	121,056	18,477
Changes in operating assets and liabilities:					
Receivables, prepaid expenses and other current assets	(595,277)	315,726	138,588	48,250	7,362
Amounts due from related parties	—	(51,590)	23,520	36,664	5,596
Amounts due to related parties	—	—	—	69,434	10,598
Advance to consumers on behalf of financing partners	305,509	519,773	2,135	—	—
Loan recognized as a result of payment under the guarantee	(409,093)	(1,533,259)	(251,163)	134,380	20,510
Advance to sellers	(446,427)	347,402	58,185	83,537	12,750
Financial lease receivables	141,517	156,301	102,680	8,510	1,299
Inventory	58,561	5,588	3,478	(75,552)	(11,531)
Payables, accruals and other current liabilities	654,281	679,335	(101,829)	(354,669)	(54,133)
Deposit of interests from consumers and payable to financing partners	(563,527)	(470,105)	(16,496)	(18,032)	(2,752)
Deferred revenue	87,562	(60,893)	(3,919)	(27,052)	(4,129)
Consideration payment to Webank	—	—	—	(334,323)	(51,028)
Net cash used in operating activities	**(2,281,333)**	**(1,194,101)**	**(411,271)**	**(1,122,308)**	**(171,299)**
Cash flows from investing activities:					
Proceeds from disposal of property, equipment and software	7,735	43,611	451	13,357	2,039
Purchase of property, equipment and software	(133,907)	(46,820)	(307)	(413)	(63)
Cash paid for long-term investments	(189,450)	—	—	—	—
Cash paid for acquisition, net of cash acquired	(66,339)	—	—	—	—
Proceeds from disposal of long-term investments	—	96,838	2,741	—	—
(Increase)/decrease in short-term investments	(595,078)	597,984	—	—	—
Loan extended to a related party	(101,578)	—	—	—	—
Cash deposits transferred to Golden Pacer (Note 3)	—	(1,175,867)	—	—	—
Proceeds from disposal of subsidiaries, net of cash disposed (Note 4)	—	—	157,013	130,000	19,842
Proceeds from disposal of 2B business	—	—	—	300,072	45,800
Net cash (used in)/ generated from investing activities	**(1,078,617)**	**(484,254)**	**159,898**	**443,016**	**67,618**

UXIN LIMITED

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2018 AND 2019,
THE THREE MONTHS ENDED MARCH 31, 2020, AND THE FISCAL YEAR ENDED MARCH 31, 2021
(All amounts in thousands, except for share and per share data, unless otherwise noted)

	For the year ended December 31,		For the three months ended March 31,	For the fiscal year ended March 31,	
	2018	2019	2020	2021	
	RMB	RMB	RMB	RMB	US$ (Note 2.7)
Cash flows from financing activities:					
Proceeds/ (repayment) of borrowings	25,634	(602,485)	(159,148)	(41,094)	(6,272)
Net proceeds from issuance of convertible notes	—	1,853,381	—	—	—
Net proceeds from issuance of convertible redeemable preferred shares	1,674,408	—	—	—	—
Repayment of convertible notes	—	(1,190,182)	—	—	—
Net proceeds from initial public offering and issuance of convertible notes	2,574,010	—	—	—	—
Proceeds from exercise of options	—	12,916	629	1,912	292
Proceeds from issuance of Class A ordinary shares	—	—	—	169,499	25,871
Repurchase of ordinary shares from Fairlubo's minority interest	—	—	(7,000)	—	—
Net cash generated from/ (used in) financing activities	**4,274,052**	**73,630**	**(165,519)**	**130,317**	**19,891**
Effect of exchange rate changes on cash, cash equivalents and restricted cash	**(9,278)**	**960**	**4,065**	**(14,741)**	**(2,250)**
Net increase/(decrease) in cash, cash equivalents and restricted cash	**904,824**	**(1,603,765)**	**(412,827)**	**(563,716)**	**(86,040)**
Cash, cash equivalents and restricted cash recorded in held for sale assets at beginning of the period	179,202	1,001,325	25,074	—	—
Cash, cash equivalents and restricted cash at beginning of the period	1,730,001	1,812,702	1,185,188	797,435	121,712
Cash, cash equivalents and restricted cash recorded in held for sale assets at end of the period	1,001,325	25,074	—	—	—
Cash, cash equivalents and restricted cash at end of the period	**1,812,702**	**1,185,188**	**797,435**	**233,719**	**35,672**
Supplemental disclosure of cash flow information					
—Cash paid for income tax	4,575	7,754	1,115	22	3
—Cash paid for interest	32,113	77,924	—	19,717	3,009
Supplemental schedule of non-cash investing and financing activities					
—Accretion on redeemable preferred shares	318,951	—	—	—	—
—Deemed dividend to preferred shareholders	544,773	—	—	—	—
—Repurchase of the surrender shares	746,253	—	—	—	—
—Unreceived disposal consideration	—	—	130,000	129,307	19,736
—Unpaid repurchase consideration to monitory interest	—	—	8,319	—	—

	For the year ended December 31,		For the three months ended March 31,	For the fiscal year ended March 31,	
	2018	2019	2020	2021	
	RMB	RMB	RMB	RMB	US$
Cash and cash equivalents	800,997	478,200	342,504	192,605	29,397
Restricted cash	1,011,705	706,988	454,931	41,114	6,275
Cash, cash equivalents and restricted cash reclassified as held for sale assets	1,001,325	25,074	—	—	—
Total cash, cash equivalents and restricted cash	**2,814,027**	**1,210,262**	**797,435**	**233,719**	**35,672**

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. Since September 2020, the Group has shifted to "inventory-owing" model where the Group builds-up and sells its own inventory of used vehicles. 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 cash consideration was further modified and revised to RMB295 million due to working capital adjustment. The transaction contemplated under the definitive agreements was closed in January 2020. Starting from January 31, 2020, the Company no longer retained power of control over salvage cars related business and accordingly deconsolidated related subsidiaries, mainly including Beijing Youxin Fengshun Lubao Vehicle Auction Co., Ltd., Beijing Fengshun Lubao Automotive Auction Co., Ltd., Zhejiang Dongwang Internet Technology Co., Ltd. and their wholly-owned subsidiaries ("Salvage Car Related Subsidiaries"), from the Company's consolidated financial statements.

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 gross consideration of US$105 million. The transaction contemplated under the definitive agreements was closed in April 2020.

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)

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 three months ended December 31, 2019. The transaction contemplated under the definitive and supplemental agreements was closed on April 23, 2020.

After the Divestiture Transactions, the Group will primarily operate its cross-regional online used car transaction business (2C).

As of March 31, 2021, 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
Yougu (Shanghai) Information Technology Co., Ltd.	Shanghai	March 13, 2015	100 %	Online used car transaction service
Youxin (Shaanxi) Technology Information Co., Ltd.	Xi'an	April 27, 2018	100 %	Online used car transaction service
Youxin (Ningbo) Information Technology Co., Ltd.	Ningbo	July 15, 2020	100 %	Vehicle sales

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
Youxin Yishouche (Beijing) Information Technology Co., Ltd.	Beijing	March 12, 2015	99.99 %	Transaction service

Liquidity

The Company incurred net losses from continuing operations of RMB1,351.8 million, RMB1,327.7 million, RMB2,034.4 million and RMB717.0 million for the years ended December 31, 2018, 2019,three months ended March 31, 2020 and the fiscal year ended March 31, 2021. Accumulated deficit amounted to RMB15,488.8 million and RMB15,910.0 million as of March 31, 2020 and 2021, respectively.

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 the issuance date of the annual consolidated financial statements for the three months ended March 31, 2020 and the fiscal year ended March 31, 2021, the Company believes that its cash and cash equivalents, and cash consideration received from its recent financing transaction (Note 30) are sufficient to fund its operating expenses, capital requirements and other contractual obligations for at least the next twelve months. The Company is entitled to an investment amount of up to US$315 million for the subscription of its senior convertible preferred shares, of which US$20 million and US$80 million was received in June and July 2021, respectively, and US$50 million is expected to be received within the next twelve months from the first closing date subject to customary closing conditions. Concurrently, the Company has agreed with its convertible notes holders, including 58.com, TPG and Warburg Pincus, to convert their convertible notes in an aggregate principal amount of US$69 million into 66,990,291 Class A ordinary shares of the Company. The conversion was completed in July 2021. In addition, the Company entered into operating payables waiver agreements with several suppliers, pursuant to which the Company was exempted from repayment of trade and other payables of approximately RMB120.4 million.

Considering all the actions mentioned above, which have alleviated the substantial doubt of the Company’s ability to continue as a going concern, the Company believes that its current cash and cash equivalents, cash considerations received from recent financing transactions and the anticipated cash flows from operations are sufficient to meet its anticipated working capital requirements for the next twelve months from the date these consolidated financial statements are issued. 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 three months ended December 31, 2019.

Pre-transferred net assets related to the divestiture of 2C intra-regional business and loan facilitation related service were reclassified as Net assets transferred as of March 31, 2020, while results of operations related to the 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. The transaction contemplated under the definitive agreements was closed in April 2020.

Assets and liabilities related to the divestiture of 2B online used car auction business were reclassified as assets/liabilities held for sale as of March 31, 2020, 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. Starting from January 31, 2020, the Company no longer retained power of control over salvage cars related business and accordingly deconsolidated Salvage Car Related Subsidiaries from the Group's consolidated financial statements.

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 and Yishouche 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.

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2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

2.3 Basis of consolidation (continued)

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.

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.

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2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

2.3 Basis of consolidation (continued)

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 RMB104.0 million as of March 31, 2020 and 2021, respectively. 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.

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, provision for credit losses 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.

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2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

2.5 Fair value measurements (continued)

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, 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 March 31, 2020 and 2021, 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.

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 quoted by authoritative banks prevailing on the transaction dates. Exchange gains and losses resulting from those foreign currency transactions denominated in a currency other than the functional currency are recorded in the Condensed Consolidated Statements of Comprehensive Loss.

The financial statements of the Group are translated from the functional currency into RMB. Assets and liabilities denominated in foreign currencies are translated into RMB using the applicable exchange rates at the balance sheet date. Equity accounts other than earnings generated in current period are translated into RMB at the appropriate historical rates. Revenues, expenses, gain and loss are translated into RMB using the periodic average exchange rates. The resulting foreign currency translation adjustments are recorded in other comprehensive income as a component of shareholders' deficit.

2.7 Convenience translation

Translations of Condensed Consolidated Balance Sheets, the Condensed Consolidated Statements of Comprehensive Loss and the Condensed Consolidated Statements of Cash Flows from RMB into US$ as of and for the three months ended March 31, 2021 are solely for the convenience of the readers and were calculated at the rate of US$1.00=RMB6.5518 on March 31, 2021 as set forth in the H.10 statistical release of the U.S. Federal Reserve Board. No representation is made that the RMB amounts could have been, or could be, converted, realized or settled into US$ at that rate on March 31, 2021, or at any other rate.

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2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

2.8 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.

2.9 Restricted cash

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 2.13 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 three months ended December 31, 2019, the Group no longer has provided loan facilitation related services through its online platform.

As of March 31, 2020 and 2021, the restricted cash in relation to guarantee represented 3.4% and 17.4% of the outstanding facilitated loan balance, respectively.

2.10 Inventory

As of March 31, 2020, inventories consist of GPS devices, auto check equipments and others. Inventories are valued at the lower of cost or net realizable value. 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 March 31, 2020, inventories mainly included GPS devices and auto check equipments of RMB10.2 million.

As of March 31, 2021, inventory consists primarily of used vehicles and is stated at the lower of cost or net realizable value. Inventory cost is determined by specific identification and includes acquisition cost, direct and indirect reconditioning costs and inbound transportation expenses. Net realizable value represents the estimated selling price less costs to complete, dispose and transport the vehicles. Each reporting period the Company recognizes any necessary adjustments to reflect vehicle inventory at the lower of cost or net realizable value through cost of sales in the accompanying Consolidated Statements of Comprehensive Loss. Total amount of used vehicles was RMB69.6 million as of March 31, 2021.

2.11 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 RMB 19.4 million and RMB14.1 million as of March 31, 2020 and 2021, 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 used to provide short-term inventory financing to certain selected car dealers. Those car dealers can apply and obtain loans through the Easy Loan program. The Group used to 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, the Group and a third-party financing partner entered into a financing business cooperation agreement, which established 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 was 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 considered that the financial lease receivables generated from financial lease contracts with car dealers were not settled or extinguished. Therefore, the Group accounted for the financial lease receivables on its Consolidated Balance Sheets. Starting from early 2020, the Group ceased to provide Easy Loan program to car dealers.

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 three months ended September 30, 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. Starting from the three months ended March 31, 2020, the Group ceased to provide such funds.

Financial lease receivables are measured at amortized cost and reported on the Consolidated Balance Sheets at outstanding principal adjusted for the allowance for doubtful accounts/provision for credit losses. Allowance for doubtful accounts is provided when the Group has determined the balance is impaired. On January 1, 2020, the Group adopted Accounting Standards Update (ASU) 2016-13, “Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments” (“ASU 2016-13”) and provision for credit losses was provided based on current expected credit losses impairment model (Note 2.32).

2.13 Guarantee liabilities

Before the three months ended December 31, 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.

Before January 1, 2020, the financial guarantee was 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 was recognized at fair value at the inception of the guarantee.

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2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

2.13 Guarantee liabilities (continued)

Subsequent to the initial recognition of the guarantee liabilities, the Company's guarantee obligations were measured in a combination of two components: (i) ASC 460 component and (ii) ASC 450 component. The liability recorded based on ASC 460 was determined on a contract-by-contract basis and was reduced as the Company was released from the underlying risk, meaning as the loan was repaid by the Borrower or when the financing partners were compensated in the event of a default. The liability was reduced only as the Company was released from the underlying risk. This component was a stand ready obligation which was not subject to the probable threshold used to record a contingent obligation. The other component was 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 was 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 was released from the guaranteed risk. Accordingly, the guarantee liabilities were recognized in "losses from guarantee liabilities" in the Consolidated Statements of Comprehensive Loss by a systematic and rational amortization method, e.g. over the term of the loan.

Effective on January 1, 2020, the Company adopted ASU 2016-13 using the modified retrospective transition approach (Note 2.32). The initial adoption resulted in a recognition of a separate contingent liability in the full amount, in addition to financial guarantee liabilities measured under ASC 460. Subsequent to the initial adoption, the Company's guarantee obligations are measured in separated two components (i) ASC 460 component and (ii) ASC 326 component. In accordance with ASC 460-10-30-5, both guarantee obligations and an allowance for credit losses (calculating using the current expected credit losses - CECL - impairment model) are recorded for financial guarantees in the scope of ASC 326. 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 the CECL model per ASC 326 Financial Instruments - Credit Losses. Subsequent to the initial recognition, ASC 460 component is recorded in "other operating income" in the Consolidated Statements of Comprehensive Loss as the guarantor is released from the guaranteed risk by a systematic and rational amortization method, e.g. over the term of the loan. ASC 326 component is re-measured at each period end and recognized in provision for credit loss in Consolidated Statements of Comprehensive Loss.

As of March 31, 2020, and 2021, the amount of maximum potential future payment that the Group could be required to make under the guarantee were RMB12.9 billion and RMB146.4 million, respectively. Based on management assessment, the estimated value of collateral approximated amounts of maximum potential future payments.

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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

Goodwill represents the excess of the purchase price over the fair value of the identifiable assets and liabilities acquired in a business combination.

Goodwill is not depreciated or amortized but is tested for impairment on an annual basis, and in between annual tests when an event occurs or circumstances change that could indicate that the asset might be impaired. In accordance with the FASB guidance on “Testing of Goodwill for Impairment” a company first has the option to assess qualitative factors to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount. If the company decides, as a result of its qualitative assessment, that it is more likely than not that the fair value of a reporting unit is less than its carrying amount, the quantitative impairment test is mandatory. Otherwise, no further testing is required. The quantitative impairment test consists of a comparison of the fair value of each reporting unit with its carrying amount, including goodwill. Before the adoption of ASU No. 2017-04 Intangibles—Goodwill and Other (Topic 350), if the carrying amount of each reporting unit exceeds its fair value, an impairment loss equal to the difference between the implied fair value of the reporting unit’s goodwill and the carrying amount of goodwill will be recorded. The Company adopted ASU No. 2017-04 starting January 1, 2020, following the new guidance, an impairment charge shall be recognized for the amount by which the carrying amount exceeds the reporting unit’s fair value. Application of a goodwill impairment test requires significant management judgment, including the identification of reporting units, assigning assets and liabilities to reporting units, assigning goodwill to reporting units, and determining the fair value of each reporting unit.

As of March 31, 2020 and 2021, impairment of goodwill was RMB3.7 million and RMB13.2 million, respectively.

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2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

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.

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, the three months ended March 31, 2020, and the fiscal year ended March 31, 2021.

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. Starting from March 2020, the Group provides Buyer with upgraded service with 1-year or 20,000-kilometer warranty program and no longer provided 6-month or 10,000 kilometer warrant program. As of March 31, 2020 and 2021, the deferred revenue was RMB50.3 million and RMB23.3 million, respectively.

2.20 Warranty liabilities

Starting from March 2020, the Company provides one-year return policy for all vehicles sold through the Company's platform, covering certain major damages caused by severe accidents that occurred prior to the sale but were not originally identified through the inspection program the Company provided. The Company accrues a warranty reserve for all vehicles sold through the Company's platform, which includes the Company's best estimate of the projected costs for returns under warranties. These estimates are based on actual claims incurred to date and an estimate of the nature, frequency and costs of future claims. These estimates are inherently uncertain given the Company's relatively short history of operations, and changes to the historical or projected warranty experience may cause material changes to the warranty reserve when the Company accumulates more actual data and experience in the future. As of March 31, 2020 and 2021, the warranty liabilities was RMB0.3 million and RMB2.3 million recorded in the other payables and other current liabilities, respectively. Warranty expense is recorded as a component of sales and marketing expense in the Consolidated Statements of Comprehensive Loss.

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2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

2.21 Revenue recognition

Prior to the Divestiture Transactions occurred during 2019 and 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 three months ended September 30, 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, 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 **Commission revenue**, and **Value-added service revenue** starting in the three months ended September 30, 2019 and beyond. Since September 2020, the Group started to shift to "inventory-owing" model where the Group build and sell its own inventory of used vehicles, and this model was further updated since March, 2021 as the Group started to acquire used vehicles directly from individuals. Since then, used vehicles sold directly to customers have been presented as **Retail vehicle sales revenue**, while used vehicles sold to wholesalers have been presented as **Wholesale vehicle sales revenue**.

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. For the divestiture of 2B business, the Group presented the results as discontinued operations for all the periods presented (Note 3).

Besides these four main revenue streams, the Group 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.

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2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

2.21 Revenue recognition (continued)

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

Online used car transaction services

The Company uses www.xin.com as its 2C online platform, which assists in publishing the used cars of car dealers (the "Dealer") for consumers (the "Consumer"). The online used car business mainly includes three services as follows:

- **Broker transaction (or commission-related service)**: 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. Starting from March 2020, the Group provides Buyer with upgraded service with 1-year or 20,000-kilemeter warranty program and 1-year return policy (Note 2.19) for selected cars.

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 a separate 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.

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2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

2.21 Revenue recognition (continued)

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.

Retail vehicle sales business

The Company sells used vehicles directly to its customers through its ecommerce platform (www.xin.com). The Company procures used cars by analyzing the extensive user behavioral, used car and transactional data aggregated on its platform over the years. This enables the Company to selectively build its inventory of used cars with value-for-money performance and have greater flexibility in offering more competitive pricing to individual consumer (the "Consumer").

The prices of used vehicles are set forth in the customer contracts at stand-alone selling prices which are agreed upon prior to delivery. The Company satisfies its performance obligation for used vehicles sales upon the Consumer's physical acceptance of the used vehicles. The Company receives payment for used vehicle sales directly from the customer at the time of sale. Payments received prior to delivery or pick-up of used vehicles are recorded as "Other payables and other current liabilities" within the Consolidated Balance Sheets.

Wholesale vehicle sales business

The Company sells vehicles to wholesalers through offline dealership. These vehicles sold to wholesalers are primarily acquired from individuals that do not meet the Company's retail standards to list and sell through its ecommerce platform, and therefore, sold through offline dealership. The Company satisfies its performance obligation and recognizes revenue for wholesale vehicle sales at a point in time when vehicle is sold. The transaction price is collected when the vehicle sales are completed.

Others

Other revenue is mainly comprised of sales of commission of salvage cars sales, interest income of financial lease, etc. For the fiscal year ended March 31, 2021, other revenue mainly included commissions earned from the Group's financing and insurance partners as well as revenue from advertising and vehicle transportation revenue earned from the Group's vehicle logistics business.

Intra-regional and loan facilitation business prior to the Divestiture Transactions (formerly known as "2C business") and 2B business

2C

Given the divestiture of the Group's 2C intra-regional business and loan-facilitation related service, the Group presented the results of these businesses as discontinued operation for the year of 2019 and all the prior comparable periods (Note 3) based on the following recognition policy:

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2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

2.21 Revenue recognition (continued)

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 three months ended March 31, 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.

2B

Given the divestiture of the Group's entire 2B online used car auction business occurred in the three months ended March 31, 2020, the Group presented the results of the 2B business as discontinued operation for all the periods presented (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. Cars are sold through online Uxin 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 March 31, 2020 and 2021, the aggregate amount of the transaction price allocated to remaining performance obligations was RMB27.4 million and RMB5.4 million, respectively, reflecting the Group's remaining obligations. The Group expects to recognize approximately 100% of the revenue over the next 12 months.

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2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

2.22 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 (%)
Vehicle sales	0.5 %
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.

2.23 Cost of revenues

Cost of revenues 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.

Starting from September 2020, the Company started to build its own used vehicles inventory. After then, cost of sales includes the cost to acquire used vehicles and direct and indirect vehicle reconditioning costs associated with preparing the vehicles for resale.

Cost of sales also includes any necessary adjustments to reflect vehicle inventory at the lower of cost or net realizable value. Cost of revenues in relation to 2B related business was reclassified as discontinued operations.

2.24 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. Due to the adoption of the inventory-owing model since September 2020, most salaries and benefits for employees engaged in car sourcing, inspection, and aftersales services, as well as costs relating to outbound logistics were classified as sales and marketing expense whereas before such costs were classified as cost of revenues.

Advertising costs are expensed as incurred and the total amounts charged to the Consolidated Statements of Comprehensive Loss amounted to approximately RMB889.0 million, RMB443.6 million, RMB50.0 million and RMB128.9 million for the years ended December 31, 2018 and 2019, the three months ended March 31, 2020, and the fiscal year ended March 31, 2021, respectively.

2.25 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.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

2.26 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.

2.27 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.

2.28 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.

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2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

2.28 Taxation (continued)

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.

2.29 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.

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2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

2.30 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.

2.31 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.

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2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

2.32 Provision for credit losses

The Company has several types of financial assets and liabilities that are subject to ASC 326's new CECL model. The CECL reserves for credit loss represents the Company's best estimate of the expected lifetime credit losses for account receivables, loans recognized as a result of payment under the guarantee, advance to sellers, other receivables, financial lease receivables and guarantee liabilities as of the balance sheet date. The adequacy of the reserves for credit losses is assessed quarterly; and the assumptions and models used in establishing the allowance are evaluated regularly. Because credit losses can vary substantially over time, estimating credit loss reserves requires us to estimate lifetime expected credit losses by incorporating historical loss experience, as well as current and future economic conditions over a reasonable and supportable period beyond the balance sheet date. The Company has lowered its forecasts on selected economic factors, such as GDP, to reflect the adverse impact of the COVID -19 pandemic.

1. Measurement of CECL reserve

The Company estimates its CECL reserve for different financial instruments using various methods including the probability-of-default method, the loss rate method, the roll rate method and the discounted cash flow method.

- For guarantee liability, the probability-of-default method is used, where the lifetime CECL reserve is measured as the product of the ending balance and two key parameters, the lifetime Probability of Default (PD) and Loss Given Default (LGD). The calibration of PD and LGD starts with the Company's historical information. Both are further adjusted to incorporate the impacts of macroeconomic conditions, recent portfolio performance, as well as the observed industry experience.

- For loan recognized as a result of payment under the guarantee and financial lease receivables, the loss rate method is applied as the comprehensive product impact of PD and LGD.

- The roll rate model is adopted for account receivable; while for some other receivable which cannot be pooled with financial assets with similar risk characteristics, the reserve for credit losses are evaluated on an individual basis using the discounted cash flow method.

Note that to incorporate the forward-looking impacts based on the Company's best macroeconomic forecasts, quantitative adjustments are applied to key parameters such as PD, LGD, loss rates, and roll rates on a collective basis. The Company groups its financial instruments into pools by credit status, product types, account receivable aging schedule, collateral types and other risk characteristics as appropriate in the calibration and adjustments of these parameters.

1.1 Loan recognized as a result of payment under the guarantee

Assumptions Used: The credit loss allowance of Loan recognized as a result of payment under the guarantee based on the Company's assumptions regarding:

- *Loss rate*: The loss percentage of the outstanding balance. It considers the historical loss information, the recent performance of this portfolio, categories of credit status (normal, attention and secondary), the collateral, and the Company's forecasts of selected macroeconomic factors.

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2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

2.32 Provision for credit losses (continued)

Sensitivity Analysis:

Change in the assumptions would affect the allowance for credit loss of Loan recognized as a result of payment under the guarantee. The effect of the indicated increase/decrease in the assumptions for the Company is as follows (in thousands):

Assumption	Basis Point Change	Increase/(Decrease)
Loss rate	+/- 100	11,842/ (11,842)

1.2 Account receivable

Assumptions Used: The allowance for credit loss of account receivable is based on the Company's assumptions regarding:

- *Payback period.* The Company uses the roll rate method to estimate expected credit losses for account receivable with similar risk characteristics on a pool basis. For each pool, the Company first estimates its payback period based on relevant historical receivable payback information. Then the Company estimates the credit allowances based on the payback period, the historical distribution of each aging bucket, and the impacts of macroeconomic factors.

Sensitivity Analysis.

Change in the assumptions would affect the allowance for credit loss of account receivable. The effect of the indicated increase/decrease in the assumptions for the Company is as follows (in thousands):

Assumption	Basis Point Change	Increase/(Decrease)
Payback period	+/- 3 months	1,003/ (124)

1.3 Guarantee liabilities

Assumptions Used: The credit loss allowance for guarantee liabilities is based on the Company's assumptions regarding:

- *PD (lifetime):* The expected probability of payment and time to default of the guaranteed contracts, which considers vintage and recent performance information of such portfolio and macroeconomic factors.
- *LGD:* The percentage of the expected balance due at default that is not recoverable. For each credit status (normal, attention, secondary), the parameter is assessed based on collateral information and future recoveries.

Sensitivity Analysis:

Change in the assumptions would affect the allowance for guarantee liability. The effect of the indicated increase/decrease in the assumptions for the Company is as follows (in thousands):

Assumption	Basis Point Change	Increase/(Decrease)
PD (lifetime)	+/- 100	677/ (677)
LGD	+/- 100	677/ (677)

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2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

2.32 Provision for credit losses (continued)

Finance assets are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments for a period of greater than 90 days past due. Provision for credit losses on finance assets is presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

2.33 Recent Accounting Pronouncements

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.

In January 2020, the FASB issued ASU 2020-01 Investments—Equity securities (Topic 321), Investments—Equity method and joint ventures (Topic 323), and Derivatives and hedging (Topic 815)—Clarifying the interactions between Topic 321, Topic 323, and Topic 815. The amendments clarify that an entity should consider observable transactions that require it to either apply or discontinue the equity method of accounting for the purposes of applying the measurement alternative in accordance with Topic 321 immediately before applying or upon discontinuing the equity method. The amendments also clarify that for the purpose of applying paragraph 815-10-15-141(a) an entity should not consider whether, upon the settlement of the forward contract or exercise of the purchased option, individually or with existing investments, the underlying securities would be accounted for under the equity method in Topic 323 or the fair value option in accordance with the financial instruments guidance in Topic 825. The standard is effective for the Company for fiscal years beginning after December 15, 2021, 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 three months ended December 31, 2019.

Results of the discontinued operations of 2C intra-regional business and loan facilitation related service were as follows:

	For the year ended December 31,		For the three months ended March 31,	For the fiscal year ended March 31,
	2018	2019	2020	2021
	RMB	RMB	RMB	RMB
Revenues				
To consumers				
Transaction facilitation revenue	481,055	391,447	—	—
Loan facilitation revenue	1,568,705	1,141,981	—	—
Total revenues	**2,049,760**	**1,533,428**	**—**	**—**
Cost of revenues	(427,548)	(296,347)	—	—
Gross profit	**1,622,212**	**1,237,081**	**—**	**—**
Operating expenses				
Sales and marketing	(1,010,446)	(1,018,483)	—	—
Research and development	(185,488)	(155,168)	—	—
General and administrative	(504,066)	(486,098)	—	—
Losses from guarantee liabilities	2,483	(168,212)	—	—
Impairment for net assets transferred	—	—	(407,709)	(420,000)
Total operating expenses	**(1,697,517)**	**(1,827,961)**	**(407,709)**	**(420,000)**
Loss from operations	**(75,305)**	**(590,880)**	**(407,709)**	**(420,000)**
Interest income, net	(81,128)	(14,355)	**—**	—
Other expenses, net	(14,965)	(4,468)	—	—
Loss from the divestiture of 2C intra-regional and loan facilitation business	—	—	—	(14,745)
Foreign exchange gain	—	534	—	—
Loss from discontinued operations before income tax expense	**(171,398)**	**(609,169)**	**(407,709)**	**(434,745)**
Income tax expense	(12,941)	(2,992)	—	—
Net loss from discontinued operations	**(184,339)**	**(612,161)**	**(407,709)**	**(434,745)**

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3. DISCONTINUED OPERATIONS (CONTINUED)

Divestiture of 2C intra-regional business and loan-facilitation related service (continued)

In the three months ended December 31, 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 until April 23, 2020, these pre-transferred assets and liabilities were reclassified on a net basis under the name of "Net assets transferred" as of March 31, 2020. During the fiscal year ended March 31, 2021, the "Net assets transferred" was further impaired in the value due to the ongoing negative impacts from the COVID-19 pandemic and the continuously deteriorated quality of the underlying pre-transferred net assets.

The cash flow summary of the discontinued operations of 2C intra-regional business and loan facilitation related service were as follows:

	For the year ended December 31,	
	2018	2019
	RMB	RMB
Net cash used in operating activities	(808,893)	(821,185)
Net cash generated from investing activities	(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. The transaction was completed on April 14, 2020 for a total consideration of US$105.0 million, and a total of RMB736.0 million disposal gain was recognized from the divestiture of 2B business and was recorded in the discontinued operations.

Results of the discontinued operations of 2B business were as follows:

	For the year ended December 31,		For the three months ended March 31,	For the fiscal year ended March 31,
	2018	2019	2020	2021
	RMB	RMB	RMB	RMB
Transaction facilitation revenue	606,599	283,711	22,426	5,198
Cost of revenues	(292,595)	(157,653)	(15,109)	(1,384)
Gross profit	**314,004**	**126,058**	**7,317**	**3,814**
Operating expenses				
Sales and marketing	(187,811)	(120,082)	(22,453)	(8,063)
Research and development	(19,429)	(13,629)	(2,970)	—
General and administrative	(108,949)	(42,636)	(14,415)	(1,218)
Provision for credit losses	—	—	(14,947)	—
Total operating expenses	**(316,189)**	**(176,347)**	**(54,785)**	**(9,281)**
Gain from the divestiture of 2B business	—	—	—	735,956
Net (loss)/income from discontinued operations	**(2,185)**	**(50,289)**	**(47,468)**	**730,489**

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3. DISCONTINUED OPERATIONS (CONTINUED)

Divestiture of 2B business (continued)

Assets and liabilities classified as held for sale of 2B business were as follows:

	March 31, 2020 RMB
Advance from buyers collected on behalf of sellers	89,096
Other payables and other current liabilities	53,913
Total liabilities held for sale	**143,009**

The condensed cash flows of the discontinued operations of 2B business were as follows:

	For the year ended December 31,		For the three months ended March 31,	For the fiscal year ended March 31,
	2018 RMB	2019 RMB	2020 RMB	2021 RMB
Net cash (used in)/generated from operating activities	(20,699)	2,338	(34,967)	(9,491)
Net cash (used in)/generated from investing activities	(40,180)	1,159	(25)	—

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4. BUSINESS COMBINATION

The Group completed several transactions to acquire controlling shares to enrich its products and to expand its business during the past periods. The Group 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, the Group acquired ordinary equity interests in Chefang step by step and finally controlled Chefang with the accumulated acquired ordinary equity interests stepped up to 100% in the three months ended December 31, 2018. The goodwill recognized for the acquisition was RMB7.8 million. RMB3.7 million and RMB4.1 million goodwill impairment loss was recorded for the year ended December 31, 2018 and the fiscal year ended March 31, 2021, respectively.

Acquisition of Baogu Vehicle Technology Service (Beijing) Co., Ltd. ("Baogu")

In order to enhance the service quality to consumers, the Group obtained the power to control Baogu, a vehicle warranty service provider, step by step and acquired 100% of ordinary shares of Baogu in August 2017. The goodwill recognized from the acquisition was RMB4.2 million, and goodwill impairment was provided in full for the fiscal year ended March 31, 2021.

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/disposal of Zhejiang Dongwang Internet Technology Co., Ltd. ("Dongwang") and Fairlubo Auction Company Limited ("Fairlubo")

In addition to the above mentioned business transactions, the Group acquired Fairlubo in 2015 and Dongwang in 2018, both of which engage in salvage car related business. On January 16, 2020, the Company entered into definitive agreements with Boche to divest its salvage car related business. Upon the completion of the transaction on January 31, 2020, the Group no longer retained power of control over salvage car related business, and accordingly the Salvage Car Related Subsidiaries was disposed by the Group.

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5. 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.

	March 31, 2020 RMB	March 31, 2021 RMB
Loan recognized as a result of payment under the guarantee	2,594,749	1,362,556
Less: provision for credit losses	(2,190,575)	(1,182,609)
	404,174	179,947

An aging analysis of loan recognized as result of payment under the guarantee is as follows:

	March 31, 2020 RMB	March 31, 2021 RMB
Up to 6 months	1,140,756	145,639
6 months to 12 months	425,500	307,224
Over 12 months	1,028,493	909,693
	2,594,749	1,362,556

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 March 31, 2020 and 2021 were listed as below:

	March 31, 2020 RMB	March 31, 2021 RMB
Normal	283,259	66,924
Attention	364,895	252,572
Secondary	1,946,595	1,043,060
	2,594,749	1,362,556

Loan recognized as a result of payment under the guarantee of RMB95.8 million was pledged as collateral for current portion of long-term borrowings of RMB79.6 million as of March 31, 2021 (Note 12).

Loan recognized as a result of payment under the guarantee of RMB545.1 million was pledged as collateral for consideration payment to WeBank for current portion of RMB71.3 million and non-current portion of RMB200.8 million as of March 31, 2021.

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5. LOAN RECOGNIZED AS A RESULT OF PAYMENT UNDER THE GUARANTEE (CONTINUED)

The movement of allowance for the years ended December 31, 2018 and 2019, the three months ended March 31, 2020 and the fiscal year ended March 31, 2021 was as follows:

	For the year ended December 31,		For the three months ended March 31,	For the fiscal year ended March 31,
	2018	2019	2020	2021
	RMB	RMB	RMB	RMB
Beginning balance of the period	**(189,305)**	**(256,639)**	**(763,122)**	**(2,190,575)**
Changes on initial application of ASU 2016-13 (i)	—	—	(172,843)	—
Addition	(257,953)	(398,167)	(326,204)	(68,578)
Provision for credit losses (i)	(37,961)	(255,105)	(1,039,367)	(29,272)
Write-off	37,757	—	48,908	252,508
Bought out by certain non-bank financing institutions without recourse	85,560	—	—	845,305
Payments from the borrowers or other recoveries	105,263	146,789	62,053	8,003
Ending balance of the period	**(256,639)**	**(763,122)**	**(2,190,575)**	**(1,182,609)**

(i) Due to the impact of a series of regulations governing lending and debt collection promulgated by relevant authorities in the three months ended December 31, 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. Due to the COVID-19 pandemic, the performance of the loan recognized as a result of payment under the guarantee has been adversely affected further, which resulted in further provision for credit losses in the three months ended March 31, 2020.

The following table explains the changes in the loss allowance of loan recognized as result of payment under the guarantee by grade of monitored credit risk quality indicator as of March 31, 2021:

	Normal	Attention	Secondary	Total
	RMB	RMB	RMB	RMB
Beginning balance of the period	**(98,314)**	**(164,793)**	**(1,927,468)**	**(2,190,575)**
Additions	(68,578)	—	—	(68,578)
Provision for credit losses	(83,435)	(39,661)	93,824	(29,272)
Write-off	145,194	2,355	104,959	252,508
Bought out by certain non-bank financing institutions without recourse	15	9,184	836,106	845,305
Payments from the borrowers or other recoveries	8,003	—	—	8,003
Transfer from Normal to Attention	74,656	(74,656)	—	—
Transfer from Normal to Secondary	13,412	—	(13,412)	—
Transfer from Attention to Secondary	—	152,241	(152,241)	—
Transfer from Attention to Normal	(1,464)	1,464	—	—
Transfer from Secondary to Attention	—	(35,354)	35,354	—
Transfer from Secondary to Normal	(1,276)	—	1,276	—
Ending balance of the period	**(11,787)**	**(149,220)**	**(1,021,602)**	**(1,182,609)**

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6. ADVANCE TO SELLERS

	March 31, 2020	March 31, 2021
	RMB	RMB
Advance to sellers	134,214	—
Less: provision for credit losses	(1,688)	—
	132,526	—

The movement of allowance for the three months ended March 31, 2020, and the fiscal year ended March 31, 2021, was as follows:

	For the three months ended March 31, 2020	For the fiscal year ended March 31, 2021
	RMB	RMB
Beginning balance of the period	—	**(1,688)**
Cumulative effect of adopting ASU 2016-13	(31,577)	—
Addition	(65,659)	(48,989)
Write-off	95,548	50,677
Ending balance of the period	**(1,688)**	**—**

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. Starting from September 2020, the Group started to build its own used vehicles inventory. Under this model, the Group makes instalments to car dealers, and the full payment to car dealers before the completion of inventory purchase are recorded under prepayment for used vehicles.

7. OTHER RECEIVABLES, NET

	March 31, 2020	March 31, 2021
	RMB	RMB
Rental and other deposits	78,322	44,892
Deposits in non-bank financing partners (i)	52,751	19,919
Staff advance	24,813	16,268
Receivables from third-party payment settlement platform	11,228	242
Consideration receivable (ii)	130,000	—
Others	42,305	49,684
	339,419	131,005
Less: provision for credit losses	(51,666)	(20,980)
	287,753	**110,025**

(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.

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7. OTHER RECEIVABLES, NET (CONTINUED)

(ii) 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. The cash consideration was further modified and revised to RMB295 million.

The movement of allowance for the years ended December 31, 2018 and 2019, the three months ended March 31, 2020, and the fiscal year ended March 31, 2021, was as follows:

	For the year ended December 31,		For the three months ended March 31,	For the fiscal year ended March 31,
	2018	2019	2020	2021
	RMB	RMB	RMB	RMB
Beginning balance of the period	**(272)**	**(6,457)**	**(6,119)**	**(51,666)**
Changes on initial application of ASU 2016-13	—	—	(8,434)	—
Addition	(23,608)	(1,411)	(39,748)	(1,104)
Write-off of other receivables due to divestiture transactions	17,423	—	2,635	31,790
Reclassified as assets held for sale	—	1,749	—	—
Ending balance of the period	**(6,457)**	**(6,119)**	**(51,666)**	**(20,980)**

8. PREPAID EXPENSES AND OTHER CURRENT ASSETS

	March 31, 2020	March 31, 2021
	RMB	RMB
VAT-input deductible	75,624	71,989
Prepaid financial advisory service fee (i)	—	12,000
Prepaid consulting and professional service fees	12,264	6,495
Prepayment for used vehicles	—	4,689
Prepaid rental expense	6,484	2,207
Prepaid marketing expense	11,744	3,955
Prepaid non-banking financing partners service fees	12,705	182
Others	18,327	6,319
	137,148	**107,836**

(i) The Company entered into a long-term strategic cooperation agreement with Golden Pacer in April 2020, and an aggregate amount of RMB60.0 million as prepayment was made in exchange for a 5-year financial solution advisory services from Golden Pacer. As of March 31, 2021, RMB12.0 million was recorded in prepaid expenses and other current assets, and RMB36.0 million was recorded in other non-current assets.

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9. 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 March 31, 2020 and 2021, respectively.

	March 31, 2020	March 31, 2021
	RMB	RMB
Financial lease receivables due from car dealers	27,870	19,864
Less: provision for credit losses	(20,318)	(19,864)
	7,552	—
Financial lease receivables due from consumers	14,428	7,157
Less: provision for credit losses	(6,932)	(7,157)
	7,496	—
Financial lease receivables, net	15,048	—

The following present the aging of past-due financial lease receivables as of March 31, 2020:

	1-90 days	Above 90 days	Total past due	Current	Total
	RMB	RMB	RMB	RMB	RMB
Financial lease receivables due from car dealers	4,750	16,400	21,150	6,720	27,870
Financial lease receivables due from consumers	—	14,428	14,428	—	14,428
	4,750	30,828	35,578	6,720	42,298

The following presents the aging of past-due financial lease receivables as of March 31, 2021:

	1- 90 days	Above 90 days	Total past due	Current	Total
	RMB	RMB	RMB	RMB	RMB
Financial lease receivables due from car dealers	—	19,864	19,864	—	19,864
Financial lease receivables due from consumers	—	7,157	7,157	—	7,157
	—	27,021	27,021	—	27,021

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9. FINANCIAL LEASE RECEIVABLES (CONTINUED)

The credit quality analysis of financial lease receivables as of March 31, 2021 was as follows:

	Amortized cost basis by origination year					
	December 31,			March 31,	March 31,	
	Before 2017	2018	2019	2020	2021	Total
	RMB	RMB	RMB	RMB	RMB	RMB
Current	—	—	—	—	—	—
Past due						
1-90 days past due	—	—	—	—	—	—
Greater than 90 days past due	6,905	10,312	5,583	4,119	102	27,021
	6,905	10,312	5,583	4,119	102	27,021

The movement of allowance for the for the years ended December 31, 2018 and 2019, the three months ended March 31, 2020, and the fiscal year ended March 31, 2021 was as follows:

	For the year ended December 31,		For the three months ended March 31,	For the fiscal year ended March 31,
	2018	2019	2020	2021
	RMB	RMB	RMB	RMB
Beginning balance of the period	**(4,225)**	**(6,890)**	**(23,157)**	**(27,250)**
Changes on initial application of ASU 2016-13	—	—	(839)	—
Provision for credit losses	(2,665)	(16,267)	(3,254)	(6,538)
Write-off	—	—	—	6,767
Ending balance of the period	**(6,890)**	**(23,157)**	**(27,250)**	**(27,021)**

The following lists the components of the net investment in financial lease receivables due from car dealers and consumers as of March 31, 2020 and 2021.

	March 31, 2020	March 31, 2021
	RMB	RMB
Total minimum lease payments to be received	42,640	27,021
Less: allowance for uncollectibles	(27,250)	(27,021)
Net minimum lease payments receivable	15,390	—
Less: unearned income	(342)	—
Net investment	15,048	—

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10. PROPERTY, EQUIPMENT AND SOFTWARE, NET

Property, equipment and software, net, consist of the following:

	March 31, 2020 RMB	March 31, 2021 RMB
Cost		
Leasehold improvement	159,780	167,073
Computer equipment	149,134	61,758
Software	26,032	26,018
Furniture	19,143	3,650
Vehicle and motor	3,761	2,254
Construction in progress	3,553	-
Total property, equipment and software	361,403	260,753
Less: accumulated depreciation and amortization		
Leasehold improvement	(145,134)	(159,103)
Computer equipment	(109,323)	(56,961)
Software	(9,077)	(11,561)
Furniture	(8,823)	(2,738)
Vehicle and motor	(1,488)	(1,084)
Total accumulated depreciation and amortization	(273,845)	(231,447)
Net book value	87,558	29,306

The total amounts charged to the Consolidated Statements of Comprehensive Loss for depreciation and amortization expenses amounted to approximately RMB88.8 million and RMB88.9 million, RMB21.3 million and RMB46.4 million for the years ended December 31, 2018 and 2019, the three months ended March 31, 2020, and the fiscal year ended March 31, 2021, respectively.

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11. LONG-TERM INVESTMENTS

The Group's long-term investments consist of the following:

	March 31, 2020 RMB	March 31, 2021 RMB
Equity investments accounted for using the equity method		
Jincheng Consumer Finance (Sichuan) Co., Ltd. ("Jincheng")	270,696	—
Beijing Gangjian Shoubao Cultural Media Center LLP ("Gangjian Shoubao")	4,500	4,500
Weiche Information Technology Co., Ltd. ("Weiche")	1,566	1,167
	276,762	5,667
Equity investments accounted for using the measurement alternative		
Jincheng	—	282,761
Total long-term investments	**276,762**	**288,428**

Major investments of the Company during the three months ended March 31, 2020, and the fiscal year ended March 31, 2021 are summarized as follows:

Equity investments accounted for using the 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 accounted for this as a long-term investment using equity method. In early 2021, as the Group completed the divesture of its historical loan-facilitation business and, the Group proposed to Jincheng its desire to give up its board seat in Jincheng. The administration process was completed in March 2021. After that, the Group could no longer execute significant influence over Jincheng. The Group accounted for the investment using an alternative method measurement.

Investment in Gangjian Shoubao

In April 2019, the Company invested in Gangjian Shoubao, 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.

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11. LONG-TERM INVESTMENTS (CONTINUED)

Equity investments accounted for using the 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.

12. SHORT-TERM AND LONG-TERM BORROWINGS

The following table presents short-term and long-term borrowings from commercial banks or other institutions as of March 31, 2020 and 2021. 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	March 31, 2020 RMB	March 31, 2021 RMB
Short-term borrowings	8.2%	within 12 months	6,720	—
Current portion of long-term borrowings	5.9%-10.3%	mature before March 31, 2022	112,349	79,560
Long-term borrowings	5.0%-6.7%	2 – 3 years	234,585	233,000
			353,654	312,560

Current portion of long-term borrowings of RMB79.6 million were secured by loan recognized as a result of payment under the guarantee of RMB95.8 million as at March 31, 2021(Note 5).

The weighted average interest rate for the outstanding borrowings was approximately 5.6% and 5.9% as of March 31, 2020 and 2021, respectively.

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13. GUARANTEE LIABILITIES

	March 31, 2020 RMB	March 31, 2021 RMB
Guarantee liabilities – stand ready	207,997	172
Guarantee liabilities – contingent (i)	702,952	2,269
	910,949	2,441

(i) Financial guarantees in the scope of ASC 460, Guarantees, are in the scope of CECL impairment model, and a contingent guarantee liability with an allowance for credit losses was recorded at the initial adoption and subsequently measured using CECL model.

The movement of guarantee liabilities – stand ready was as follows:

	For the year ended December 31,		For the three months ended March 31,	For the fiscal year ended March 31,
	2018 RMB	2019 RMB	2020 RMB	2021 RMB
Beginning balance of the period	**173,907**	**321,255**	**388,307**	**207,997**
Changes on initial application of ASU 2016-13	—	—	(135,839)	**—**
Fair value of guarantee liabilities upon the inception of new guarantees	403,370	405,084	—	—
Guarantee liabilities settled	(257,953)	(398,167)	—	—
Losses from guarantee liabilities	1,931	362,597	—	—
Reclassified as liabilities held for sale (Note 3)	(174,828)	—	—	—
Net assets transferred (Note 3)	—	(302,462)	—	—
Guarantee income (i) (Note 18)	—	—	(44,471)	(207,825)
Ending balance of the period	**146,427**	**388,307**	**207,997**	**172**

The movement of guarantee liabilities - contingent was as follows:

	For the three months ended March 31,	For the fiscal year ended March 31,
	2020 RMB	2021 RMB
Beginning balance of the period	**—**	**702,952**
Changes on initial application of ASU 2016-13	224,834	**—**
Guarantee liabilities settled	(326,204)	(68,578)
Guarantee liabilities released to Webank (i)	—	(630,733)
Provision for credit losses	804,322	(1,372)
Ending balance of the period	**702,952**	**2,269**

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13. GUARANTEE LIABILITIES (CONTINUED)

(i) In order to settle the Company's remaining guarantee liabilities, the Company entered into a supplemental agreement on April 23, 2020 (the "2020 April Agreement") with Webank with regards to the Company's historically-facilitated loans. Pursuant to the 2020 April Agreement, Webank agreed to set a cap on the amount of cash the Company would use to fulfil its guarantee obligations from 2020 to 2022. Subsequently on July 23, 2020, the Company entered into another supplemental agreement (the "2020 July Agreement") with Webank, which amended and restated the 2020 April Agreement. Pursuant to the July Agreement, the Company paid an aggregate amount of RMB372 million to WeBank from 2020 to 2025 as guarantee settlement with a maximum annual settlement amount of no more than RMB84 million. Upon the signing of the 2020 July Agreement, the Company was no longer subject to guarantee obligations in relation to its historically-facilitated loans for WeBank under the condition that the Company made the instalments based on the agreed-upon schedule in the 2020 July Agreement. Subsequently on June 21, 2021, the Company entered into another supplemental agreement (the "2021 June Agreement") with Webank, which amended the July agreement further. Total aggregate amount the Company was obligated to pay was limited to RMB324 million.

Pursuant to the July agreement, total settlement amount was RMB272.1 million as of March 31, 2021, out of which RMB200.8 million was recorded in "Consideration payment to Webank, non-current".

The terms of the guarantee range from 2 years to 4 years.

14. DEPOSIT OF INTERESTS FROM CONSUMERS AND PAYABLE TO FINANCING PARTNERS

	March 31, 2020 RMB	March 31, 2021 RMB
Deposit of interests from consumers and payable to financing partners, current	25,968	—

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 three months ended June 30, 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 two financing partners, the deposit of interest from consumers and payable to financing partners was transferred to Golden Pacer and Webank. The amounts were RMB45.7 million and RMB7.9 million, respectively.

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15. ADVANCE FROM BUYERS COLLECTED ON BEHALF OF SELLERS

	March 31, 2020 RMB	March 31, 2021 RMB
Advance from buyers collected on behalf of sellers	110,493	—

When facilitating online 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.

Starting from September 2020, the Company starts to build its own inventory. Instead of collections of advances from buyers on behalf of sellers, the Company purchased used vehicles and payments received prior to delivery or pick-up of used vehicles are recorded as “Other payables and other current liabilities” within the Consolidated Balance Sheets.

16. OTHER PAYABLES AND OTHER CURRENT LIABILITIES

	March 31, 2020 RMB	March 31, 2021 RMB
Accrued advertising expenses	351,868	305,217
Accrued service fee for IT and office support	131,068	114,762
Accrued service fee for transaction support	228,053	80,740
Tax payables	87,930	77,862
Deposits	74,679	55,770
Accrued salaries and benefits	100,724	46,991
Interest payable	27,753	39,280
Accrued legal proceedings and litigations	10,000	17,812
Contract liabilities	17,344	9,121
Installments collected on behalf of financing partners	115,256	—
Others	31,239	40,748
	1,175,914	788,303

17. CONVERTIBLE NOTES

	March 31, 2020 RMB	March 31, 2021 RMB
2020 Notes	345,939	—
2021 Notes	36,595	—
2024 Notes	1,679,130	1,614,040
Less: debt issuance cost	(7,085)	—
	2,054,579	1,614,040

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17. 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.

On July 23, 2020, the Company entered into agreements with 2020 and 2021 Notes holders to amend the terms of the convertible notes. Pursuant to the agreements, 2020 and 2021 Notes holders agreed that the conversion prices of the original convertible notes were adjusted to the Company's volume weighted average price for the last 30 trading days prior to the signing of the agreements multiplied by 78%, and 2020 and 2021 Notes holders converted all the convertible notes into the Company's Class A ordinary shares upon the signing of the agreements. On the same day, 2020 and 2021 Notes holders converted all the convertible notes they held into 136,279,973 Class A ordinary shares of the Company at such adjusted conversion price. As a result, a total of RMB 121.1 million inducement charge was recorded on that day.

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17. 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.

18. OTHER OPERATING INCOME

	For the year ended December 31,		For the three months ended March 31,	For the fiscal year ended March 31,
	2018	2019	2020	2021
	RMB	RMB	RMB	RMB
Guarantee income (Note 13)	—	—	44,471	207,825
Government grant	—	—	11,572	15,392
VAT in super deduction	—	1,925	—	—
Waiver of operating payables	—	—	—	2,010
Income from sale of loan recognized as a result of payment under the guarantee without recourse	—	—	—	21,119
	—	1,925	56,043	246,346

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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19. 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 five years.

Supplemental consolidated balance sheet information related to leases were as follows:

	March 31, 2020	March 31, 2021
	RMB	RMB
Right-of-use assets	34,466	46,829
Operating lease liabilities - current	32,842	11,657
Operating lease liabilities – non-current	1,865	34,365
Total operating lease liabilities	34,707	46,022
Weighted average remaining lease term	1.20	4.33
Weighted average discount rate	5.52 %	5.40 %

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 costs were RMB million75.3 for the year ended December 31, 2019, including RMB10.6 million recorded from continuing business and RMB64.7 million from discontinued operations.

Total operating lease costs were RMB18.8 million for the three months ended March 31, 2020 including RMB11.7 million recorded from continuing business and RMB7.1 million from discontinued operations. Total short-term lease costs were RMB5.4 million for the three months ended March 31, 2020, including RMB2.6 million recorded from continuing business and RMB2.8 million from discontinued operations.

Total operating lease costs were RMB36.3 million for the fiscal year ended March 31, 2021 including RMB33.0 million recorded from continuing business and RMB3.3 million from discontinued operations. Total short-term lease costs were RMB11.7 million for the fiscal year ended March 31, 2021, including RMB8.4 million recorded from continuing business and RMB3.3 million from discontinued operations.

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19. OPERATING LEASE (CONTINUED)

Supplemental cash flow information related to leases in both continuing and discontinued operations were as follows:

	For the year ended December 31, 2019 RMB	For the three months ended March 31, 2020 RMB	For the fiscal year ended March 31, 2021 RMB
Cash paid for amounts included in the measurement of lease liabilities	134,071	8,503	13,599
Right-of-use assets obtained in exchange for operating lease liabilities	87,350	311	46,829

Maturities of operating lease liabilities are as follows:

	March 31, 2021 RMB
The remaining months of 2021	6,000
2022	12,000
2023	12,580
2024	13,578
2025	6,999
Total operating lease payments	51,157
Less: imputed interest	(5,135)
Total lease liabilities	46,022

20. RELATED PARTY BALANCES AND TRANSACTIONS

The table below sets forth the major related parties and their relationships with the Group as of March 31, 2021:

Name of related parties	Relationship with the Group
58.com	2024 Notes holder who appointed one of the Board members of the Company
Baidu (Hongkong) Limited (“Baidu”)	Preferred Shareholder of the Company before June 27, 2018 and Class A ordinary shareholder of the Company after June 27, 201

Except for 2024 Notes balance as disclosed in details of related party balances as of March 31, 2020 and 2021, transactions for the years ended December 31, 2018 and 2019, the three months ended March 31, 2020, and the fiscal year ended March 31, 2021 are as follows:

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20. RELATED PARTY BALANCES AND TRANSACTIONS (CONTINUED)

Amounts due from related party

	March 31, 2020 RMB	March 31, 2021 RMB
Prepaid advertising expenses		
58.com	28,070	—
Consideration receivables, net (Note 3)		
58.com	—	129,383

Amounts due to related party

	March 31, 2020 RMB	March 31, 2021 RMB
Unpaid advertising expenses		
58.com	—	69,434

Transactions with related party

	For the year ended December 31,		For the three months ended March 31,	For the fiscal year ended March 31,
	2018 RMB	2019 RMB	2020 RMB	2021 RMB
Advertising service provided by the related party				
58.com	—	47,054	23,520	89,843
Baidu	1,391	—	—	—
	1,391	**47,054**	**23,520**	**89,843**
Inventory leads sold to the related party				
58.com	—	—	—	10,869

	For the year ended December 31,		For the three months ended March 31,	For the fiscal year ended March 31,
	2018 RMB	2019 RMB	2020 RMB	2021 RMB
Gain from the divestiture of 2B business (Note 3)				
58.com	—	—	—	735,956

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21. 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. ("Youxinpai") and Youfang (Beijing) Information Technology Co., Ltd. ("Youfang") have been qualified as "high and new technology enterprise" ("HNTE") and enjoys a preferential income tax rate of 15% from 2019 to 2021. Youxin Internet (Beijing) Information Technology Co., Ltd. ("Youxin Hulian") 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. Since 2021, Youxin Hulian has been qualified as HNTE and enjoys a preferential income tax rate of 15% from 2020 to 2022.

Tax holiday had no impact as there is no taxable profit for Youxinpai, Youxin Hulian and Youfang for the years ended December 31, 2018 and 2019, the three months ended March 31, 2020, and the fiscal year ended March 31, 2021. The Group's other PRC subsidiaries, VIEs and VIEs' subsidiaries are subject to the statutory income tax rate of 25%.

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21. 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 years ended December 31, 2018 and 2019, the three months ended March 31, 2020, and the fiscal year ended March 31, 2021 are as follows:

	For the year ended December 31,		For the three months ended March 31,	For the fiscal year ended March 31,
	2018	2019	2020	2021
	RMB	RMB	RMB	RMB
Continuing operations:				
– Current income (expense)/tax benefit	(2,751)	876	(326)	(33)
– Deferred income tax expense	1,107	1,678	—	—
	(1,644)	2,554	(326)	(33)
Discontinued operations:				
– Current income tax expense	(12,941)	(2,992)	—	—
Total income tax expense	(14,585)	(438)	(326)	(33)

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:

	For the year ended December 31,		For the three months ended March 31,	For the fiscal year ended March 31,
	2018	2019	2020	2021
	RMB	RMB	RMB	RMB
Loss before tax from continuing operations	(1,352,748)	(1,360,463)	(2,040,999)	(732,599)
Loss before tax from discontinued operations	(173,583)	(659,458)	(455,177)	295,744
Loss before tax	(1,526,331)	(2,019,921)	(2,496,176)	(436,855)
Income tax computed at PRC statutory tax rate	(381,583)	(504,980)	(624,044)	(109,214)
Effect of different tax rate	(21,369)	42,085	16,601	3,177
Non-deductible expense	93,925	180,699	167,020	74,248
Change of valuation allowance	294,442	281,758	440,097	31,756
	(14,585)	(438)	(326)	(33)

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21. INCOME TAX EXPENSE (CONTINUED)

Deferred tax assets and deferred tax liabilities

The following table sets forth the significant components of the deferred tax assets:

	March 31, 2020 RMB	March 31, 2021 RMB
Deferred tax assets		
Net accumulated losses-carry forward	803,540	904,496
Deductible advertising expense	543,471	543,743
Provision for credit losses	488,629	511,528
Accruals	138,468	46,097
Less: valuation allowance	(1,974,108)	(2,005,864)
Net deferred tax assets	—	—

Movement of valuation allowance

	For the year ended December 31,		For the three months ended March 31,	For the fiscal year ended March 31,
	2018 RMB	2019 RMB	2020 RMB	2021 RMB
Balance at beginning of the period	(957,811)	(1,252,253)	(1,534,011)	(1,974,108)
Changes of valuation allowance	(294,442)	(281,758)	(440,097)	(31,756)
Balance at end of the period	(1,252,253)	(1,534,011)	(1,974,108)	(2,005,864)

As of March 31, 2021, the Group had net operating loss carries forwards of approximately RMB4,156.9 million which arose from the subsidiaries, VIEs and VIEs' subsidiaries established in the PRC. For Youxinpai and Youfang, which have been qualified as HNTE, 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 March 31, 2020 and 2021.

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22. ORDINARY SHARES

As of March 31, 2020 and 2021, 10,000,000,000 ordinary shares had been authorized respectively. A total of 1,112,431,559 ordinary shares, par value US$0.0001 per share, consists of 1,071,621,698 Class A ordinary shares and 40,809,861 Class B ordinary shares, had been issued and outstanding as of March 31, 2021. A total of 887,667,457 ordinary shares, par value US$0.0001 per share, consists of 846,857,596 Class A ordinary shares and 40,809,861 Class B ordinary shares, had been issued and outstanding as of March 31, 2020. 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.

On July 23, 2020, 2020 and 2021 Notes holders converted all the convertible notes it held into 136,279,973 Class A ordinary shares.

On October 6, 2020, the Company separately entered into definitive agreements with two investors, pursuant to which the Company issued and sold an aggregate of 84,692,839 Class A ordinary shares to these investors through private placements for an aggregate purchase price of approximately US$25 million. The transaction was closed in October 2020.

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23. 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 would be recorded over the remaining service period.

The Company granted 25,224,000, 4,247,500, 2,175,300 and 6,700,665 stock options to Grantees for the years ended December 31, 2018 and 2019, the three months ended March 31, 2020, and the fiscal year ended March 31, 2021, respectively.

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23. SHARE-BASED COMPENSATION (CONTINUED)

The following table sets forth the stock options activity for the years ended December 31, 2018 and 2019, the three months ended March 31,2020, and the fiscal year ended March 31, 2021:

	Number of shares	Weighted-average exercise price US$	Weighted average remaining contractual term YEARS	Aggregate intrinsic value US$'000	Weighted average fair value of options US$
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
Granted	2,175,300	0.03	—	—	0.49
Forfeited	(5,186,508)	1.14	—	—	2.09
Outstanding as of March 31, 2020	32,330,838	1.79	6.81	25,530.99	1.58
Granted	6,700,665	0.01	—	—	0.39
Forfeited	(9,794,727)	1.17	—	—	2.13
Exercised	(3,482,103)	0.08	—	—	0.59
Outstanding as of March 31, 2021	25,754,673	1.79	6.18	3,974.57	1.20

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.

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23. SHARE-BASED COMPENSATION (CONTINUED)

Prior to the 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, the Company, with the assistance of independent appraisers, performed retrospective valuations instead of contemporaneous valuations because, at the time of the valuation dates, the Company's 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.

The Company, 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. The Company and its appraisers considered the market and cost approaches as inappropriate for valuing 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 the Company's 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. The Company's projected revenues were based on expected annual growth rates derived from a combination of its historical experience and the general trend in this industry. The revenue and cost assumptions the Company used are consistent with its long-term business plan and market conditions in this industry. The Company also have to make complex and subjective judgments regarding its unique business risks, its limited operating history, and future prospects at the time of grant. Other assumptions the Company used in deriving the fair value of its 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;
- the Company has 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 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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23. 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:

	For the year ended December 31,		For the three months ended March 31,	For the fiscal year ended March 31,
	2018	2019	2020	2021
Expected volatility	42%-47%	44%~45%	46%~49%	48%~61%
Risk-free interest rate (per annum)	2.49%~2.69%	1.6%~1.9%	0.3%~0.7%	0%~1.4%
Exercise multiple	2.8/2.2	2.8/2.2	2.8/2.2	2.8/2.2
Expected dividend yield	0%	0%	0%	0%
Contractual term (in years)	10	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, 151,655, 50,066 and 275,850 restricted shares to Grantees for the years ended December 31, 2018 and 2019, the three months ended March 31, 2020, and the fiscal year ended March 31, 2021, respectively.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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23. SHARE-BASED COMPENSATION (CONTINUED)

The following table sets forth the restricted shares activity for the years ended December 31, 2018 and 2019, the three months ended March 31, 2020, and the fiscal year ended March 31, 2021:

	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
Granted	50,066	0.51
Vested	(50,066)	0.51
Unvested as of March 31, 2020	33,334	2.26
Granted	275,850	0.45
Vested	(309,184)	0.65
Unvested as of March 31, 2021	—	—

Total share-based compensation cost for the restricted shares amounted to US$0.1 million, US$0.1 million, US$ 0.1 million and US$0.1 million (equivalent to RMB1.0 million) for the years ended December 31, 2018 and 2019, the three months ended March 31, 2020, and the fiscal year ended March 31, 2021, 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.

UXIN LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(All amounts in thousands, except for share and per share data, unless otherwise noted)

23. SHARE-BASED COMPENSATION (CONTINUED)

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.

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 would 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 year ended December 31, 2018 and 2019, respectively. The salvage car related business was divested in January 2020, and the ESOP plan was terminated concurrently at the date when the Corporate Transaction was completed, as the ESOP plan was not assumed by Boche. Therefore, the performance condition was never met and no share-based compensation expense was recognized for the three months ended March 31, 2020 and the fiscal year ended March 31, 2021.

24. 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.

UXIN LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(All amounts in thousands, except for share and per share data, unless otherwise noted)

25. 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.

Assets and liabilities measured at fair value on a recurring basis

The Company measured its guarantee liabilities at fair value on a recurring basis before the adoption of ASC 326.

Valuation Techniques

a. 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.

Valuation Methodology (Before the adoption of ASU 2016-13 on January 1, 2020)

- 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.

UXIN LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(All amounts in thousands, except for share and per share data, unless otherwise noted)

25. FAIR VALUE MEASUREMENTS (CONTINUED)

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.

- 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.

- Initial Expected Delinquent Ratios for EDR and PBF Methods

UXIN LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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25. FAIR VALUE MEASUREMENTS (CONTINUED)

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 68% and 66.4% for the years ended December 31, 2018 and 2019, which is based on the historical experience supplemented with market benchmark.

UXIN LIMITED

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26. NET (LOSS)/EARNINGS PER SHARE

Basic and diluted net loss per share for each of the periods presented are calculated as follows:

	For the year ended December 31,		For the three months ended March 31,	For the fiscal year ended March 31,
	2018	2019	2020	2021
	RMB	RMB	RMB	RMB
Numerator:				
Net loss from continuing operations	(1,351,761)	(1,327,678)	(2,034,385)	(716,975)
Net (loss)/ income from discontinued operations	(186,524)	(662,450)	(455,177)	295,744
Total net loss	**(1,538,285)**	**(1,990,128)**	**(2,489,562)**	**(421,231)**
Net loss from continuing operations	(1,351,761)	(1,327,678)	(2,034,385)	(716,975)
Less: net loss from operations attributable to non-controlling interests shareholders	(15,771)	(1,452)	(5,383)	(9)
Net loss from continuing operations, attributable to UXIN Limited	(1,335,990)	(1,326,226)	(2,029,002)	(716,966)
Accretion on convertible redeemable Preferred Shares	(318,951)	—	—	—
Deemed dividend to Preferred Shareholders	(544,773)	—	—	—
Net loss attributable to ordinary shareholders from continuing operations	(2,199,714)	(1,326,226)	(2,029,002)	(716,966)
Net (loss)/income attributable to ordinary shareholders from discontinued operations	(186,524)	(662,450)	(455,177)	295,744
Denominator:				
Weighted average number of ordinary shares outstanding - basic	477,848,763	886,613,598	888,460,868	1,100,650,208
Weighted average number of ordinary shares outstanding -diluted	477,848,763	886,613,598	888,460,868	1,330,913,033
Net (loss)/earnings per share attributable to ordinary shareholders, basic				
- Continuing	(4.60)	(1.50)	(2.28)	(0.65)
- Discontinued	(0.39)	(0.75)	(0.51)	0.27
Net (loss)/earnings per share attributable to ordinary shareholders, diluted				
- Continuing	(4.60)	(1.50)	(2.28)	(0.65)
- Discontinued	(0.39)	(0.75)	(0.51)	0.22

As the Company incurred losses for the years ended December 31, 2018 and 2019, the three months ended March 31, 2020, and the fiscal year ended March 31, 2021, 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 the respective period were as follows:

UXIN LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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26. NET (LOSS)/EARNINGS PER SHARE (CONTINUED)

	For the year ended December 31,		For the three months ended March 31,	For the fiscal year ended March 31,
	2018	2019	2020	2021
Preferred Shares	367,859,970	—	—	—
Convertible notes	53,589,548	253,165,870	253,165,870	223,300,971
Fairlubo Share Swap	6,352,753	—	—	—
Non-vested restricted shares	133,328	33,331	33,329	—
Outstanding weighted average stock options	14,118,546	4,096,724	4,662,702	6,961,854
Total	442,054,145	257,295,925	257,861,901	230,262,825

27. 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 RMB116.1 million, RMB169.8 million and RMB 32.4 million, and RMB76.1 million for the for the years ended December 31, 2018 and 2019, the three months ended March 31, 2020, and the fiscal year ended March 31, 2021, respectively.

28. CONTINGENCIES

During 2019, two putative securities class actions were brought up on behalf of a group 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. In May 2021, the Company settled the two putative shareholder class action lawsuits for a total of US$ 9.5 million approved by court, out of which US$ 6.5 million were covered by insurance policy.

During 2020, one corporate customer of the Group's divested 2B business filed lawsuit against the Group relating to disputes with respect to Group's non-execution of certain contracts signed with the customer. The Group is unable, however, to predict the outcome of this case, or reasonably estimate a range of possible loss, if any, given the current status of the litigation. No accrual has been recorded by Group as of March 31, 2021 in respect of this case.

29. 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.

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30. SUBSEQUENT EVENTS

In June 2021, the Company entered into definitive agreements, respectively, with NIO Capital and Joy Capital for an aggregate investment amount of up to US$ 315 million for the subscription of senior convertible preferred shares. The first closing in the amount of US$ 100 million was completed for the issuance of 291,290,416 senior convertible preferred shares on July 12, 2021 and the second closing in the amount of US$ 50 million is expected to be received within the next twelve months from the first closing date subject to customary closing conditions. The two investors have also purchased warrants to purchase senior convertible preferred shares for an aggregate amount of US$ 165 million.

In June 2021, the Company entered into a supplemental agreement with 2024 Notes holders. Pursuant to the supplemental agreement, 30% of the outstanding 2024 Notes principal amount will be converted into a total of 66,990,291 Class A ordinary shares at a price of US$1.03 per Class A ordinary share upon the First Closing. On July 12, 2021, aforementioned conversion was completed and related Class A ordinary shares were issued. Remaining principal amount will be repaid by instalments by the Company from July 2021 to June 2024. Besides, interest term was modified and 2024 Notes bear no interest from the original issuance date.

From May to June 2021, the Company entered into operating payables waiver agreements with several suppliers, and approximately RMB 120.4 million operating payables was waived and the remaining amount will be repaid by instalments.

31. STATUTORY RESERVES

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 years ended December 31, 2018 and 2019, the three months ended March 31, 2020, and the fiscal year ended March 31, 2021, 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 RMB794.2million, or 39.8% of the Group's total consolidated net assets as of March 31, 2021 (RMB286.9 million, or 12.2% as of March 31, 2020).

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 March 31, 2020 and 2021, respectively.

UXIN LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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32. CONDENSED FINANCIAL INFORMATION OF THE PARENT COMPANY

Balance sheets

	March 31, 2020 RMB	March 31, 2021 RMB
ASSETS		
Current assets:		
Cash and cash equivalents	1,081	346
Prepaid expenses	1,027	4,189
Amounts due from related parties	9,276,465	8,753,029
Other receivables	2,921	2,415
Total assets	9,281,494	8,759,979
LIABILITIES AND EQUITY		
Current liabilities		
Other payables and other current liabilities	26,962	29,007
Investment deficit in subsidiaries	11,110,402	10,618,691
Amounts due to related parties	90,251	90,114
Convertible notes	375,449	—
Other current liabilities	22,923	17,859
Total liabilities	11,625,987	10,755,671

	March 31, 2020 RMB	March 31, 2021 RMB
Shareholders' deficit		
Ordinary shares (US$0.0001 par value, 10,000,000 shares authorized as of March 31, 2020 and 2021, respectively; 846,857,596 Class A ordinary shares and 40,809,861 Class B ordinary shares issued and outstanding as of March 31, 2020; 1,071,621,698 Class A ordinary shares and 40,809,861 Class B ordinary shares issued and outstanding as of March 31, 2021)	581	733
Additional paid-in capital	13,036,989	13,695,877
Accumulated other comprehensive income	106,764	217,747
Accumulated deficit	(15,488,827)	(15,910,049)
Total shareholders' deficit	(2,344,493)	(1,995,692)
Total liabilities and shareholders' deficit	9,281,494	8,759,979

UXIN LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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31. CONDENSED FINANCIAL INFORMATION OF THE PARENT COMPANY (CONTINUED)

Statements of comprehensive loss

	For the year ended December 31,		For the three months ended March 31,	For the fiscal year ended March 31,
	2018	2019	2020	2021
	RMB	RMB	RMB	RMB
Total revenues	4,497	—	—	—
Cost of revenues	(147)	—	—	—
Gross profit	4,350	—	—	—
Operation expense				
Sales and marketing	(34,591)	(24,622)	—	(5,036)
Research and development	(17,376)	(258)	2,158	2,217
General and administrative	(1,019,055)	(136,459)	19,018	(21,161)
Provision for credits losses	—	—	(3,490)	—
Total operating expenses	(1,071,022)	(161,339)	17,686	(23,980)
Loss from operations	**(1,066,672)**	**(161,339)**	**17,686**	**(23,980)**
Share of loss of subsidiaries and VIEs	(1,641,754)	(1,818,665)	(2,491,563)	(275,229)
Interest (expense)/ income, net	(25,262)	(47,677)	(10,727)	(14,041)
Other income, net	4,213	39,131	426	13,075
Foreign exchange gain/(loss)	2,951	(126)	(1)	9
Fair value change of derivative liabilities	1,204,010	—	—	—
Inducement charge	—	—	—	(121,056)
Net loss	(1,522,514)	(1,988,676)	(2,484,179)	(421,222)
Accretion on redeemable preferred shares to redemption value	(318,951)	—	—	—
Deemed dividend to Preferred Shareholders	(544,773)	—	—	—
Net loss attributable to ordinary shareholders	**(2,386,238)**	**(1,988,676)**	**(2,484,179)**	**(421,222)**
Net loss	**(1,522,514)**	**(1,988,676)**	**(2,484,179)**	**(421,222)**
Other comprehensive income/(loss)				
Foreign currency translation	11,406	(17,869)	38,572	110,983
Total comprehensive loss	**(1,511,108)**	**(2,006,545)**	**(2,445,607)**	**(310,239)**

UXIN LIMITED

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31. CONDENSED FINANCIAL INFORMATION OF THE PARENT COMPANY (CONTINUED)

Statements of comprehensive loss

	For the year ended December 31,		For the three months ended March 31,	For the fiscal year ended March 31,
	2018	2019	2020	2021
	RMB	RMB	RMB	RMB
Net cash (used in)/ generated from operating activities	(55,088)	18,977	(218)	(35,016)
Net cash (used in)/ generated from investing activities	(3,999,403)	755,553	—	—
Net cash generated from/ (used in) financing activities	3,982,230	(781,527)	(2,058)	34,308
Effect of exchange rate changes on cash and cash equivalents	4,730	50	16	(27)
Net decrease in cash and cash equivalents	(67,531)	(6,947)	(2,260)	(735)
Cash and cash equivalents at beginning of the period	77,819	10,288	3,341	1,081
Cash and cash equivalents at end of the period	10,288	3,341	1,081	346

Exhibit 1.2

Execution Version

UXIN LIMITED

CERTIFICATE OF DESIGNATION

OF

SENIOR CONVERTIBLE PREFERRED SHARES

The undersigned, the chairman of the board of directors (the "**Board of Directors**", or the "**Board**") of Uxin Limited, incorporated under the laws of the Cayman Islands (the "**Company**"), does hereby certify that:

FIRST, according to the Amended and Restated Memorandum of Association and Amended and Restated Articles of Association of the Company (as amended or restated from time to time, the "**Memorandum and Articles**"), the authorized share capital of the Company is US$1,000,000 divided into 10,000,000,000 comprising of (i) 8,900,000,000 Class A Ordinary Shares, (ii) 100,000,000 Class B Ordinary Shares; and (iii) 1,000,000,000 shares of a par value of each US$0.0001 each of such class or classes as the Board may determine in accordance with the Memorandum and Articles.

SECOND, according to the Memorandum and Articles, the Board of Directors may authorise the division of Shares into any number of Classes and the different Classes shall be authorised, established and designated (or re-designated as the case may be) and the variations in the relative rights (including, without limitation, voting, dividend and redemption rights), restrictions, preferences, privileges and payment obligations as between the different Classes (if any) may be fixed and determined by the Board of Directors.

THIRD, according to the Memorandum and Articles, the Board of Directors may issue, out of the unissued shares (other than the authorized but unissued Ordinary Shares), series of preferred shares, and before any preferred shares of any such series are issued, the Board of Directors shall fix, among other things, the designation of such series, the number of preferred shares to constitute such series, the subscription price thereof, the dividends, if any, payable on such series, voting rights, redemption rights, conversion rights, liquidation preferences and other rights of the holders of such series.

FOURTH, the Board of Directors, pursuant to the authority designated to it under the Memorandum and Articles, has authorized, by unanimous written resolutions of the Board of Directors dated June 14, 2021, the adoption of this Certificate of Designation of Senior Convertible Preferred Shares (this "**Certificate of Designation**") to create and issue a new series of convertible preferred shares of the Company with preference, priority, special privilege and other rights provided herein and that 1,000,000,000 of the authorized but unissued shares in the authorized share capital of the Company be designated as Senior Convertible Preferred Shares.

NOW, THEREFORE, a new series of preferred shares of the Company shall be created and issued with the rights, preferences and restrictions as follows:

TERMS OF SENIOR CONVERTIBLE PREFERRED SHARES

Section 1. *Definitions.*

For the purposes hereof, the following terms shall have the following meanings:

"**ADSs**" means the American Depositary Shares of the Company, each representing three (3) Class A Ordinary Shares.

"**Affiliate**" means any Person that, directly or indirectly through one or more intermediaries, controls or is controlled by or is under common control with a Person, as such terms are used in and construed under Rule 405 of the Securities Act.

"**Alternate Consideration**" shall have the meaning set forth in Section 7(e)

"**Applicable Laws**" means, with respect to any Person, any transnational, domestic or foreign federal, national, state, provincial, local or municipal law (statutory, common or otherwise), constitution, treaty, convention, ordinance, code, rule, regulation, executive order, injunction, judgment, decree, ruling or other similar requirement enacted, adopted, promulgated or applied by a Governmental Entity that is binding upon or applicable to such Person or any of such Person's assets, rights or properties.

"**Bankruptcy Event**" means any of the following events: (a) the Company or any Significant Subsidiary (as such term is defined in Rule 1-02(w) of Regulation S-X) thereof commences a case or other proceeding under any bankruptcy, reorganization, arrangement, adjustment of debt, relief of debtors, dissolution, insolvency or liquidation or similar law of any jurisdiction relating to the Company or any Significant Subsidiary thereof, (b) there is commenced against the Company or any Significant Subsidiary thereof any such case or proceeding that is not dismissed within 60 days after commencement, (c) the Company or any Significant Subsidiary thereof is adjudicated insolvent or bankrupt or any order of relief or other order approving any such case or proceeding is entered, (d) the Company or any Significant Subsidiary thereof suffers any appointment of any custodian or the like for it or any substantial part of its property that is not discharged or stayed within 60 calendar days after such appointment, (e) the Company or any Significant Subsidiary thereof makes a general assignment for the benefit of creditors, (f) the Company or any Significant Subsidiary thereof calls a meeting of its creditors with a view to arranging a composition, adjustment or restructuring of its debts, or (g) the Company or any Significant Subsidiary thereof, by any act or failure to act, expressly indicates its consent to, approval of or acquiescence in any of the foregoing or takes any corporate or other action for the purpose of effecting any of the foregoing.

"**Base Conversion Price**" shall have the meaning set forth in Section 7(b).

"**Business Day**" means any day except any Saturday, any Sunday, any day which is a federal legal holiday in the United States or any day on which banking institutions in the Cayman Islands, the People's Republic of China (which for the purpose of this Agreement shall exclude Hong Kong SAR, Macau SAR and Taiwan) or the State of New York are authorized or required by law or other governmental action to close.

"**Buy-In**" shall have the meaning set forth in Section 6(c)(iv).

"**Class**" shall have the meaning set forth in the Memorandum and Articles.

"**Class A Ordinary Share**" shall have the meaning set forth in the Memorandum and Articles.

"**Class B Ordinary Share**" shall have the meaning set forth in the Memorandum and Articles.

"**Commission**" means the United States Securities and Exchange Commission.

"**Conversion Amount**" means the sum of the Stated Value at issue.

"**Conversion Date**" shall have the meaning set forth in Section 6(a).

"**Conversion Price**" shall have the meaning set forth in Section 6(b).

"**Conversion Shares**" means, collectively, the Class A Ordinary Shares and/or ADSs issuable upon conversion of the Senior Preferred Shares in accordance with the terms hereof.

"**Depositary**" shall have the meaning set forth in Section 6(c)(vi).

"**Dilutive Issuance**" shall have the meaning set forth in Section 7(b).

"**Dilutive Issuance Notice**" shall have the meaning set forth in Section 7(b).

"**Dividend Conversion Rate**" means the lesser of (a) the applicable Conversion Price or (b) with respect to ADS, the average of the VWAPs for the 5 consecutive Trading Days ending on the Trading Day

that is immediately prior to the Dividend Payment Date, and with respect Ordinary Share, one-third of the foregoing average VWAP, as applicable.

"**Dividend Conversion Shares**" shall have the meaning set forth in Section 3(a)

"**Dividend Notice Period**" shall have the meaning set forth in Section 3(a).

"**Dividend Payment Date**" shall have the meaning set forth in Section 3(a).

"**Dividend Share Amount**" shall have the meaning set forth in Section 3(a).

"**Effective Date**" means the earliest of the date that (a) the Registration Statement registering the relevant Underlying Shares has been declared effective by the Commission, or (b) the relevant Underlying Shares may be sold pursuant to Rule 144 without the requirement for the Company to be in compliance with the current public information requirement under Rule 144 and without volume or manner-of-sale restrictions.

"**Exchange Act**" means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

"**Exempt Issuance**" means the issuance of (a) Class A Ordinary Shares, ADSs or options to employees, officers or directors of the Company pursuant to the Company's 2018 Second Amended and Restated Share Incentive Plan or any other share incentive plan duly adopted by the Board of Directors of the Company in accordance with the Investors' Rights Agreement, and (b) securities upon the exercise or exchange of or conversion of any securities issued pursuant to the Subscription Agreement and the Warrants and/or other securities exercisable or exchangeable for or convertible into Class A Ordinary Shares issued and outstanding on the date of the Subscription Agreement, provided that such securities have not been amended since the date of the Subscription Agreement to increase the number of such securities or to decrease the exercise price, exchange price or conversion price of any such securities or to extend the term of such securities.

"**First Closing**" shall have the meaning set forth in the Subscription Agreement.

"**Fundamental Transaction**" shall have the meaning set forth in Section 7(e).

"**GAAP**" means United States generally accepted accounting principles.

"**Governmental Entity**" means 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.

"**Group Company**" means the Company and its Subsidiaries.

"**HKIAC**" has the meaning given to such term in Section 9(e).

"**Holder**" shall have the meaning given such term in Section 2.

"**Investor Directors**" means the directors nominated by the original Holders and appointed to the Board.

"**Investors' Rights Agreement**" means the investors' rights agreement, in the form of Exhibit B of the Subscription Agreement, to be entered into by and among, the Company, the Holders and certain other parties thereof at the First Closing, as amended, modified or supplemented from time to time in accordance with its terms.

"**Junior Securities**" means the Ordinary Shares and all other Ordinary Share Equivalents of the Company (other than the Senior Preferred Shares).

"**Liquidation**" shall have the meaning set forth in Section 5.

"**Notice of Conversion**" shall have the meaning set forth in Section 6(a).

"**Material Adverse Effect**" shall have the meaning set forth in the Subscription Agreement.

"**Ordinary Share**" means a Class A Ordinary Share or a Class B Ordinary Share.

"**Ordinary Share Equivalents**" means (a) any rights, options or warrants to acquire Ordinary Shares and (b) any depositary shares (including, without limitation, the ADSs), notes, debentures, preference shares or other equity securities or rights, which are ultimately convertible or exercisable into, or exchangeable for, Ordinary Shares.

"**Original Issue Date**" means, with respect to each Senior Preferred Share, the date of the first issuance of such Senior Preferred Share regardless of the number of transfers of such Senior Preferred Share and regardless of the number of certificates which may be issued to evidence such Senior Preferred Share.

"**Person**" means an individual or corporation, partnership, trust, incorporated or unincorporated association, joint venture, limited liability company, joint stock company, government (or an agency or subdivision thereof) or other entity of any kind.

"**Principal**" means Mr. Kun Dai (戴琨).

"**Principal Lock-up Period"** means the period commencing on the date hereof and continuing until July 31, 2024.

"**Principal Parties**" means the Principal and Xin Gao Group Limited, a company organized under the laws of the British Virgin Islands.

"**Registration Rights Agreement**" means the registration rights agreement, in the form of Exhibit C of the Subscription Agreement, to be entered into by and among the Company and the original Holders at the First Closing, as amended, modified or supplemented from time to time in accordance with its terms.

"**Registration Statement**" means a registration statement meeting the requirements set forth in the Registration Rights Agreement and covering the resale of the Underlying Shares by each Holder as provided for in the Registration Rights Agreement.

"**Rule 144**" means Rule 144 promulgated by the Commission pursuant to the Securities Act, as such Rule may be amended from time to time, or any similar rule or regulation hereafter adopted by the Commission having substantially the same effect as such Rule.

"**Rule 424**" means Rule 424 promulgated by the Commission pursuant to the Securities Act, as such Rule may be amended from time to time, or any similar rule or regulation hereafter adopted by the Commission having substantially the same effect as such Rule.

"**Securities Act**" means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

"**Senior Preferred Shares**" shall have the meaning set forth in Section 2.

"**Share**" shall have the meaning set forth in the Memorandum and Articles.

"**Share Delivery Date**" shall have the meaning set forth in Section 6(c).

"**Subscription Agreement"** means the Share Subscription Agreement dated June 14, 2021 by and among the Company and the original Holders, as amended, modified or supplemented from time to time in accordance with its terms.

"**Stated Value**" shall have the meaning set forth in Section 2.

"**Subsidiary**" means any entity of which a majority of the outstanding equity securities or other ownership interests representing a majority of the outstanding equity interests or otherwise having ordinary voting power to elect a majority of the board of directors or other Persons performing similar functions are at the time directly or indirectly owned or controlled by the Company, and includes any entity which is directly or indirectly controlled by the Company (including, for the avoidance of doubt, any variable interest entities that are consolidated into the financial statements of the Company).

"**Successor Entity**" shall have the meaning set forth in Section 7(e).

"**Trading Day**" means a day on which the principal Trading Market is open for business.

"**Trading Market**" means any of the following markets or exchanges on which the ADSs is listed or quoted for trading on the date in question: the NYSE American, the Nasdaq Capital Market, the Nasdaq Global Market, the Nasdaq Global Select Market or the New York Stock Exchange (or any successors to any of the foregoing).

"**Transaction Documents**" means this Certificate of Designation, the Subscription Agreement, the Investors' Rights Agreement, the Warrants, the Registration Rights Agreement, the Lock-Up Letters (as defined in the Subscription Agreement), the Voting Agreement (as defined under the Subscription Agreement), all exhibits and schedules thereto and hereto and any other documents or agreements executed on or after the date of the Subscription Agreement in connection with the transactions contemplated under the Subscription Agreement.

"**Transfer Agent**" means Maples Fund Services (Cayman) Limited, the current transfer agent of the Company with a mailing address of c/o Maples Fund Services (Asia) Limited, 16th Floor, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong and an email address of investorserviceshk@maples.com, and any successor transfer agent of the Company.

"**Underlying Shares**" means the Class A Ordinary Shares and/or ADSs issued and issuable upon conversion of the Senior Preferred Shares, and issued and issuable in lieu of the cash payment of dividends on the Senior Preferred Shares in accordance with the terms of this Certificate of Designation.

"**Variable Rate Transaction**" means a transaction in which the Company (i) issues or sells any debt or equity securities that are convertible into, exchangeable or exercisable for, or include the right to receive, additional Ordinary Shares and/or ADSs either (A) at a conversion price, exercise price or exchange rate or other price that is based upon, and/or varies with, the trading prices of or quotations for the ADSs at any time after the initial issuance of such debt or equity securities or (B) with a conversion, exercise or exchange price that is subject to being reset at some future date after the initial issuance of such debt or equity security or upon the occurrence of specified or contingent events directly or indirectly related to the business of the Company or the market for the ADSs or (ii) enters into, or effects a transaction under, any agreement, including, but not limited to, an equity line of credit, whereby the Company may issue securities at a future determined price.

"**VWAP**" means, for any date, the price determined by the first of the following clauses that applies: (a) if the ADSs is then listed or quoted on a Trading Market, the daily volume weighted average price of the ADSs for such date (or the nearest preceding date) on the Trading Market on which the ADSs is then listed or quoted as reported by Bloomberg L.P. (based on a Trading Day from 9:30 a.m. (New York City time) to 4:02 p.m. (New York City time)), (b) if OTCQB or OTCQX is not a Trading Market, the volume weighted average price of the ADSs for such date (or the nearest preceding date) on OTCQB or OTCQX as applicable, (c) if the ADSs is not then listed or quoted for trading on OTCQB or OTCQX and if prices for the ADSs are then reported on The Pink Open Market (or a similar organization or agency succeeding to its functions of reporting prices), the most recent bid price per share of the ADSs so reported, or (d) in all other cases, the fair market value of an ADS as determined by an independent appraiser selected in good faith by the Holders of a majority of the then outstanding Senior Preferred Shares and reasonably acceptable to the Company, the fees and expenses of which shall be paid by the Company.

"**Warrant**" means, collectively, the warrant to purchase certain Senior Preferred Shares to be delivered to each original Holder at the First Closing in accordance with Article II of the Subscription Agreement.

Section 2. *Designation, Amount and Par Value.*

The series of preferred shares shall be designated as the Company's senior convertible preferred shares (the "**Senior Preferred Shares**") and the number of shares so designated shall be 1,000,000,000 (which shall not be subject to increase, other than as contemplated under the Subscription Agreement, without the written consent of the holders of a majority of the then outstanding Senior Preferred Shares (each, a "**Holder**" and collectively, the "**Holders**"). Each Senior Preferred Share shall have a par value of $0.0001 per share and a stated value equal to $0.3433 (the "**Stated Value**").

Section 3. *Dividends.*

(a). Dividends in Cash or in Kind. Subject to the provisions in the Investors' Rights Agreement, the Memorandum and Articles, this Certificate of Designation or by any Applicable Law, the Board may from time to time declare dividends and other distributions on the outstanding shares of the Company and authorize payment of the same out of the funds of the Company legally available therefore. Subject to the foregoing, when and if declared by the Board, each Holder, on parity with each other Holders, in preference to the other holders of Junior Securities shall be entitled to receive, and the Company shall pay, dividends at the rate of eight percent (8%) per annum of the Stated Value per Senior Preferred Share on a non-cumulative basis, payable at a time (the "**Dividend Payment Date**") as soon as practicable but no later than one (1) month after declaration in cash, or in duly authorized, validly issued, fully paid and non-assessable Class A Ordinary Shares and/or ADSs which shall be valued at the Dividend Conversion Rate, or a combination thereof (the dollar amount to be paid in Class A Ordinary Shares or ADSs (as applicable), the "**Dividend Share Amount**"), as declared by the Board. Unless and until any dividends or other distributions in like amount have been paid in full to the Holders, the Company shall not declare, pay or set apart for payment, any dividend and other distributions on any other share of the Company. In the event that the Board declares to pay dividends in Class A Ordinary Shares or ADSs (as applicable) and as a condition, as to the Dividend Payment Date, prior to the date falling 5 consecutive Trading Days immediately prior to the Dividend Payment Date (such period for 5 consecutive Trading Days, the "**Dividend Notice Period**") (but not more than five (5) Trading Days prior to the commencement of such Dividend Notice Period), the Company shall have delivered to each Holder a number of Class A Ordinary Shares or ADSs (as applicable) to be applied against such Dividend Share Amount equal to the quotient of (x) the applicable Dividend Share Amount divided by (y) the Dividend Conversion Rate, assuming for such purposes that the Dividend Payment Date is the Trading Day immediately prior to the commencement of the Dividend Notice Period (the "**Dividend Conversion Shares**"). The Holders shall have the same rights and remedies with respect to the delivery of any such Class A Ordinary Shares or ADSs (as applicable) as if such Class A Ordinary Shares or ADSs (as applicable) were being issued pursuant to Section 6.

(b). After the preferential dividends relating to the Senior Preferred Shares under (a) above have been paid in full or declared and set apart in any fiscal year of the Company, any additional dividends out of funds legally available therefor may be declared in that fiscal year for the Ordinary Shares and the ADSs and, if such additional dividends are declared, then the holders of any Senior Preferred Shares shall be entitled to participate in such subsequent distribution among the Ordinary Shares (including the ADSs representing Class A Ordinary Shares) pro rata based on the number of Class A Ordinary Shares into which the then outstanding Senior Preferred Shares held by each Holder are convertible (calculated on an as-converted basis).

(c). Dividend Calculations. Payment of dividends in Class A Ordinary Shares or ADSs shall otherwise occur pursuant to Section 6(c)(i) herein and, solely for purposes of the payment of dividends in shares, the Dividend Payment Date shall be deemed the Conversion Date. Preferential dividends shall cease to accrue with respect to any Senior Preferred Shares converted, provided that, the Company actually delivers the Conversion Shares within the time period required by Section 6(c)(i) herein. Except as otherwise provided herein, if at any time the Board determines to pay dividends partially in cash and partially in shares, then such payment shall be distributed ratably among the Holders based upon the number of Senior Preferred Shares held by each Holder on such Dividend Payment Date.

(d). Other Securities. So long as any Senior Preferred Shares shall remain outstanding, neither the Company nor any Subsidiary thereof shall redeem, purchase or otherwise acquire directly or indirectly any Junior Securities other than pursuant to contractual rights to repurchase Class A Ordinary Shares or ADSs from the employees, officers, directors or consultants of the Group Companies upon termination of their employment or services. So long as any Senior Preferred Shares shall remain outstanding, neither the Company nor any Subsidiary thereof shall directly or indirectly pay or declare any dividend or make any distribution upon (other than a dividend or distribution described in Section 6), nor shall any distribution be made in respect of, any Junior Securities as long as any dividends due on the Senior Preferred Shares remain unpaid, nor shall any monies be set aside for or applied to the purchase or redemption (through a sinking fund or otherwise) of any Junior Securities or shares pari passu with the Senior Preferred Shares.

Section 4. *Voting Rights.*

Subject to the provisions in the Investors' Rights Agreement, except as otherwise provided herein or as otherwise required by law, the holder of each Senior Preferred Share shall be entitled to vote that number of votes equal to the largest number of whole shares of Class A Ordinary Shares into which each such Senior Preferred Share could be converted, pursuant to the sections hereof.

Section 5. *Liquidation.*

(a). Upon any liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, (a "**Liquidation**"), each Holder, pari passu with other Holders, and in preference to the other holders of Junior Securities, shall be entitled to receive out of the assets, whether capital or surplus, of the Company an amount equal to one hundred and fifty percent (150%) of Stated Value per Senior Preferred Share held by such Holder, plus any accrued and unpaid dividends thereon and any other fees or liquidated damages then due and owing thereon under this Certificate of Designation, for each Senior Preferred Shares before any distribution or payment shall be made to the holders of any Junior Securities, and if the assets of the Company shall be insufficient to pay in full such amounts, then the entire assets to be distributed to the Holders shall be ratably distributed among the Holders in accordance with the respective amounts that would be payable on such shares if all amounts payable thereon were paid in full. After unconditional and irrevocable distribution or payment in full of the amount distributable or payable on all Senior Preferred Shares pursuant to this Section, the Company shall pay and distribute all of the remaining assets of the Company available for distribution among the holders of Senior Preferred Shares and Ordinary Shares (including ADSs representing Class A Ordinary Shares) pro rata based on the number of Ordinary Shares held by each holder (assuming full conversion of all Senior Preferred Shares pursuant to this Certificate of Designation). The Company shall mail written notice of any such Liquidation, not less than 45 days prior to the payment date stated therein, to each Holder.

(b). In the event the Company proposes to distribute assets other than cash in connection with Liquidation, the value of assets to be distributed shall be the fair market value of such assets, determined in good faith by the liquidator if one is appointed or by the Board (including the affirmative votes of the Investor Directors). Any securities not subjected to investment letter or similar restrictions on free marketability shall be valued as follows:

(i) If traded on a securities exchange, the value shall be deemed to be the average of the security's closing prices on such exchange over the thirty (30) day period ending one (1) day prior to the distribution;

(ii) If traded over-the-counter, the value shall be deemed to be the average of the closing bid prices over the thirty (30) day period ending three (3) days prior to the distribution; and

(iii) If there is no active public market, the value shall be the fair market value thereof as determined in good faith by the liquidator if one is appointed or by the Board (including the affirmative votes of the Investor Directors).

The method of valuation of securities subject to investment letter or other restrictions on free marketability shall be adjusted to make an appropriate discount from the market value determined as above in clauses (i),

(ii) or (iii) to reflect the fair market value thereof as determined in good faith by the Board (including the affirmative votes of the Investor Directors), or by a liquidator if one is appointed. The Holders shall have the right to challenge any determination by the liquidator or the Board (as the case may be) of fair market value pursuant to this Section 5(b), in which case the determination of fair market value shall be made by an independent appraiser selected jointly by the liquidator or the Board (as the case may be) and the challenging parties, the cost of such appraisal to be borne equally by the Company and the challenging parties.

Section 6. *Conversion.*

(a). Conversions at Option of Holder. Subject to this Section 6(a), each Senior Preferred Share shall be convertible, at any time and from time to time from and after the applicable Original Issue Date, subject to compliance with Applicable Laws, at the option of the Holder thereof at its sole discretion, into that number of Class A Ordinary Shares or ADSs determined by dividing the Stated Value of such Senior Preferred Share by the Conversion Price. Each Holder shall effect conversions by providing the Company with the form of conversion notice attached hereto as Annex A (a "**Notice of Conversion**"). Each Notice of Conversion shall specify the number of Senior Preferred Shares to be converted, the number of Senior Preferred Shares owned prior to the conversion at issue, the number of Senior Preferred Shares owned subsequent to the conversion at issue, whether the Senior Preferred Shares shall be converted into Class A Ordinary Shares or ADSs, and the date on which such conversion is to be effected, which date may not be prior to the date the applicable Holder delivers by facsimile or email such Notice of Conversion to the Company (such date, the "**Conversion Date**"). If no Conversion Date is specified in a Notice of Conversion, the Conversion Date shall be the date that such Notice of Conversion to the Company is deemed delivered hereunder. No ink-original Notice of Conversion shall be required, nor shall any medallion guarantee (or other type of guarantee or notarization) of any Notice of Conversion form be required. The calculations and entries set forth in the Notice of Conversion shall control in the absence of manifest or mathematical error. To effect conversions of Senior Preferred Shares, a Holder shall not be required to surrender the certificate(s) representing the Senior Preferred Shares to the Company unless all of the Senior Preferred Shares represented thereby are so converted, in which case such Holder shall deliver the certificate representing such Senior Preferred Shares promptly following the Conversion Date at issue. Senior Preferred Shares converted into Class A Ordinary Shares or ADSs in accordance with the terms hereof shall be canceled and shall not be reissued.

(b). Conversion Price. The conversion price for each Senior Preferred Share shall initially be $0.3433 per Class A Ordinary Shares or $1.03 per ADS, as adjusted from time to time in accordance with Section 7 (the "**Conversion Price**").

(c). Mechanics of Conversion.

(i) Delivery of Conversion Shares Upon Conversion. Not later than three (3) Trading Days after each Conversion Date (the "**Share Delivery Date**"), the Company shall deliver, or cause to be delivered, to the converting Holder:

(A) the number of Conversion Shares being acquired upon the conversion of the Senior Preferred Shares (including Class A Ordinary Shares and/or ADSs representing the payment of accrued dividends otherwise determined pursuant to Section 3(a) but assuming that the Dividend Notice Period is the five (5) Trading Day period immediately prior to the date on which the Notice of Conversion is delivered to the Company and excluding for such issuance the condition that the Company deliver the Dividend Share Amount as to such dividend payment prior to the commencement of the Dividend Notice Period) which, as follows:

(x) if such Holder elects to convert the Senior Preferred Shares into Class A Ordinary Shares, (1) a certified copy of the Company's register of members or an excerpt thereof reflecting such Holder's ownership of such Class A Ordinary Shares to which such Holder shall be entitled upon conversion of the applicable Senior Preferred Shares, and (2) a share certificate representing such Class A Ordinary Shares registered in the name of such Holder to which such Holder shall be entitled upon conversion of the applicable Senior Preferred Shares as calculated pursuant to Section 6(b), and

(y) if such Holder elects to convert the Senior Preferred Shares into ADSs, (1) a certified copy of the Company's register of members or an excerpt thereof reflecting the Depositary's

ownership of the underlying Class A Ordinary Shares represented by the ADSs into which applicable Senior Preferred Shares are converted, and (2) evidence to the reasonable satisfaction of such Holder that the ADSs to which such Holder shall be entitled upon conversion of the applicable Senior Preferred Shares has been credited on the books of The Depository Trust Company to the brokerage account(s) designated by such Holder;

(B) if applicable, (x) a share certificate representing the number of Senior Preferred Shares delivered to the Company for conversion but otherwise not elected to be converted pursuant to the written election and (y) a certified copy of the Company's register of members or an excerpt thereof reflecting such holder's ownership of such Senior Preferred Shares delivered to the Company for conversion but otherwise not elected to be converted pursuant to the written election.

(C) a bank check in the amount of accrued and unpaid dividends (if the Company has elected or is required to pay accrued dividends in cash).

All Conversion Shares issued hereunder by the Company shall be duly and validly issued, fully paid and non-assessable, free and clear of all Taxes, liens, charges and encumbrances with respect to the issuance thereof. Without reducing the Company's obligations before the Effective Date as specified above and in the Registration Rights Agreement, on or after the Effective Date, all relevant Conversion Shares shall be free of restrictive legends and trading restrictions, and the Company shall deliver the Conversion Shares required to be delivered by the Company under this Section 6 electronically through The Depository Trust Company or another established clearing Company performing similar functions.

(ii) Failure to Deliver Conversion Shares. If, in the case of any Notice of Conversion, such Conversion Shares are not delivered to or as directed by the applicable Holder by the Share Delivery Date, the Holder shall be entitled to elect by written notice to the Company at any time on or before its receipt of such Conversion Shares, to rescind such Conversion, in which event the Company shall promptly return to the Holder any original Senior Preferred Share certificate delivered to the Company and the Holder shall, if received subsequently, promptly return to the Company the Conversion Shares issued to such Holder pursuant to the rescinded Notice of Conversion.

(iii) Obligation Absolute; Partial Liquidated Damages. The Company's obligation to issue and deliver the Conversion Shares upon conversion of Senior Preferred Shares in accordance with the terms hereof are absolute and unconditional, irrespective of any action or inaction by a Holder to enforce the same, any waiver or consent with respect to any provision hereof, the recovery of any judgment against any Person or any action to enforce the same, or any setoff, counterclaim, recoupment, limitation or termination, or any breach or alleged breach by such Holder or any other Person of any obligation to the Company or any violation or alleged violation of law by such Holder or any other person, and irrespective of any other circumstance which might otherwise limit such obligation of the Company to such Holder in connection with the issuance of such Conversion Shares; provided, however, that such delivery shall not operate as a waiver by the Company of any such action that the Company may have against such Holder. In the event a Holder shall elect to convert any or all of its Senior Preferred Shares, the Company may not refuse conversion based on any claim that such Holder or anyone associated or affiliated with such Holder has been engaged in any violation of law, agreement or for any other reason, unless an injunction from a court, on notice to Holder, restraining and/or enjoining conversion of all or part of the Senior Preferred Shares of such Holder shall have been sought and obtained, and the Company posts a surety bond for the benefit of such Holder in the amount of 150% of the Stated Value of Senior Preferred Shares which are subject to the injunction, which bond shall remain in effect until the completion of arbitration/litigation of the underlying dispute and the proceeds of which shall be payable to such Holder to the extent it obtains judgment. In the absence of such injunction, the Company shall issue Conversion Shares and, if applicable, cash, upon a properly noticed conversion. If the Company fails to deliver to a Holder such Conversion Shares pursuant to Section 6(c)(i) by the Share Delivery Date applicable to such conversion, the Company shall pay to such Holder, in cash, as liquidated damages and not as a penalty, for each $5,000 of Stated Value of Senior Preferred Shares being converted, $50 per Trading Day for each Trading Day after the 2nd Trading Day following the Share Delivery Date until such Conversion Shares are delivered or Holder rescinds such conversion. Nothing herein shall limit a Holder's right to pursue actual damages for the Company's failure to deliver Conversion Shares within the period specified herein and such Holder shall have

the right to pursue all remedies available to it hereunder, at law or in equity including, without limitation, a decree of specific performance and/or injunctive relief. The exercise of any such rights shall not prohibit a Holder from seeking to enforce damages pursuant to any other Section hereof or under Applicable Law.

(iv) Compensation for Buy-In on Failure to Timely Deliver Conversion Shares Upon Conversion. In addition to any other rights available to the Holder, if the Company fails for any reason to deliver to a Holder the applicable Conversion Shares by the Share Delivery Date pursuant to Section 6(c)(i), and if after such Share Delivery Date such Holder is required by its brokerage firm to purchase (in an open market transaction or otherwise), or the Holder's brokerage firm otherwise purchases, Class A Ordinary Shares or ADSs to deliver in satisfaction of a sale by such Holder of the Conversion Shares which such Holder was entitled to receive upon the conversion relating to such Share Delivery Date (a "**Buy-In**"), then the Company shall (A) pay in cash to such Holder (in addition to any other remedies available to or elected by such Holder) the amount, if any, by which (x) such Holder's total purchase price (including any brokerage commissions) for the Class A Ordinary Shares or ADSs so purchased exceeds (y) the product of (1) the aggregate number of Class A Ordinary Shares or ADSs (as applicable) that such Holder was entitled to receive from the conversion at issue multiplied by (2) the actual sale price at which the sell order giving rise to such purchase obligation was executed (including any brokerage commissions); and (B) at the option of such Holder, either reissue (if surrendered) the Senior Preferred Shares equal to the number of Senior Preferred Shares submitted for conversion (in which case, such conversion shall be deemed rescinded) or deliver to such Holder the number of Class A Ordinary Shares or ADSs (as applicable) that would have been issued if the Company had timely complied with its delivery requirements under Section 6(c)(i). The Holder shall provide the Company written notice indicating the amounts payable to such Holder in respect of the Buy-In and, upon request of the Company, evidence of the amount of such loss. Nothing herein shall limit a Holder's right to pursue any other remedies available to it hereunder, at law or in equity including, without limitation, a decree of specific performance and/or injunctive relief with respect to the Company's failure to timely deliver the Conversion Shares upon conversion of the Senior Preferred Shares as required pursuant to the terms hereof.

(v) Reservation of Shares Issuable Upon Conversion. The Company covenants that it will at all times reserve and keep available out of its authorized and unissued Class A Ordinary Shares for the sole purpose of issuance upon conversion of the Senior Preferred Shares and payment of dividends on the Senior Preferred Shares, each as herein provided, free from preemptive rights or any other actual contingent purchase rights of Persons other than the Holder (and the other holders of the Senior Preferred Shares), not less than such aggregate number of Class A Ordinary Shares as shall (subject to the terms and conditions set forth in the Subscription Agreement) be issuable (taking into account the adjustments and restrictions of Section 7) upon the conversion of the then outstanding Senior Preferred Shares and payment of dividends hereunder. The Company covenants that all Class A Ordinary Shares that shall be so issuable shall, upon issue, be duly authorized, validly issued, fully paid and nonassessable and, if the Registration Statement is then effective under the Securities Act, shall be registered for public resale in accordance with such Registration Statement (subject to such Holder's compliance with its obligations under the Registration Rights Agreement).

(vi) Conversion into ADSs. To the extent that any Holder of Senior Preferred Shares elects to convert its Senior Preferred Shares into ADSs pursuant to Section 6, the Company shall (i) do and perform, or cause to done and performed, all such acts and things (including to provide any consent or confirmation and to satisfy any other procedural or substantive requirements under that certain deposit agreement dated June 27, 2018 among the Company, the Bank of New York Mellon (the "**Depositary**") and the holders and beneficial owners of American depositary shares issued thereunder (as amended, restated, supplemented or modified from time to time)), and shall execute and deliver all such other agreements, certificates, instruments and documents and cause to be delivered any legal opinions as soon as possible), as may be necessary or reasonably requested by such Holder, in order to effect the conversion into ADSs of the Senior Preferred Shares being converted, and (b) shall otherwise facilitate and effect (or cause to be effected) the conversion of such Senior Preferred Shares into ADSs and deliver such ADSs to such Holder in accordance with Section 6(c)(i) (including the time periods set forth therein).

(vii) Fractional Shares. No fractional shares (either in Class A Ordinary Shares or ADSs)

or scrip representing fractional shares shall be issued upon the conversion of the Senior Preferred Shares. As to any fraction of a share which the Holder would otherwise be entitled to purchase upon such conversion, the Company shall at its election, either pay a cash adjustment in respect of such final fraction in an amount equal to such fraction multiplied by the Conversion Price or round up to the next whole share. Notwithstanding anything to the contrary contained herein, but consistent with the provisions of this subsection with respect to fractional Conversion Shares, nothing shall prevent any Holder from converting fractional Senior Preferred Shares.

(viii) Transfer Taxes and Expenses. The issuance of Conversion Shares on conversion of the Senior Preferred Shares shall be made without charge to any Holder for any documentary stamp or similar taxes that may be payable in respect of the issue or delivery of such Conversion Shares, provided that the Company shall not be required to pay any tax that may be payable in respect of any transfer involved in the issuance and delivery of any such Conversion Shares upon conversion in a name other than that of the Holders of such Senior Preferred Shares. The Company shall pay all Transfer Agent fees required for same-day processing of any Notice of Conversion and all fees to the Depositary and The Depository Trust Company (or another established clearing corporation performing similar functions), including without limitation any ADS conversion fees, required for same-day electronic delivery of the Conversion Shares.

Section 7. *Certain Adjustments.*

(a). Share Dividends and Share Splits. If the Company, at any time while any Senior Preferred Shares are outstanding: (i) pays a share dividend or otherwise makes a distribution or distributions payable in Class A Ordinary Shares or ADSs on Ordinary Shares or any other Ordinary Share Equivalents (which, for avoidance of doubt, shall not include any Class A Ordinary Shares issued by the Company upon conversion of, or payment of a dividend on, the Senior Preferred Shares), (ii) subdivides outstanding Ordinary Shares into a larger number of shares, (iii) combines (including by way of a reverse share split) outstanding Ordinary Shares into a smaller number of shares, or (iv) issues, in the event of a reclassification of the Ordinary Shares, any shares of capital stock of the Company, then the Conversion Price shall be multiplied by a fraction of which the numerator shall be the number of Ordinary Shares (excluding any treasury shares of the Company) outstanding immediately before such event, and of which the denominator shall be the number of Ordinary Shares outstanding immediately after such event. Any adjustment made pursuant to this Section 7(a) shall become effective immediately after the record date for the determination of shareholders entitled to receive such dividend or distribution and shall become effective immediately after the effective date in the case of a subdivision, combination or reclassification.

(b). Subsequent Equity Sales. If, at any time while any Senior Preferred Shares are outstanding, the Company or any Subsidiary, as applicable sells or grants any option to purchase or sells or grants any right to reprice, or otherwise disposes of or issues (or announces any sale, grant or any option to purchase or other disposition), any Ordinary Shares or Ordinary Share Equivalents entitling any Person to acquire Ordinary Shares or ADSs at an effective price per share that is lower than the then Conversion Price (such lower price, the "**Base Conversion Price**" and such issuances, collectively, a "**Dilutive Issuance**") (if the holder of the Ordinary Shares or Ordinary Share Equivalents so issued shall at any time, whether by operation of purchase price adjustments, reset provisions, floating conversion, exercise or exchange prices or otherwise, or due to warrants, options or rights per share which are issued in connection with such issuance, be entitled to receive Ordinary Shares or ADSs at an effective price per share that is lower than the Conversion Price, such issuance shall be deemed to have occurred for less than the Conversion Price on such date of the Dilutive Issuance), then simultaneously with the consummation (or, if earlier, the announcement) of each Dilutive Issuance the Conversion Price shall be reduced to equal the Base Conversion Price. Notwithstanding the foregoing, no adjustment will be made under this Section 7(b) in respect of an Exempt Issuance. If the Company enters into a Variable Rate Transaction in breach of the Investors' Rights Agreement, the Company shall be deemed to have issued Ordinary Shares or Ordinary Share Equivalents at the lowest possible conversion price at which such securities may be converted or exercised. The Company shall notify the Holders in writing, no later than the Trading Day following the issuance of any Ordinary Shares or Ordinary Share Equivalents subject to this Section 7(b), indicating therein the applicable issuance price, or applicable reset price, exchange price, conversion price and other pricing terms (such notice, the "**Dilutive Issuance Notice**"). For purposes of clarification, whether or not the Company provides a Dilutive Issuance Notice pursuant to this Section 7(b), upon the occurrence of any Dilutive Issuance, the Holders are entitled to receive a number of Conversion

Shares based upon the Base Conversion Price on or after the date of such Dilutive Issuance, regardless of whether a Holder accurately refers to the Base Conversion Price in the Notice of Conversion.

(c). Subsequent Rights Offerings. In addition to any adjustments pursuant to Section 7(a) above, if at any time the Company grants, issues or sells any Ordinary Share Equivalents or rights to purchase stock, warrants, securities or other property pro rata to the record holders of any class of Ordinary Shares (the "**Purchase Rights**"), then the Holder will be entitled to acquire, upon the terms applicable to such Purchase Rights, the aggregate Purchase Rights which the Holder could have acquired if the Holder had held the number of Ordinary Shares acquirable upon complete conversion of such Holder's Preferred Shares immediately before the date on which a record is taken for the grant, issuance or sale of such Purchase Rights, or, if no such record is taken, the date as of which the record holders of Ordinary Shares are to be determined for the grant, issue or sale of such Purchase Rights.

(d). Pro Rata Distributions. During such time as any Senior Preferred Shares are outstanding, if the Company declares or makes any dividend or other distribution of its assets (or rights to acquire its assets) to holders of Ordinary Shares, by way of return of capital or otherwise (including, without limitation, any distribution of cash, stock or other securities, property or options by way of a dividend, spin off, reclassification, corporate rearrangement, scheme of arrangement or other similar transaction) (a "**Distribution**"), at any time after the issuance of the Senior Preferred Shares, then, in each such case, the Holder shall be entitled to participate in such Distribution to the same extent that the Holder would have participated therein if the Holder had held the number of Class A Ordinary Shares acquirable upon complete conversion of the Senior Preferred Shares immediately before the date of which a record is taken for such Distribution, or, if no such record is taken, the date as of which the record holders of Class A Ordinary Shares are to be determined for the participation in such Distribution.

(e). Fundamental Transaction. If, at any time while any Senior Preferred Shares are outstanding, (i) the Company, directly or indirectly, in one or more related transactions effects any merger or consolidation of the Company with or into another Person, (ii) the Company (and all of its Subsidiaries, taken as a whole), directly or indirectly, effects any sale, lease, license, assignment, transfer, conveyance or other disposition of all or substantially all of its assets in one or a series of related transactions, (iii) any, direct or indirect, purchase offer, tender offer or exchange offer (whether by the Company or another Person) is completed pursuant to which holders of Ordinary Shares and/or ADSs are permitted to sell, tender or exchange their shares for other securities, cash or property and has been accepted by the holders of 50% or more of the outstanding Ordinary Shares, (iv) the Company, directly or indirectly, in one or more related transactions effects any reclassification, reorganization or recapitalization of the Ordinary Shares or any compulsory share exchange pursuant to which the Ordinary Shares and/or ADSs are effectively converted into or exchanged for other securities, cash or property, or (v) the Company, directly or indirectly, in one or more related transactions consummates a stock or share purchase agreement or other business combination (including, without limitation, a reorganization, recapitalization, spin-off or scheme of arrangement) with another Person whereby such other Person acquires more than 50% of the outstanding ADSs and/or Ordinary Shares (not including any Ordinary Shares held by the other Person or other Persons making or party to, or associated or affiliated with the other Persons making or party to, such stock or share purchase agreement or other business combination), in each case of (i)-(v) above, (each a "**Fundamental Transaction**"), then, upon any subsequent conversion of the Senior Preferred Shares, at the sole discretion of the Holder, the Holder shall have the right to receive, for each Conversion Share that would have been issuable upon such conversion immediately prior to the occurrence of such Fundamental Transaction, the number of ordinary shares of the successor or acquiring Company or Ordinary Shares of the Company, if it is the surviving Company, and any additional consideration (the "**Alternate Consideration**") receivable as a result of such Fundamental Transaction by a holder of the number of Ordinary Shares for which the Senior Preferred Shares are convertible immediately prior to such Fundamental Transaction. For purposes of any such conversion, the determination of the Conversion Price shall be appropriately adjusted to apply to such Alternate Consideration based on the amount of Alternate Consideration issuable in respect of one share of Ordinary Shares in such Fundamental Transaction, and the Company shall apportion the Conversion Price among the Alternate Consideration in a reasonable manner reflecting the relative value of any different components of the Alternate Consideration. If holders of Ordinary Shares and/or ADSs are given any choice as to the securities, cash or property to be received in a Fundamental Transaction, then the Holder shall be given the same choice as to the Alternate Consideration it receives upon any conversion of the Senior Preferred Shares following such Fundamental Transaction. To the extent necessary to effectuate the foregoing provisions, any successor to the Company or surviving entity in such Fundamental Transaction shall file a new Certificate of

Designation with the same terms and conditions and issue to the Holders new preferred shares consistent with the foregoing provisions and evidencing the Holders' right to convert such preferred shares into Alternate Consideration. The Company shall cause any successor entity in a Fundamental Transaction in which the Company is not the survivor (the "**Successor Entity**") to assume in writing all of the obligations of the Company under this Certificate of Designation and the other Transaction Documents (as defined in the Subscription Agreement) in accordance with the provisions of this Section 7(e) pursuant to written agreements in form and substance reasonably satisfactory to the Holder and approved by the Holder (without unreasonable delay) prior to such Fundamental Transaction and shall, at the option of the holder of the Senior Preferred Shares, deliver to the Holder in exchange for the Senior Preferred Shares a security of the Successor Entity evidenced by a written instrument substantially similar in form and substance to the Senior Preferred Shares which are convertible for a corresponding number of shares of capital stock of such Successor Entity (or its parent entity) equivalent to the Class A Ordinary Shares acquirable and receivable upon conversion of the Senior Preferred Shares (without regard to any limitations on the conversion of the Senior Preferred Shares) prior to such Fundamental Transaction, and with a conversion price which applies the conversion price hereunder to such shares of capital stock (but taking into account the relative value of the Ordinary Shares pursuant to such Fundamental Transaction and the value of such shares of capital stock, such number of shares of capital stock and such conversion price being for the purpose of protecting the economic value of the Senior Preferred Shares immediately prior to the consummation of such Fundamental Transaction), and which is reasonably satisfactory in form and substance to the Holder. Upon the occurrence of any such Fundamental Transaction, the Successor Entity shall succeed to, and be substituted for (so that from and after the date of such Fundamental Transaction, the provisions of this Certificate of Designation and the other Transaction Documents referring to the "Company" shall refer instead to the Successor Entity), and may exercise every right and power of the Company and shall assume all of the obligations of the Company under this Certificate of Designation and the other Transaction Documents with the same effect as if such Successor Entity had been named as the Company herein.

(f). ADS-Class A Ordinary Share Exchange Ratio. If the number of Class A Ordinary Shares represented by the ADSs as at the Original Issuance Date is changed for any reason, the Company shall make an appropriate adjustment to the Conversion Price such that the number of Class A Ordinary Shares represented by the ADSs upon which any conversion of Senior Preferred Shares is based remains the same. Any reference in this Section 7 to issuances or other actions taken in respect of Class A Ordinary Shares or otherwise for the benefit of shareholders of the Company shall also include (without double counting) issuances or other actions that are given effect through the issuance, or other action taken in respect, of ADSs.

(g). Calculations. All calculations under this Section 7 shall be made to the nearest cent or the nearest 1/100th of a share, as the case may be. For purposes of this Section 7, the number of Ordinary Shares deemed to be issued and outstanding as of a given date shall be the sum of the number of Ordinary Shares (excluding any treasury shares of the Company) issued and outstanding.

(h). Notice to the Holders.

(i) Adjustment to Conversion Price. Whenever the Conversion Price is adjusted pursuant to any provision of this Section 7, the Company shall promptly deliver to each Holder by facsimile or email a notice setting forth the Conversion Price after such adjustment and setting forth a brief statement of the facts requiring such adjustment.

(ii) Notice to Allow Conversion by Holders. Subject to the provisions in the Investors' Rights Agreement and the Memorandum and Articles, if (A) the Company shall declare a dividend (or any other distribution in whatever form) on the Ordinary Shares, (B) the Company shall declare a special nonrecurring cash dividend on or a redemption of the Ordinary Shares, (C) the Company shall authorize the granting to all holders of the Ordinary Shares of rights or warrants to subscribe for or purchase any shares of capital stock of any class or of any rights, (D) the approval of any shareholders of the Company shall be required in connection with any reclassification of the Ordinary Shares, any consolidation or merger to which the Company is a party, any sale or transfer of all or substantially all of the assets of the Company (and all of its Subsidiaries, taken as a whole), or any compulsory share exchange whereby the Ordinary Shares is converted into other securities, cash or property or (E) the Company shall authorize the voluntary or involuntary dissolution, liquidation or winding up of the affairs of the Company, then, in each case, the

Company shall cause to be filed at each office or agency maintained for the purpose of conversion of the Senior Preferred Shares, and shall cause to be delivered by facsimile or email to each Holder at its last facsimile number or email address as it shall appear upon the stock books of the Company, at least twenty (20) calendar days prior to the applicable record or effective date hereinafter specified, a notice stating (x) the date on which a record is to be taken for the purpose of such dividend, distribution, redemption, rights or warrants, or if a record is not to be taken, the date as of which the holders of the Ordinary Shares of record to be entitled to such dividend, distributions, redemption, rights or warrants are to be determined or (y) the date on which such reclassification, consolidation, merger, sale, transfer or share exchange is expected to become effective or close, and the date as of which it is expected that holders of the Ordinary Shares of record shall be entitled to exchange their Ordinary Shares for securities, cash or other property deliverable upon such reclassification, consolidation, merger, sale, transfer or share exchange, provided that the failure to deliver such notice or any defect therein or in the delivery thereof shall not affect the validity of the corporate action required to be specified in such notice. To the extent that any notice provided hereunder constitutes, or contains, material, non-public information regarding the Company or any of the Subsidiaries, the Company shall simultaneously file such notice with the Commission pursuant to a Current Report on Form 6-K. The Holders shall remain entitled to convert the Conversion Amount of the Senior Preferred Shares (or any part hereof) during the 20-day period commencing on the date of such notice through the effective date of the event triggering such notice except as may otherwise be expressly set forth herein.

Section 8. *Redemption Right.*

(a). Redemption. At any time and from time to time, upon written notice of each Holder of Senior Preferred Shares, the Company shall redeem all or part of the Senior Preferred Shares held by such Holder at the Redemption Price (as defined below), provided that any of the following events occurs:

(i) any material breach of any of the representations, warranties or covenants by the Company or the Principal Parties under any of the Transaction Documents (without regard to any limitation or qualification as to materiality or by "Material Adverse Effect" included therein) where such breach is not cured within thirty (30) days after the earlier of (i) written notice of such breach is given to the Company and (ii) the Company's obtaining actual knowledge of such breach;

(ii) any conviction of breaches or violation of Applicable Law by the Company which is reasonably expected to have a Material Adverse Effect (including but not limited to the violation by the Principal of any criminal laws, misrepresentation or moral turpitude or violation of applicable securities law, violation of any anti-corruption/anti-bribery laws, regulations or policies or any conviction in each case causing the Principal unable to perform his duties to the Group Companies);

(iii) during the Principal Lock-Up Period, all or part of the 40,809,861 Class B Ordinary Shares held by the Principal Parties shall be subject to enforcement, foreclosure, freezing order or other judicial measures, or the Principal Parties (directly or indirectly) shall hold less than 40,809,861 Class B Ordinary Shares of the Company;

(iv) the Principal's employment with the Company shall be terminated for whatever reason;

(v) the Company shall fail to have available a sufficient number of authorized and unreserved Class A Ordinary Shares to issue to such Holder upon a conversion hereunder;

(vi) there shall have occurred a Bankruptcy Event;

(vii) the ADSs shall fail to be listed or quoted for trading on a Trading Market for more than five (5) Trading Days, which need not be consecutive Trading Days; or

(viii) the electronic transfer by the Company of ADSs through the Depository Trust Company or another established clearing corporation is no longer available or is subject to a "chill".

(b). Redemption Price. The "**Redemption Price**" for each Senior Preferred Share redeemed pursuant to Section 8(a) above shall be the sum of (x) the aggregate amount of the Stated Value (as adjusted for any share dividends, combinations, splits, recapitalizations and the like), plus (y) an amount accruing at a compound annual rate of eight percent (8%) of such Stated Value for a period of time commencing from the Original Issue Date of such Senior Preferred Share and ending on the Redemption Closing Date, plus (z) any accrued but unpaid dividends on such Senior Preferred Share, in each case, in respect of all of the Senior Preferred Shares held by such Holder and requested to be redeemed.

(c). Redemption Notice. The requesting Holder shall deliver to the Company a written notice (a "**Redemption Notice**") of the election by such Holder to exercise its redemption rights under this Section 8 (the date of delivery of such Redemption Notice being the "**Redemption Notice Date**"). Upon receipt of such Redemption Notice, the Company shall promptly (no later than two (2) Business Days from the Redemption Notice Date) give a written notice of the redemption request to each of the non-requesting Holders of Senior Preferred Shares stating the existence of such request, the Redemption Price, the Redemption Closing Date, and the mechanics of redemption. Each of the non-requesting Holders of Senior Preferred Shares may also elect to require the Company to redeem all or a portion of their Senior Preferred Shares by delivering a separate redemption notice to the Company within ten (10) Business Days of the receipt of such written notice from the Company. Each redemption of the Senior Preferred Shares pursuant to Section 8 hereof shall have its closing on a date no later than forty five (45) days of the Redemption Notice Date, or on such earlier date as designated by the holder of such Senior Preferred Shares (such date, the "**Redemption Closing Date**").

(d). Surrender of Share Certificate. Upon the Redemption Closing Date, each redeeming Holder of Senior Preferred Shares shall surrender its certificate or certificates representing such Senior Preferred Shares to be redeemed to the Company and a dated and signed instrument of transfer therefor in the manner and at the place designated by the Company for that purpose, and immediately thereupon on the same date such Redemption Price shall be paid to the order of the Person whose name appears on such certificate or certificates as the owner of such Senior Preferred Shares and each such certificate shall be cancelled. In the event less than all the Senior Preferred Shares represented by any such certificate are redeemed, a new certificate shall be promptly issued representing the unredeemed Senior Preferred Shares. Unless there has been a default in payment of the applicable Redemption Price, upon cancellation of the certificate representing such Senior Preferred Shares to be redeemed, all dividends on such Senior Preferred Shares designated for redemption on the Redemption Closing Date shall cease to accrue and all rights of the Holders thereof, except the right to receive the respective Redemption Price thereof, shall cease and terminate, and such Senior Preferred Shares shall be immediately upon the Redemption Closing Date converted into Class A Ordinary Shares based on the then-effective Conversion Price.

(e). Partial Redemption. If on the Redemption Closing Date, the number of Senior Preferred Shares that may then be legally redeemed by the Company is less than the number of such Senior Preferred Shares to be redeemed on that day pursuant to this Section 8, then (i) the number of such Senior Preferred Shares then be redeemed shall be based ratably on all Senior Preferred Shares that are requested to be redeemed on that Redemption Closing Date, and (ii) the remaining Senior Preferred Shares to be redeemed shall be carried forward and redeemed as soon as the Company has legally available funds to do so. Without limiting any rights of the redeeming Holders of Senior Preferred Shares set forth in this Section, or are otherwise available under the Applicable Laws, the balance of any Senior Preferred Shares subject to redemption hereunder with respect to which the Company has become obligated to pay the Redemption Price but which it has not paid in full, shall continue to have all the powers, designations, preferences and relative participating, optional, and other special rights (including, without limitation, rights to accrue dividends) which such Senior Preferred Shares had prior to the Redemption Closing Date, until the Redemption Price and all other redemption payments (including without limitation any dividend and other distribution, if any) accrued after the Redemption Closing Date have been paid in full with respect to such Senior Preferred Shares. In addition, if the Company fails (for whatever reason) to redeem any of the Senior Preferred Shares redeemable on the Redemption Closing Date, as from such date until the date on which the same are redeemed the Company shall not declare or pay, other than solely for the purpose of the payment of the Redemption Price, any dividend nor otherwise make any distribution of or otherwise decrease its profits available for distribution.

(f). Profit Distribution. To the extent permitted by the Applicable Laws, the Company shall procure that the profits of each of the Group Companies for the time being available for distribution shall be paid to it by way of dividend and/or other distribution if and to the extent that, but for such payment, the Company would not itself otherwise have sufficient profits available for distribution to make any redemption of Senior Preferred Shares required to be made pursuant to this Section 8.

(g). Payment of Redemption Price. Without limiting the generality of the foregoing Section 8(f), at all times after the receipt of a Redemption Notice, the Company shall take any and all action necessary and use its best endeavours to, and, to the extent not expressly prohibited by the Applicable Laws, and the redeeming Holders of Senior Preferred Shares shall have the right to, directly or indirectly through actions of its Investor Director(s) appointed by them (if any), cause each of the Group Companies to (i) borrow funds from available sources, (ii) declare and pay a cash dividend and/or any other distribution, and/or (iii) sell, transfer or otherwise dispose of any and all of its properties and assets, and apply any and all proceeds from any of the foregoing transactions for the purpose of the payment of the Redemption Price.

(h). Further Action. The Company shall cause each of the Group Companies and each holder of equity securities of the Group Companies to execute such further instruments and to take such further action as may be reasonably necessary to carry out the intent of this Section 8. The Company shall and shall cause the Group Companies and the holders of Ordinary Shares to use their best efforts to ensure that the rights granted under this Section 8 to the redeeming Holders of Senior Preferred Shares are effective and that the redeeming holders of Senior Preferred Shares enjoy the benefits thereof. The Company shall and shall cause each of the Group Companies and the holders of Ordinary Shares to use its best efforts and take any and all actions as may be necessary, advisable or reasonably requested by the redeeming Holders of Senior Preferred Shares in order to carry out the transactions contemplated by this Section 8 and to protect the rights of the redeeming Holders under this Section 8 against impairment.

Section 9. *Miscellaneous.*

(a). Notices. Any and all notices or other communications or deliveries to be provided by the Holders hereunder including, without limitation, any Notice of Conversion, shall be in writing and delivered personally, by facsimile or e-mail attachment, or sent by a nationally recognized overnight courier service, addressed to the Company, at the address set forth above Attention: Mr. Kun Dai, or such other facsimile number, e-mail address or address as the Company may specify for such purposes by notice to the Holders delivered in accordance with this Section 9. Any and all notices or other communications or deliveries to be provided by the Company hereunder shall be in writing and delivered personally, by facsimile or e-mail attachment, or sent by a nationally recognized overnight courier service addressed to each Holder at the facsimile number, e-mail address or address of such Holder appearing on the books of the Company, or if no such facsimile number, e-mail address or address appears on the books of the Company, at the principal place of business of such Holder, as set forth in the Subscription Agreement. Any notice or other communication or deliveries hereunder shall be deemed given and effective on the earliest of (i) the time of transmission, if such notice or communication is delivered via facsimile at the facsimile number or e-mail attachment at the e-mail address set forth in this Section prior to 5:30 p.m. (New York City time) on any date, (ii) the next Trading Day after the time of transmission, if such notice or communication is delivered via facsimile at the facsimile number or e-mail attachment at the e-mail address set forth in this Section on a day that is not a Trading Day or later than 5:30 p.m. (New York City time) on any Trading Day, (iii) the second Trading Day following the date of mailing, if sent by U.S. nationally recognized overnight courier service, or (iv) upon actual receipt by the party to whom such notice is required to be given.

(b). Absolute Obligation. Except as expressly provided herein, no provision of this Certificate of Designation shall alter or impair the obligation of the Company, which is absolute and unconditional, to pay liquidated damages, accrued dividends and accrued interest, as applicable, on the Senior Preferred Shares at the time, place, and rate, and in the coin or currency, herein prescribed.

(c). Lost or Mutilated Senior Preferred Share Certificate. If a Holder's Senior Preferred Share certificate shall be mutilated, lost, stolen or destroyed, the Company shall execute and deliver, in exchange and substitution for and upon cancellation of a mutilated certificate, or in lieu of or in substitution for a lost,

stolen or destroyed certificate, a new certificate for the Senior Preferred Shares so mutilated, lost, stolen or destroyed, but only upon receipt of evidence of such loss, theft or destruction of such certificate, and of the ownership hereof reasonably satisfactory to the Company (which shall not include the posting of any bond).

(d). Governing Law. All questions concerning the construction, validity, enforcement and interpretation of this Certificate of Designation shall be governed by and construed and enforced in accordance with the internal laws of Cayman Islands, without regard to the principles of conflict of laws thereof.

(e). Dispute Resolution. Any dispute or controversy arising out of, relating to, or concerning any interpretation, construction, performance or breach of this Certificate of Designation, shall be settled by arbitration to be held in Hong Kong and administered by the Hong Kong International Arbitration Centre ("**HKIAC**") in accordance with the Hong Kong International Arbitration Centre Administered Arbitration Rules in force at the time of the commencement of the arbitration. Each of the Company and the Holders hereby (i) waive, to the fullest extent it may effectively do so, any objection which it may now or hereafter have to the laying of venue of any such arbitration, and (ii) agree to submit to the exclusive jurisdiction of Hong Kong in any such arbitration. There shall be three (3) arbitrators. The claimant shall appoint one (1) arbitrator, and the respondent shall appoint one (1) arbitrator no more than ten (10) days following the official appointment of the arbitrator appointed by the claimant, failing which such arbitrator shall be appointed by HKIAC; the third arbitrator shall be the presiding arbitrator and shall be appointed jointly by the arbitrators ap-pointed by the claimant and respondent within ten (10) days of the later of the appointment of the arbitrators appointed in accordance herewith, failing which such arbitrator shall be appointed by HKIAC. The arbitration shall be conducted in English. The Company and each Holder agree that in addition to contract damages, the arbitrator may award provisional and final equitable relief, including injunctions, specific performance and lost profits. The decision of the arbitration tribunal shall be final, conclusive and binding on the parties to the arbitration. Judgment may be entered on the arbitration tribunal's decision in any court having jurisdiction. The Company and each Holder expressly consent to the joinder of additional part(ies) in connection with the other Transaction Documents to the arbitration proceedings commenced hereunder and/or the consolidation of arbitration proceedings commenced hereunder with arbitration proceedings commenced pursuant to the arbitration agreements contained in the other Transaction Documents. In addition, the Company and each Holder expressly agree that any disputes arising out of or in connection with this Agreement and the other Transaction Documents concern the same transaction or series of transactions. If any action at law or in equity is necessary to enforce or interpret the terms of this Agreement, the prevailing party shall be entitled to reasonable attorneys' fees, costs and necessary disbursements in addition to any other relief to which such party may be entitled.

(f). Waiver. Any waiver by the Company or any Holder of a breach of any provision of this Certificate of Designation shall not operate as or be construed to be a waiver of any other breach of such provision or of any breach of any other provision of this Certificate of Designation or a waiver by any other Holders. The failure of the Company or a Holder to insist upon strict adherence to any term of this Certificate of Designation on one or more occasions shall not be considered a waiver or deprive that party (or any other Holder) of the right thereafter to insist upon strict adherence to that term or any other term of this Certificate of Designation on any other occasion. Any waiver by the Company or a Holder must be in writing.

(g). Severability. If any provision of this Certificate of Designation is invalid, illegal or unenforceable, the balance of this Certificate of Designation shall remain in effect, and if any provision is inapplicable to any Person or circumstance, it shall nevertheless remain applicable to all other Persons and circumstances. If it shall be found that any interest or other amount deemed interest due hereunder violates the Applicable Law governing usury, the applicable rate of interest due hereunder shall automatically be lowered to equal the maximum rate of interest permitted under Applicable Law.

(h). Next Business Day. Whenever any payment or other obligation hereunder shall be due on a day other than a Business Day, such payment shall be made on the next succeeding Business Day.

(i). Headings. The headings contained herein are for convenience only, do not constitute a part of this Certificate of Designation and shall not be deemed to limit or affect any of the provisions hereof.

(j). Status of Converted or Redeemed Senior Preferred Shares. Senior Preferred Shares may only

be issued pursuant to the Subscription Agreement. If any Senior Preferred Shares shall be converted, redeemed or reacquired by the Company, such shares shall resume the status of authorized but unissued Class A Ordinary Shares and shall no longer be designated as its Senior Convertible Preferred Shares.

[Remainder of Page Intentionally Left Blank; Signature Pages Follow]

IN WITNESS WHEREOF, the undersigned have executed this Certificate this 12th day of July 2021.

/s/ Kun Dai

Name: Kun Dai

Title: Chairman of the Board of Directors

[Signature Page to Uxin Limited Certificate of Designation of Senior Convertible Preferred Shares]

ANNEX A

NOTICE OF CONVERSION

(TO BE EXECUTED BY THE REGISTERED HOLDER IN ORDER TO CONVERT SENIOR PREFERRED SHARES)

The undersigned hereby elects to convert the number of Senior Convertible Preferred Shares indicated below into [Class A Ordinary Shares, par value $0.0001 per share (the "**Ordinary Shares**") / American Depositary Shares of the Company, each representing three (3) Class A Ordinary Shares of the Company (the "**ADSs**")][1], of Uxin Limited, a Cayman Islands Company (the "**Company**"), according to the conditions hereof, as of the date written below. If [Ordinary Shares or ADSs] are to be issued in the name of a Person other than the undersigned, the undersigned will pay all transfer taxes payable with respect thereto. No fee will be charged to the Holders for any conversion, except for any such transfer taxes.

Conversion calculations: _____

Date to Effect Conversion: _____

Number of Senior Preferred Shares owned prior to Conversion: _____

Number of Senior Preferred Shares to be Converted: _____

Stated Value of Senior Preferred Shares to be Converted: _____

Number of [Ordinary Shares / ADSs] to be Issued: _____

Applicable Conversion Price: _____

Number of Senior Preferred Shares subsequent to Conversion: _____

Address for Delivery: _____

or

DWAC Instructions: _____

Broker no: _____

Account no: _____

[HOLDER]

By: _____
Name:
Title:

[1] Please select either Ordinary Shares or ADSs and delete the non-applicable one.

Exhibit 1.3

Execution Version

THIS WARRANT AND THE UNDERLYING SECURITIES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR UNDER THE SECURITIES LAWS OF ANY STATE. THESE SECURITIES MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED EXCEPT AS PERMITTED UNDER THE ACT AND APPLICABLE STATE SECURITIES LAWS IN ACCORDANCE WITH APPLICABLE REGISTRATION REQUIREMENTS OR AN EXEMPTION THEREFROM. THE ISSUER OF THESE SECURITIES MAY REQUIRE AN OPINION OF COUNSEL REASONABLY SATISFACTORY TO THE ISSUER THAT SUCH OFFER, SALE OR TRANSFER OTHERWISE COMPLIES WITH THE ACT AND ANY APPLICABLE STATE SECURITIES LAWS.

WARRANT TO PURCHASE SENIOR CONVERTIBLE PREFERRED SHARES
of
Uxin Limited

Dated July 12, 2021

Warrant to Purchase
240,314,593 Senior Convertible Preferred Shares
(subject to adjustment)

THIS CERTIFIES THAT, for value received, Abundant Grace Investment Limited, or its registered assigns (the "Holder"), is entitled, subject to the provisions and upon the terms and conditions set forth herein, to purchase from Uxin Limited, a company incorporated under the laws of the Cayman Islands (the "Company"), senior convertible preferred shares of the Company, par value of US$0.0001 per share (the "Shares" or "Warrant Share"), in the amounts, at such times and at the price per share set forth in Section 1. The term "Warrant" as used herein shall include this Warrant and any warrants delivered in substitution or exchange therefor as provided herein. This Warrant is issued in connection with the transactions described in the share subscription agreement, dated June 14, 2021, by and among the Company, the Holder and another party described therein (the "Subscription Agreement"). Capitalized terms used and not otherwise defined herein shall have the meanings set forth in the Subscription Agreement.

The following is a statement of the rights of the Holder and the conditions to which this Warrant is subject, and to which the Holder, by acceptance of this Warrant, agrees:

1. Number and Price of Shares; Exercise Period.

(a) Number of Shares. The Holder shall have the right to purchase up to 240,314,593 Shares, as may be adjusted pursuant hereto prior to the expiration of this Warrant.

(b) Exercise Price. The exercise price per Share shall be the equivalent of $0.3433 per Share, subject to adjustment pursuant hereto (the "Exercise Price"), and the aggregate Exercise Price for all Shares issuable under this Warrant is up to $82,500,000.

(c) Exercise Period. This Warrant shall be exercisable, at the option of the Holder, at any time and from time to time on or prior to 5 p.m. (New York City time) of January 12, 2023) (the "Expiration Date") for all or any part of the Shares (but not for a fraction of a Share) which may be purchased hereunder .

Any portion of this Warrant not exercised prior to or on the Expiration Date shall be and become void and of no value and this Warrant shall be terminated and no longer outstanding immediately following the Expiration Date.

2. Exercise of the Warrant.

(a) Exercise. The purchase rights represented by this Warrant may be exercised at the election of the Holder, in whole or in part, at any time and from time to time before the Expiration Date, in accordance with Section 1, by:

(i) delivery to the Company of a duly executed facsimile copy or PDF copy submitted by e-mail (ore-mail attachment) of a notice of exercise in the form of EXHIBIT A (the "Notice of Exercise"), duly completed and executed by or on behalf of the Holder; and

(ii) the payment to the Company of an amount equal to (x) the Exercise Price multiplied by (y) the number of Shares being purchased, by wire transfer or certified, cashier's or other check acceptable to the Company and payable to the order of the Company.

No ink-original Notice of Exercise shall be required, nor shall any medallion guarantee (or other type of guarantee or notarization) of any Notice of Exercise be required. Notwithstanding anything herein to the contrary, the Holder shall not be required to physically surrender this Warrant to the Company until the Holder has purchased all of the Warrant Shares available hereunder and this Warrant has been exercised in full, in which case, the Holder shall surrender this Warrant to the Company for cancellation within five (5) Business Days of the date on which the final Notice of Exercise is delivered to the Company. Partial exercises of this Warrant resulting in purchases of a portion of the total number of Warrant Shares available hereunder shall have the effect of lowering the outstanding number of Warrant Shares purchasable hereunder in an amount equal to the applicable number of Warrant Shares purchased. The Holder and the Company shall maintain records showing the number of Warrant Shares purchased and the date of such purchases.

(b) Share Certificates. The rights under this Warrant shall be deemed to have been exercised and the Shares issuable upon such exercise shall be deemed to have been issued immediately prior to the close of business on the date this Warrant is exercised in accordance with its terms, and the person entitled to receive the Shares issuable upon such exercise shall be treated for all purposes as the holder of record of such Shares as of the close of business on such date. As promptly as reasonably practicable on or after such date but in no event within three (3) Business Days after such date, the Company shall issue and deliver to the person or persons entitled to receive the same (i) a certificate or certificates (or a notice of issuance of uncertificated shares, if applicable) for that number of Shares issuable upon such exercise and (ii) a scan copy of an extract of the register of members of the Company reflecting the Holder's ownership of the Shares, duly certified by the registered agent of the Company.

(c) Amendment of Warrants. If this Warrant is partially exercised, at the request of the Holder and upon surrender of this Warrant certificate, the Company shall, as promptly as reasonably practicable on or after such request date but in no event within three (3) Business Days after such date, issue an amended Warrant representing the remaining number of Shares purchasable thereunder. All other terms and conditions of such amended Warrant shall be identical to those contained herein.

(d) No Fractional Shares or Scrip. No fractional shares or scrip representing fractional Shares shall be issued upon the exercise of the rights under this Warrant. In lieu of such fractional Share to which the Holder would otherwise be entitled, the Company shall make a cash payment equal to the Exercise Price multiplied by such fraction.

(e) Reservation of Shares. The Company agrees, during the term the rights under this Warrant are exercisable, to reserve, free from preemptive rights or any other contingent purchase rights of persons other than the Holder, and keep available from its authorized and unissued Shares for the purpose of effecting the exercise of this Warrant such number of Shares as shall be sufficient to effect the exercise of the rights under this Warrant, and for issuance and delivery upon conversion of the Shares, such number of Class A Ordinary Shares/ADSs or such other share capital of the Company (collectively the "Issuable Securities"). All Issuable Securities shall be duly authorized and, when issued upon such exercise or conversion, shall be validly issued, fully paid and nonassessable, free and clear of all liens, security interests, charges and other encumbrances or restrictions, and free and clear of all preemptive and similar rights, other than transfer restrictions imposed by applicable securities laws and provisions under the current Memorandum and Articles of the Company. The Company will take all such action as may be necessary to assure that such Issuable Securities shall be issued as provided herein without violation of any applicable law.

(f) No Setoff. To the extent permitted by law, the Company's obligations to issue and deliver Shares in accordance with and subject to the terms hereof are absolute and unconditional, irrespective of any action or inaction by the Holder to enforce the same, any waiver or consent with respect to any provision hereof, the recovery of any judgment against any person or entity or any action to enforce the same, or any setoff, counterclaim, recoupment, limitation or termination, or any breach or alleged breach by the Holder or any other person or entity of any obligation to the Company or any violation or alleged violation of law by the Holder or any other person or entity, and irrespective of any other circumstance that might otherwise limit such obligation of the Company to the Holder in connection with the issuance of Shares. Nothing herein shall limit the Holder's right to pursue any other remedies available to it hereunder, at law or in equity including, without limitation, a decree of specific performance and/or injunctive relief with respect to the Company's failure to timely deliver certificates representing Shares upon exercise of the Warrant as required pursuant to the terms hereof.

3. Replacement of the Warrant. Subject to the receipt of evidence reasonably satisfactory to the Company of the loss, theft, destruction or mutilation of this Warrant and, in the case of loss, theft or destruction, on delivery of an indemnity agreement reasonably satisfactory in form and substance to the Company or, in the case of mutilation, on surrender and cancellation of this Warrant, the Company at the expense of the Holder shall execute and deliver, in lieu of this Warrant, a new warrant of like tenor and amount.

4. Transfer of the Warrant.

(a) Transferability of the Warrant. Subject to the provisions of this Warrant with respect to compliance with the Securities Act of 1933, as amended (the "Securities Act") and all applicable federal and state securities laws, this Warrant and all rights hereunder are transferable, in whole or in part, upon the delivery to the Company or its designated agent of PDF copies submitted by e-mail (or e-mail attachment) of this Warrant (or an amended Warrant issued to the Holder pursuant to Section 2(c) above to the Company) and a written assignment (the "Assignment Form") of this Warrant substantially in the form attached hereto as EXHIBIT B duly executed by the Holder or its agent or attorney delivery in the same manner as a negotiable instrument transferable by endorsement and delivery.

(b) Exchange of the Warrant upon a Transfer. On delivery of this Warrant (or an amended Warrant issued to the Holder pursuant to Section 2(c) above) and a properly endorsed Assignment Form (and other documents set forth in Section 5) for exchange, subject to the provisions of this Warrant with respect to compliance with the Securities Act, the Company shall issue to on the order of the Holder a new warrant of like tenor, in the name as the Holder may direct (on payment by the Holder of any applicable transfer taxes), for the number of Shares issuable upon exercise of such warrant, as indicated in the

Assignment Form. If the Holder transfers only part of this Warrant, an amended Warrant representing the remaining number of Shares purchasable thereunder after such partial transfer of this Warrant shall be issued to the Holder at the same time.

(c) Taxes. In no event shall the Company be required to pay any tax which may be payable in respect of any transfer involved in the issue and delivery of any certificate, or a book entry, in a name other than that of the Holder, and the Company shall not be required to issue or deliver any such certificate, or make such book entry, unless and until the person or persons requesting the issue or entry thereof shall have paid to the Company the amount of such tax or shall have established to the reasonable satisfaction of the Company that such tax has been paid or is not payable.

5. Certain Agreements on Transfer of the Warrant and Shares; Compliance with Securities Laws. By acceptance of this Warrant, subject to the provisions in Section 4, the Holder agrees to comply with the following:

(a) Transfers. Any transfer of this Warrant or the Shares issuable upon exercise hereof (the "Securities") must be in compliance with all applicable federal and state securities laws. The Holder agrees not to make any sale, assignment, transfer or other disposition of all or any portion of the Securities, or any beneficial interest therein, unless and until the transferee thereof has agreed in writing for the benefit of the Company to take and hold such Securities subject to, and to be bound by, the terms and conditions set forth in this Warrant to the same extent as if the transferee were the original Holder hereunder, and

(i) If there is then in effect a registration statement under the Securities Act covering such proposed disposition, such disposition is made in accordance with such registration statement, or

(ii) (A) such Holder shall have given prior written notice to the Company of such Holder's intention to make such disposition and shall have furnished the Company with a description of the manner and circumstances of the proposed disposition, and (B) if requested by the Company, such Holder shall have furnished the Company, at the Holder's expense, with (i) an opinion of counsel, reasonably satisfactory to the Company, to the effect that such disposition will not require registration of such Securities under the Securities Act or (ii) a "no action" letter from the SEC to the effect that the transfer of such Securities without registration will not result in a recommendation by the staff of the SEC that action be taken with respect thereto, whereupon such Holder shall be entitled to transfer such Securities in accordance with the terms of the notice delivered by the Holder to the Company.

Notwithstanding anything to the contrary herein, if the Securities are sold, assigned, transferred or otherwise disposed of (i) pursuant to an effective registration statement under the Securities Act, or (ii) in a public sale in accordance with Rule 144 under the Securities Act, none of the transfer restrictions herein shall apply.

(b) Securities Law Legend. Each certificate, instrument or book entry representing the Securities shall (unless otherwise permitted by the provisions of this Warrant) be notated with a legend substantially similar to the following (in addition to any legend required by state securities laws):

> THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR UNDER THE SECURITIES LAWS OF CERTAIN STATES. THESE SECURITIES MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED EXCEPT AS PERMITTED UNDER THE ACT AND APPLICABLE STATE SECURITIES LAWS IN ACCORDANCE WITH APPLICABLE

REGISTRATION REQUIREMENTS OR AN EXEMPTION THEREFROM. THE ISSUER OF THESE SECURITIES MAY REQUIRE AN OPINION OF COUNSEL REASONABLY SATISFACTORY TO THE ISSUER THAT SUCH OFFER, SALE OR TRANSFER OTHERWISE COMPLIES WITH THE ACT AND ANY APPLICABLE STATE SECURITIES LAWS.

(c) Instructions Regarding Transfer Restrictions. The Holder consents to the Company making a notation on its records and giving instructions to any transfer agent in order to implement the restrictions on transfer established in this Section 5.

(d) Removal of Legend. The legend referring to federal and state securities laws identified in Section 5(b) notated on any certificate evidencing the Shares and the share transfer instructions and record notations with respect to such Securities shall be removed, and the Company shall issue a certificate without such legend to the holder of such Securities (to the extent the Securities are certificated), if (i) such Securities are registered under the Securities Act, or (ii) the Company has obtained the opinion of an outside counsel that a sale or transfer of such Securities may be made without registration, qualification or legend.

(e) No Transfers to Bad Actors; Notice of Bad Actor Status. Except in the case of a public sale pursuant to an effective registration statement or in accordance with Rule 144 under the Securities Act, the Holder agrees not to sell, assign, transfer, pledge or otherwise dispose of any Securities, or any beneficial interest therein, to any person (other than the Company) unless and until the proposed transferee confirms to the reasonable satisfaction of the Company that neither the proposed transferee nor any of its directors, executive officers, other officers that may serve as a director or officer of any company in which it invests, general partners or managing members nor any person that would be deemed a beneficial owner of those Securities (in accordance with Rule 506(d) of the Securities Act) is subject to any of the "bad actor" disqualifications described in Rule 506(d)(1)(i) through (viii) under the Securities Act, except as set forth in Rule 506(d)(2)(ii) or (iii) or (d)(3) under the Securities Act and disclosed, reasonably in advance of the transfer, in writing in reasonable detail to the Company. As long as it remains a holder of the Warrant, the Holder will promptly notify the Company in writing if the Holder becomes subject to any of the "bad actor" disqualifications described in Rule 506(d)(1)(i) through (viii) under the Securities Act.

(f) Encumbrance. For avoidance of any doubt, the Holder and its Affiliate may directly or indirectly, place any charge, mortgage, lien, pledge, restrictions, security interest or other encumbrance in respect of this Warrant and the Shares issuable upon exercise hereof in connection with the Holder's (or any of its Affiliates') margin loans, collars, derivative transactions or other such downside protection transactions to be entered into on or after the date hereof by the Holder (or any of its Affiliates), and the beneficiary of such transaction (the "Beneficiary") will be entitled to foreclose or enforce following default by the Holder or its Affiliates, including sell (or instruct its agent to sell) the Securities, provided that such Beneficiary shall be bound by the Holder's obligations in Section 5 of this Warrant to the same extent as if such Beneficiary were an original Holder.

6. Adjustments. Subject to the expiration of this Warrant, the number and kind of Shares purchasable hereunder and the Exercise Price therefor are subject to adjustment from time to time, as follows:

(a) Business Combination. In case of the approval of any shareholders of the Company shall be required in connection with any reclassification of the Shares, any consolidation or merger to which the Company is a party, any sale or transfer of all or substantially all of the assets of the Company, or any compulsory share exchange whereby the Shares are converted into other securities, cash or property, the Holder's right to receive the Shares issuable upon exercise hereof shall be converted into the right to exercise this Warrant to acquire the number of shares or other securities or property (including cash) which the Shares

issuable (at the time of such reclassification, consolidation, merger, sale or transfer of all or substantially all of the assets, or share exchange) upon exercise hereof immediately prior to such reclassification, consolidation, merger, sale or transfer of all or substantially all of the assets, or share exchange would have been entitled to receive upon consummation of such reclassification, consolidation, merger, sale or transfer of all or substantially all of the assets, or share exchange; and in any such case, if necessary, the provisions set forth herein with respect to the rights and interests thereafter of the Holder shall be appropriately adjusted so as to be applicable, as nearly as may reasonably be, to the Holder's right to exercise this Warrant in exchange for any shares or other securities or property pursuant to this Section 6(a). If and to the extent that the holders of Shares have the right to elect the kind or amount of consideration receivable upon consummation of such reclassification, consolidation, merger, sale or transfer of all or substantially all of the assets, or share exchange, then the consideration that the Holder shall be entitled to receive upon exercise of this Warrant shall be specified by the Holder, which specification shall be made by the Holder by the later of (i) ten (10) Business Days after the Holder is provided with a final version of all material information concerning such choice as is provided to the holders of Shares, and (ii) the last time at which the holders of Shares are permitted to make their specifications known to the Company; *provided*, *however*, that if the Holder fails to make any specification within such time period, the Holder's choice shall be deemed to be whatever choice is made by a plurality of all holders of Shares that are not affiliated with the Company (or, in the case of a consolidation, merger, sale or similar transaction, any other party thereto) and affirmatively make an election (or of all such holders if none of them makes an election). From and after any such reclassification, consolidation, merger, sale or transfer of all or substantially all of the assets, or share exchange, all references to "Shares" herein shall be deemed to refer to the consideration to which the Holder is entitled pursuant to this Section 6(a).

(b) Reclassification of Shares. If the Shares issuable upon exercise hereof are changed into the same or a different number of securities of any other class or classes by reclassification, capital reorganization or otherwise (other than as otherwise provided for herein) (a "Reclassification"), then, in any such event, in lieu of the number of Shares which the Holder would otherwise have been entitled to receive, the Holder shall have the right thereafter to exercise this Warrant for a number of shares of such other class or classes of stock that a holder of the number of securities deliverable upon exercise of this Warrant immediately before that change would have been entitled to receive in such Reclassification, all subject to further adjustment as provided herein with respect to such other shares.

(c) Subdivisions and Combinations. In the event that the outstanding Shares are subdivided (by stock split, by payment of a stock dividend or otherwise) into a greater number of shares of such securities, the number of Shares issuable upon exercise hereof immediately prior to such subdivision shall, concurrently with the effectiveness of such subdivision, be proportionately increased, and the Exercise Price shall be proportionately decreased, and in the event that the outstanding Shares are combined (by reclassification or otherwise) into a lesser number of shares of such securities, the number of Shares issuable upon exercise hereof immediately prior to such combination shall, concurrently with the effectiveness of such combination, be proportionately decreased, and the Exercise Price shall be proportionately increased.

(d) Notice of Adjustments. Upon any adjustment in accordance with this Section 6, the Company shall give notice thereof to the Holder, which notice shall state the event giving rise to the adjustment, the Exercise Price as adjusted and the number of securities or other property purchasable upon the exercise of the rights under this Warrant, setting forth in reasonable detail the method of calculation of each. The Company shall, upon the written request of any Holder, furnish or cause to be furnished to such Holder a certificate setting forth (i) such adjustments, (ii) the Exercise Price at the time in effect and (iii) the number of securities and the amount, if any, of other property that at the time would be received upon exercise of this Warrant.

(e) No Change Necessary. The form of this Warrant need not be changed because of any adjustment in the Exercise Price or in the number of Shares issuable or any shares and kind of securities purchasable upon exercise of this Warrant.

7. No Rights as a Shareholder. Nothing contained herein shall entitle the Holder to any rights as a shareholder of the Company or to be deemed the holder of any securities that may at any time be issuable upon exercise hereof for any purpose nor shall anything contained herein be construed to confer upon the Holder, as such, any right to vote for the election of directors or upon any matter submitted to shareholders at any meeting thereof, or to give or withhold consent to any corporate action (whether upon any recapitalization, issuance of stock, reclassification of stock, change of par value or change of stock to no par value, consolidation, merger, conveyance or otherwise) or to receive notice of meetings, or to receive dividends or subscription rights or any other rights of a shareholder of the Company until the rights under the Warrant shall have been exercised and the Shares purchasable upon exercise of the rights hereunder shall have become deliverable as provided herein.

8. Miscellaneous.

(a) Amendments. Except as expressly provided herein, neither this Warrant nor any term hereof may be amended, waived, discharged or terminated other than by a written instrument referencing this Warrant and signed by the Company and the Holder. Any amendment, waiver, discharge or termination effected in accordance with this Section 8(a) shall be binding upon each Holder, each future holder of such Warrant and the Company.

(b) Waivers. No waiver of any single breach or default shall be deemed a waiver of any other breach or default theretofore or thereafter occurring.

(c) Notices. The notice provision under Section 9.01 in the Subscription Agreement shall apply *mutatis mutandis* to this Warrant.

(d) Governing Law; Arbitration; Specific Performance. The governing law, arbitration and specific performance provision under Sections 9.08, 9.09 and 9.13 in the Subscription Agreement shall apply *mutatis mutandis* to this Warrant.

(e) Titles and Subtitles. The titles and subtitles used in this Warrant are used for convenience only and are not to be considered in construing or interpreting this Warrant. All references in this Warrant to sections, paragraphs and exhibits shall, unless otherwise provided, refer to sections and paragraphs hereof and exhibits attached hereto.

(f) Severability. If any provision of this Warrant becomes or is declared by a court of competent jurisdiction to be illegal, unenforceable or void, portions of such provision, or such provision in its entirety, to the extent necessary, shall be severed from this Warrant, and such illegal, unenforceable or void provision shall be replaced with a valid and enforceable provision that will achieve, to the extent possible, the same economic, business and other purposes of the illegal, unenforceable or void provision. The balance of this Warrant shall be enforceable in accordance with its terms.

(g) Saturdays, Sundays and Holidays. If the last or appointed day for the taking of any action or the expiration of any right required or granted herein shall not be a Business Day, then, such action may be taken or such right may be exercised on the next succeeding Business Day.

(h) Rights and Obligations Survive Exercise of the Warrant. Except as otherwise provided herein, the rights and obligations of the Company and the Holder under this Warrant shall survive exercise of this Warrant.

(i) Entire Agreement. Except as expressly set forth herein, this Warrant (including the exhibits attached hereto) and other Transaction Documents (as such term is defined in the Subscription Agreement) constitute the entire agreement and understanding of the Company and the Holder with respect to the subject matters hereof and thereof, and supersede all prior agreements and understandings relating to the subject matters hereof and thereof.

(j) Further Assurances. Each party shall do and perform, or cause to be done and performed, all such further acts and things, and shall execute and deliver all such other agreements, certificates, instruments and documents, as any other party may reasonably request in order to carry out the intent and accomplish the purposes of this Warrant and the consummation of the transactions contemplated hereby.

(k) Counterparts. This Warrant may be executed by way of electronic signatures and this Warrant, or any part thereof, shall not be challenged or denied any legal effect, validity and/or enforceability solely on the ground that it is in the form of an electronic record. A facsimile or "PDF" signature shall be considered due execution and shall be binding upon the signatory thereto with the same force and effect as if the signature were an original.

(*signature pages follow*)

The Company and the Holder sign this Warrant as of the date stated on the first page.

Uxin Limited

By: /s/ Kun DAI
Name: Kun DAI
Title: Director

[Signature Page to Warrant to Purchase Senior Convertible Preferred Shares of Uxin Limited]

AGREED AND ACKNOWLEDGED,

[NAME OF INVESTOR]

By: /s/ Authorized Signatory
Name: Authorized Signatory
Title: Authorized Signatory

EXHIBIT A

NOTICE OF EXERCISE

TO: Uxin Limited (the "Company")

Attention: Chief Executive Officer

(1) Exercise. The undersigned elects to purchase the following pursuant to the terms of the attached warrant:

Number of shares: _____

Type of security: _____

(2) Share. Please make a book entry and, if the shares are certificated, issue a certificate or certificates representing the shares in the name of:

☐ The undersigned

☐ Other—Name: _____

Address: _____

_____

(3) Investment Intent. The undersigned represents and warrants that the aforesaid shares are being acquired for investment for its own account without violation of applicable securities laws.

(4) Consent to Receipt of Electronic Notice. The undersigned consents to the delivery of any notice to shareholders given by the Company by (i) facsimile telecommunication to the facsimile number provided below (or to any other facsimile number for the undersigned in the Company's records), (ii) electronic mail to the electronic mail address provided below (or to any other electronic mail address for the undersigned in the Company's records), (iii) posting on an electronic network together with separate notice to the undersigned of such specific posting or (iv) any other form of electronic transmission directed to the undersigned. This consent may be revoked by the undersigned by written notice to the Company.

(*Print name of the warrant holder*)

(*Signature*)

(*Name and title of signatory, if applicable*)

(*Date*)

(*Fax number*)

(*Email address*)

EXHIBIT B

ASSIGNMENT FORM

ASSIGNOR: _____

COMPANY: UXIN LIMITED

WARRANT: THE WARRANT TO PURCHASE SENIOR CONVERTIBLE PREFERRED SHARES ISSUED ON [*INSERT DATE*] (THE "WARRANT")

DATE: _____

(1) Assignment. The undersigned registered holder of the Warrant ("Assignor") assigns and transfers to the assignee named below ("Assignee") all of the rights of Assignor under the Warrant, with respect to the number of shares set forth below:

Name of Assignee: _____

Address of Assignee: _____

_____

Number of Shares Assigned: _____

and does irrevocably constitute and appoint _____ as attorney to make such transfer on the books of Uxin Limited, maintained for the purpose, with full power of substitution in the premises.

(2) Obligations of Assignee. Assignee agrees to take and hold the Warrant and any shares to be issued upon exercise of the rights thereunder (the "Securities") subject to, and to be bound by, the terms and conditions set forth in the Warrant to the same extent as if Assignee were the original holder thereof.

(3) Investment Intent. Assignee represents and warrants that the Securities are being acquired for investment for its own account without violation of applicable securities laws.

(4) No "Bad Actor" Disqualification. Neither (i) Assignee, (ii) any of its directors, executive officers, other officers that may serve as a director or officer of any company in which it invests, general partners or managing members, nor (iii) any beneficial owner of any of the Company's securities held or to be held by Assignee is subject to any of the "bad actor" disqualifications described in Rule 506(d)(1)(i) through (viii) under the Securities Act of 1933, as amended (the "Securities Act"), except as set forth in Rule 506(d)(2)(ii) or (iii) or (d)(3) under the Securities Act and disclosed, reasonably in advance of the transfer of the Securities, in writing in reasonable detail to the Company.

Assignor and Assignee are signing this Assignment Form on the date first set forth above.

ASSIGNOR	ASSIGNEE
(*Print name of Assignor*)	(*Print name of Assignee*)
(*Signature of Assignor*)	(*Signature of Assignee*)
(*Print name of signatory, if applicable*)	(*Print name of signatory, if applicable*)
(*Print title of signatory, if applicable*)	(*Print title of signatory, if applicable*)
Address:	Address:

Schedule of Material Differences

One or more persons executed the Lockup Consent Letter using this form. Pursuant to Instruction ii to Item 601 of Regulation S-K, the Registrant may only file this form as an exhibit with a schedule setting forth the material details in which the executed agreements differ from this form:

No.	Name of Investor
1.	Abundant Grace Investment Limited
2.	Astral Success Limited

Exhibit 4.38

SHARE SUBSCRIPTION AGREEMENT

dated October 5, 2020

by and between

UXIN LIMITED

and

GIC PRIVATE LIMITED

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ARTICLE VIII
INDEMNIFICATION

ARTICLE IX
MISCELLANEOUS

SHARE SUBSCRIPTION AGREEMENT

SHARE SUBSCRIPTION AGREEMENT, dated October 5, 2020 (this "**Agreement**"), by and between (i) Uxin Limited, a company organized under the laws of the Cayman Islands (the "**Company**") and (ii) GIC Private Limited, a private company limited by shares organized under the laws of Singapore (the "**Purchaser**").

WHEREAS, the Company is a leading used car dealer in China and the American Depository Shares representing its class A ordinary shares, each with a par value $0.0001 per share ("**Class A Ordinary Shares**") are listed and traded on Nasdaq (as defined below);

WHEREAS, the Company desires to allot and issue to the Purchaser, and the Purchaser desires to subscribe for and be issued from the Company, certain Class A Ordinary Shares, pursuant to the terms and conditions set forth in this Agreement; and

WHEREAS, the Company and the Purchaser intend to enter into a registration rights agreement (the "**Registration Rights Agreement**"), which shall provide for, among other things, the terms and conditions upon which such Class A Ordinary Shares shall be registered for re-sale under the Securities Act.

NOW, THEREFORE, in consideration of the foregoing and representations, warranties, covenants and agreements set forth herein as well as other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged and accepted, and intending to be legally bound hereby, the parties hereto hereby agree as follows:

ARTICLE I
DEFINITIONS

Section 1.01 *Definitions*. As used in this Agreement, the following terms shall have the following meanings:

"**Action**" means claim, complaint, action, arbitration, charge, hearing, inquiry, litigation, suit, inquiry, notice of violation, audit, examination, investigation or any other proceeding or any settlement, judgment, order, award, injunction or decree pending or other proceeding (whether civil, criminal, administrative, investigative or informal), including, without limitation, an informal investigation or partial proceeding, such as a deposition.

"**ADSs**" means the American Depositary Shares of the Company, each representing three (3) Class A Ordinary Shares.

"**Adverse Person**" means any Person identified in Schedule I hereto, any additional Persons to be mutually agreed in writing by the Company and the Purchaser from time to time, and any controlled Affiliates of any of the foregoing.

"**Affiliate**" means, with respect to any Person, any other Person directly or indirectly controlling, controlled by or under common control with such Person. For purposes of this definition, "**control**" when used with respect to any Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise, and the terms "**controlling**" and "**controlled**" have correlative meanings. For purposes of this Agreement, the Purchaser shall be deemed not to be an Affiliate of the Company.

"**Agreement**" has the meaning assigned to such term in the preamble.

"**Applicable Laws**" means, with respect to any Person, any transnational, domestic or foreign federal, national, state, provincial, local or municipal law (statutory, common or otherwise), constitution, treaty, convention, ordinance, code, rule, regulation, executive order, injunction, judgment, decree, ruling or other similar requirement enacted, adopted, promulgated or applied by a Governmental Entity that is binding upon or applicable to such Person or any of such Person's assets, rights or properties.

"**Board**" means the board of directors of the Company.

"**Business Day**" means any day except any Saturday, any Sunday, any day which is a public holiday in the Republic of Singapore or a federal legal holiday in the United States or any day on which banking institutions in the Cayman Islands, the People's Republic of China (which for the purpose of this Agreement shall exclude Hong Kong SAR, Macau SAR and Taiwan), the State of New York or the Republic of Singapore are authorized or required by law or other governmental action to close.

"**Claim Notice**" has the meaning assigned to such term in Section 8.02(a).

"**Class A Ordinary Shares**" has the meaning assigned to such term in the recitals.

"**Class B Ordinary Shares**" means the Company's Class B ordinary shares, par value $0.0001 per share.

"**Closing**" has the meaning assigned to such term in Section 2.02.

"**Closing Date**" has the meaning assigned to such term in Section 2.02.

"**Company**" has the meaning assigned to such term in the preamble.

"**Company Securities**" means (a) Ordinary Shares, (b) securities convertible into, or exercisable or exchangeable, for Ordinary Shares, (c) any options, warrants or other rights to acquire Ordinary Shares and (d) any ADSs, depository receipts or similar instruments issued in respect of Ordinary Shares.

"**Dispute**" has the meaning assigned to such term in Section 9.09.

"**Encumbrance**" means any mortgage, lien, pledge, charge, security interest, title defect, right of first refusal, claim, easement, right-of-way, option, preemptive or similar right or other restriction of any kind or nature.

"**Exchange Act**" means the U.S. Securities Exchange Act of 1934, as amended, and any rules and regulations promulgated thereunder.

"**FCPA**" means the Foreign Corrupt Practices Act of 1977, as amended.

"**Fundamental Company Representations**" means the representations and warranties by the Company contained in Sections 3.02, 3.03, 3.04, 3.05, 3.11 and 3.23.

"**Fundamental Purchaser Representations**" means the representations and warranties by the Purchaser contained in Sections 4.01, 4.02, 4.03 and 4.04.

"**Governmental Entity**" means 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.

"**Indemnified Party**" has the meaning assigned to such term in Section 8.01(a).

"**Indemnifying Party**" has the meaning assigned to such term in Section 8.01(a).

"**Indemnity Notice**" has the meaning assigned to such term in Section 8.03.

"**Lock-Up Period**" means the period between the Closing Date and the date that is 180 days after the Closing Date (both dates inclusive).

"**Losses**" has the meaning assigned to such term in Section 8.01(a).

"**Loss Threshold**" has the meaning assigned to such term in Section 8.01(c).

"**Material Adverse Effect**" means 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 timely consummate the transactions contemplated by this Agreement (including the sale of the Subscription Shares) or 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 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), (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 Purchaser in writing, (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), (vi) changes in general legal, tax or regulatory conditions (provided that such changes do not have a unique and materially disproportionate impact on the business of the Company and its Subsidiaries), (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 in each case occurring after the date hereof, or (viii) earthquakes, hurricanes, floods, epidemic-induced public health crises or other disasters in each case occurring after the date hereof.

"**Nasdaq**" means the NASDAQ Global Select Market.

"**Ordinary Shares**" means Class A Ordinary Shares and Class B Ordinary Shares.

"**Person**" means an individual, corporation, partnership, limited liability company, association, trust or other entity or organization, including a Governmental Entity.

"**PRC**" means the People's Republic of China.

"**Purchaser**" has the meaning assigned to such term in the preamble.

"**Rule 144**" means Rule 144 promulgated by the SEC pursuant to the Securities Act, as such Rule may be amended or interpreted from time to time, or any similar rule or regulation hereafter adopted by the SEC having substantially the same purpose and effect as such Rule.

"**Subscription Shares**" means 50,813,008 Class A Ordinary Shares of the Company.

"**Sarbanes-Oxley Act**" means the U.S. Sarbanes-Oxley Act of 2002, as amended, and any rules and regulations promulgated thereunder.

"**SEC**" means the U.S. Securities and Exchange Commission.

"**SEC Documents**" has the meaning assigned to such term in Section 3.01.

"**Securities Act**" means the U.S. Securities Act of 1933, as amended, and any rules and regulations promulgated thereunder.

"**Short Sales**" means all "short sales" as defined in Rule 200 of Regulation SHO under the Exchange Act (but shall not be deemed to include locating and/or borrowing shares of Common Stock).

"**Subsidiary**" means any entity of which a majority of the outstanding equity securities or other ownership interests representing a majority of the outstanding equity interests or otherwise having ordinary voting power to elect a majority of the board of directors or other Persons

performing similar functions are at the time directly or indirectly owned or controlled by the Company, and includes any entity which is directly or indirectly controlled by the Company (including, for the avoidance of doubt, any variable interest entities that are consolidated into the financial statements of the Company).

"**Taxes**" means (a) all U.S. federal, state, local, non-U.S., and other net income, gross income, gross receipts, sales, use, ad valorem, transfer, franchise, profits, license, lease, service, service use, withholding, payroll, employment, excise, severance, stamp, occupation, premium, property, windfall profits, alternative or add-on minimum taxes, customs, unclaimed property or escheat, duties or other taxes, fees, assessments, or charges of any kind whatsoever, together with any interest and any penalties, additions to tax, or additional amounts with respect thereto and (b) any liability for the payment of any amount of the type described in the immediately preceding clause (a) as a result of (1) being a "transferee" (within the meaning of Section 6901 of the Code, or any other applicable law) of another Person, (2) being a member of an affiliated, combined, consolidated or unitary group or (3) any contractual liability.

"**Third Party Claim**" has the meaning assigned to such term in Section 8.02(a).

"**Trading Day**" means a day on which the principal Trading Market is open for trading.

"**Trading Market**" means any of the following markets or exchanges on which the Ordinary Shares are listed or quoted for trading on the date in question: the NYSE MKT, the Nasdaq Capital Market, the Nasdaq Global Market, the Nasdaq Global Select Market, the New York Stock Exchange (or any successors to any of the foregoing).

"**Transaction Documents**" means this Agreement, the Registration Rights Agreement and any other documents or agreements executed in connection with the transactions contemplated hereunder.

"**Transfer**" means 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 Depository 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.

"**U.S.**" means the United States of America.

"**U.S. GAAP**" means U.S. generally accepted accounting principles.

Section 1.02 *Other Definitional And Interpretive Provisions.* The words "hereof", "herein" and "hereunder" and words of like import used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement. The captions herein are included for convenience of reference only and shall be disregarded in the construction or interpretation hereof. References to Articles, Sections, Clauses, Exhibits and Schedules are to Articles, Sections, Clauses, Exhibits and Schedules of this Agreement unless otherwise specified. All Exhibits and Schedules annexed hereto or referred to herein are hereby incorporated in and made a part of this Agreement as if set forth in full herein. Any capitalized terms used in any Exhibit or Schedule but not otherwise defined therein shall have the meanings given to them in this Agreement. Any singular term in this Agreement shall be deemed to include the plural, and any plural term the singular. Whenever the words "include", "includes" or "including" are used in this Agreement, they shall be deemed to be followed by the words "without limitation", whether or not they are in fact followed by those words or words of like import. "Writing", "written" and comparable terms refer to printing, typing and other means of reproducing words (including electronic media) in a visible form. References to any Person include the successors and permitted assigns of that Person. References from or through any date mean, unless otherwise specified, from and including or through and including, respectively. References to "law", "laws" or to a particular statute or law shall be deemed also to include any and all Applicable Law. References to any statute shall be deemed to refer to such statute as amended from time to time and to any rules or regulations promulgated thereunder. References to "dollars" or "$" are to U.S. dollars.

ARTICLE II
SALE AND PURCHASE OF THE SUBSCRIPTION SHARES

Section 2.01 *Sale and Purchase.* On the terms and subject to the conditions contained in this Agreement, the Company agrees to issue and sell to the Purchaser, and the Purchaser agrees to subscribe for and purchase from the Company, the Subscription Shares, free and clear of any Encumbrances (except for restrictions under applicable securities laws or created by virtue of this Agreement), in consideration of $15,000,000 ("**Purchase Price**"), corresponding to an issue price of $0.2952 per Subscription Share.

Section 2.02 *Closing.* The consummation of the purchase and sale of the Subscription Shares hereunder (the "**Closing**") shall take place remotely via electronic exchange of documents on the date three (3) Business Days following the date hereof subject to the satisfaction or, to the extent permissible, waiver of the conditions set forth in Article VII (other than conditions that by their nature are to be satisfied at the Closing, but subject to the satisfaction or, to the extent permissible, waiver of those conditions) or on such other date as may be agreed upon in writing by the Company and the Purchaser (the date on which the Closing takes place, the "**Closing Date**").

Section 2.03 *Actions at the Closing*. At the Closing, the following actions shall take place, all of which shall be deemed to have occurred simultaneously and no action shall be deemed to have been completed or any document delivered until all such actions have been completed and all required documents have been delivered:

(a) the Purchaser shall:

(i) pay and deliver the Purchase Price to the Company in U.S. dollars by wire transfer of immediately available funds to such bank account designated by the Company in Exhibit C; and

(ii) deliver to the Company the Registration Rights Agreement, in the form of Exhibit B, executed by a duly authorized officer of the Purchaser.

(b) the Company shall:

(i) allot and issue to the Purchaser the Subscription Shares, and deliver to the Purchaser one or more duly executed share certificate(s) representing the Subscription Shares registered in the name of the Purchaser (the original copies of which shall be delivered to the Purchaser as soon as practicable following the Closing Date);

(ii) deliver to the Purchaser a certified true copy of the register of members of the Company evidencing the Subscription Shares being owned by the Purchaser;

(iii) deliver to the Purchaser a legal opinion of Maples and Calder (Hong Kong) LLP, in the form of Exhibit A, dated as of the Closing Date, executed by such counsel;

(iv) deliver to the Purchaser the Registration Rights Agreement, in the form of Exhibit B, executed by a duly authorized officer of the Company;

(v) deliver to the Purchaser an incumbency certificate in the form of Exhibit D;

(vi) deliver to the Purchaser the certificate referred to in Section 7.03(i); and

(vii) deliver to the Purchaser a copy of (i) the resolutions adopted by the Board approving this Agreement and (ii) the memorandum and articles of association of the Company in effect at the Closing.

Section 2.04 *Restrictive Legend*. Each certificate representing the Subscription Shares shall be endorsed with the following legend:

THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933 (AS AMENDED, THE "**ACT**") OR UNDER THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. THE SECURITIES REPRESENTED BY THIS CERTIFICATE MAY NOT BE TRANSFERRED, SOLD, OFFERED FOR SALE, PLEDGED OR HYPOTHECATED UNLESS SUCH TRANSFER IS EFFECTED (1) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE ACT OR (2) PURSUANT TO ANY

AVAILABLE EXEMPTION OR QUALIFICATION UNDER APPLICABLE SECURITIES LAWS. ANY ATTEMPT TO TRANSFER, SELL, PLEDGE OR HYPOTHECATE THE SECURITIES REPRESENTED BY THIS CERTIFICATE IN VIOLATION OF THESE RESTRICTIONS SHALL BE VOID.

ARTICLE III
REPRESENTATIONS AND WARRANTIES OF THE COMPANY

The Company represents and warrants to the Purchaser that, except as otherwise disclosed in the SEC Documents, as of the date hereof and as of the Closing Date (except for the representations and warrants that speak as of a specific date, which shall be made as of such date):

Section 3.01 *Accuracy of Disclosure*. The Company has filed or furnished, as applicable, on a timely basis, all registration statements, proxy statements and other statements, reports, schedules, forms and other documents required to be filed or furnished by it with the SEC (all of the foregoing documents filed with or furnished to the SEC and all exhibits included therein and financial statements, notes and schedules thereto and documents incorporated by reference therein, the "**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 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 statements therein, in the light of the circumstances under which they were made, not misleading. The agreements and documents described in the SEC Documents conform to the descriptions thereof contained therein and there are no agreements or other documents required by the Securities Act and the rules and regulations thereunder to be described in the SEC Documents that have not been so filed. Each agreement or other instrument (however characterized or described) to which the Company is a party or by which it is or may be bound or affected and (i) that is referred to in the SEC Documents, or (ii) is material to the Company's business, has been duly authorized and validly executed by the Company, is in full force and effect in all material respects and is enforceable against the Company and, to the Company's knowledge, the other parties thereto, in accordance with its terms, except (x) as such enforceability may be limited by bankruptcy, insolvency, reorganization or similar laws affecting creditors' rights generally, (y) as enforceability of any indemnification or contribution provision may be limited under the federal and state securities laws, and (z) that the remedy of specific performance and injunctive and other forms of equitable relief may be subject to the equitable defenses and to the discretion of the court before which any proceeding therefore may be brought. Except as described in the SEC Documents, none of such agreements or instruments has been assigned by the Company, and neither the Company nor, to the best of the Company's knowledge, any other party is in default thereunder and, to the best of the Company's knowledge, no event has occurred that, with the lapse of time or the giving of notice, or both, would constitute a default thereunder. Performance by the Company of such agreements or instruments will not result in a material violation of any existing applicable law, rule, regulation, judgment, order or decree of any governmental agency or court, domestic or foreign, having jurisdiction over the Company or any of its assets or businesses, including, without limitation, those relating to environmental laws and regulations.

Section 3.02 *Existence and Qualification.*

(a) The Company is an exempted company that is duly organized, 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. The Company is duly qualified to transact business and is in good standing in each jurisdiction in which the conduct of its business or its 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.

(b) The Subsidiaries of the Company and their respective jurisdictions of incorporation are as set forth in the SEC Documents. Each Subsidiary is duly incorporated or otherwise organized, validly existing and in good standing under the laws of its jurisdiction of incorporation or organization, with the requisite corporate power and authority to own, lease, operate and use its properties and assets and to carry on its business as currently conducted and as it is presently proposed to be conducted. Each Subsidiary is duly qualified to transact business and is in good standing in each jurisdiction in which the failure to so qualify or be in good standing could be reasonably expected to result in a Material Adverse Effect.

Section 3.03 *Capitalization; Issuance of Subscription Shares*.

(a) As of the close of business on September 24, 2020 (the "**Capitalization Date**"), 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 984,742,593 Class A Ordinary Shares (excluding the 14,907,890 Class A Ordinary Shares issued to the Company's depositary bank for bulk issuance of ADSs reserved for future issuances upon the exercise or vesting of awards granted under the Company's share incentive plan) were issued and outstanding, (ii) 100,000,000 Class B Ordinary Shares, of which 40,809,861 Class B Ordinary Shares were issued and outstanding, 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 Company Securities 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, right of first refusal, right of participation 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.

(b) The Subscription Shares have been duly authorized and, when issued and delivered in accordance with the terms of this Agreement, will be validly issued, fully paid, non-assessable, and free and clear of any Encumbrance and restrictions on transfer (except for restrictions on transfer arising under applicable securities laws or created by virtue of this Agreement). The issuance of the Subscription Shares will not be subject to any preemptive, right of first refusal, right of participation or similar rights. Upon entry of the Purchaser into the register of members of the Company as the legal owner of the Subscription Shares, the Company will transfer to the Purchaser good and valid title to the Subscription Shares, free and clear of any Encumbrances.

(c) Except as set forth in SEC Documents, there are no outstanding options, warrants, scrip rights to subscribe to, calls or commitments of any character whatsoever relating to, or securities, rights or obligations convertible into or exercisable or exchangeable for, or giving any Person any right to subscribe for or acquire, any Company Securities, or contracts, commitments, understandings or arrangements by which the Company or any Subsidiary is or

may become bound to issue additional Company Securities. Except as set out in the SEC Documents, there are no obligations (whether outstanding or authorized) of the Company or any Subsidiary requiring the repurchase of any Company Securities.

(d) The offers and sales of Company Securities were at all relevant times either registered under the Securities Act and the applicable state securities or Blue Sky laws or, based in part on the representations and warranties of the applicable purchasers, exempt from such registration requirements. Except as set forth in the SEC Documents, there are no shareholders' agreements, voting agreements or other similar agreements with respect to the Company Securities to which the Company is a party or, to the knowledge of the Company, between or among any of the holders of Company Securities.

(e) The Company owns, directly or indirectly, all of the issued and outstanding capital stock or other equity interests of each Subsidiary (except for any Subsidiary which is a variable interest entity over which the Company or any of its Subsidiaries effects control pursuant to contractual arrangements) free and clear of any Encumbrances, and all of the issued and outstanding shares of capital stock or other equity interests of each Subsidiary are validly issued and are fully paid and non-assessable. There are no outstanding options, warrants, rights (including conversion and rights of first refusal and similar rights) to subscribe to, calls, or commitments of any character whatsoever relating to securities, rights or obligations convertible into or exchangeable for, or giving any Person any right to subscribe for or acquire any shares of capital stock of any Subsidiary, or contracts, commitments, understandings, or arrangements by which each Subsidiary is or may become bound to issue additional shares of capital stock of each Subsidiary, or securities or rights convertible or exchangeable into shares of capital stock of each Subsidiary.

(f) The Company is not, and has never been, an issuer of the type described in paragraph (i) of Rule 144.

Section 3.04 *Capacity, Authorization and Enforceability.* The Company has the requisite power and authority to enter into and perform its obligations under this Agreement and the Transaction Documents and to consummate the transactions contemplated hereby and thereby. This Agreement and the Transaction Documents have been duly authorized, executed and delivered by the Company, and assuming the due authorization, execution and delivery by each of the other parties hereto, this Agreement and the Transaction Documents are valid and binding agreements of the Company, enforceable in accordance with their terms, subject to applicable bankruptcy, insolvency or similar laws affecting creditors' rights generally and general principles of equity. Without limiting the generality of the foregoing, as of the Closing, no approval by the shareholders of the Company is required in connection with this Agreement or other Transaction Documents, the performance by the Company of its obligations hereunder or thereunder, or the consummation by the Company of the transactions contemplated hereby or thereby, except for those that have been obtained, waived or exempted on or prior to such Closing.

Section 3.05 *Non-Contravention.* Neither the execution, delivery and performance 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 government, Governmental Entity or court to which the Company is subject (including federal and state securities laws and regulations of any self-regulatory organization to which the Company or its securities are subject, including all Trading Markets), 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 is a party or by which the Company is bound or to which the Company's assets are subject, except in the case of clauses (ii) and (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.

Section 3.06 *Consents and Approvals.* Assuming the accuracy of the representations and warranties of the Purchaser 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 Nasdaq (including, without limitation, a Form 6-K).

Section 3.07 *Financial Statements.*

(a) 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 U.S. 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 permitted under the Exchange Act.

(b) Except as disclosed in the SEC Documents, the Company has established and maintains a system of internal control over financial reporting (as defined in Rule 13a-15 or 15d-15, as applicable, under the Exchange Act) sufficient to provide reasonable assurance regarding the reliability of financial reporting, including policies and procedures that (A) mandate the maintenance of records that in reasonable detail accurately and fairly reflect the material transactions and dispositions of the assets of the Company, (B) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with U.S. GAAP, and that receipts and expenditures of the Company are being made only in accordance with appropriate authorizations of the Board and management of the Company and (C) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the assets of the Company. Except as disclosed in the SEC Documents, there are no material weaknesses or significant deficiencies in the

Company's internal controls. The Company's auditors and the audit committee of the Board have not been advised of any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal controls over financial reporting. Since December 31, 2019, there has been no change in the Company's internal control over financial reporting that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

(c) The "disclosure controls and procedures" (as defined in Rules 13a-15(e) or 15d-15(e), as applicable, under the Exchange Act) of the Company are designed to ensure that all material information required to be disclosed by the Company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the management of the Company as appropriate to allow timely decisions regarding required disclosure.

(d) Neither the Company nor any of its Subsidiaries is a party to, nor has any commitment to become a party to, any joint venture, off-balance sheet partnership or any similar contract, agreement, arrangement or undertaking (including any contract, agreement, arrangement or undertaking relating to any transaction or relationship between or among one or more of the Company and/or any of its Subsidiaries, on the one hand, and any unconsolidated affiliate, including any structured finance, special purpose or limited purpose entity or Person, on the other hand), or any "off-balance sheet arrangements" (as defined in Item 303(a) of Regulation S-K promulgated by the SEC), where the result, purpose or intended effect of such contract, agreement, arrangement or undertaking is to avoid disclosure of any material transaction involving, or material liabilities of, the Company or any of its Subsidiaries in the Company's or such Subsidiary's published financial statements or other SEC Documents.

Section 3.08 *Absence Of Certain Changes.* Since the date of the latest audited financial statements included within the SEC Documents, except as specifically disclosed in a subsequent SEC Document, (i) there has been no event, occurrence, development or state of circumstances that could reasonably be expected to, either individually or in the aggregate, result in a Material Adverse Effect; (ii) the Company has not incurred any liabilities (contingent or otherwise) other than (A) trade payables and accrued expenses incurred in the ordinary course of business consistent with past practice and (B) liabilities not required to be reflected in the Company's financial statements pursuant to U.S. GAAP or disclosed in filings made with the Commission, (iii) the Company has not altered its method of accounting or the manner in which it keeps its accounting books and records other than as required by U.S. GAAP, (iv) the Company has not declared or made any dividend or distribution of cash or other property to its stockholders or purchased, redeemed or made any agreements to purchase or redeem any shares of its capital stock, (v) the Company has not issued any equity securities to any officer, director or Affiliate, except pursuant to existing Company stock option plans and (vi) no officer or director of the Company has resigned from any position with the Company. The Company does not have pending before the SEC any request for confidential treatment of information. Except for the issuance of the Subscription Shares contemplated by this Agreement, no event, liability, fact, circumstance, occurrence or development has occurred or exists or is reasonably expected to occur or exist with respect to the Company or its Subsidiaries or their respective businesses, prospects, properties, operations, assets or financial condition that would be required to be disclosed by the Company under applicable securities laws at the time this representation is made or deemed made that has not been publicly disclosed at least one Trading Day prior to the date

that this representation is made. Unless otherwise disclosed in an SEC Document filed prior to the date hereof, the Company has not: (i) issued any securities or incurred any liability or obligation, direct or contingent, for borrowed money; or (ii) declared or paid any dividend or made any other distribution on or in respect to its capital stock.

Section 3.09 *Litigation.* Except as disclosed in the SEC Documents, there are no Actions by or against the Company or its Subsidiaries or affecting the business or any of the assets of the Company or its Subsidiaries pending before any Governmental Entity, or, to the Company's knowledge, threatened to be brought by or before any Governmental Entity that (i) adversely affects or challenges the legality, validity or enforceability of the transactions contemplated by this Agreement or the Company Securities; or (ii) if adversely determined, would reasonably be expected to result in a Material Adverse Effect. Except as disclosed in the SEC documents, neither the Company, any Subsidiary, nor, to the Company's knowledge, any of their respective officers, directors or any of its employees is a party or is named as subject to the provisions of any Action involving a claim of violation of or liability under federal or state securities laws or a claim of breach of fiduciary duty. There has not been, and to the knowledge of the Company, there is not pending or contemplated, any investigation by the SEC involving the Company or, to the knowledge of the Company, any current or former director or officer of the Company relating to the Company or its business. The SEC has not issued any stop order or other order suspending the effectiveness of any registration statement filed by the Company or any Subsidiary under the Exchange Act or the Securities Act. There is no Action by the Company or any Subsidiary pending or which the Company or any Subsidiary intends to initiate, which if adversely determined, could reasonably be expected to have a Material Adverse Effect. The foregoing includes, without limitation, Actions pending or threatened in writing (or any basis therefor known to the Company) involving the prior employment of any of the Company's employees, their services provided in connection with the Company's business, any information or techniques allegedly proprietary to any of their former employers or their obligations under any agreements with prior employers.

Section 3.10 *Compliance With Laws.*

(a) Except as disclosed in the SEC Documents, the Company or its Subsidiaries is and has been since January 1, 2015, in compliance with all Applicable Laws of any Governmental Entity, except in each case as could not have or reasonably be expected to have a Material Adverse Effect. Since January 1, 2015, except as set forth in the SEC Documents, neither the Company nor any Subsidiary (i) is or has been in default under or in violation of (and no event has occurred that has not been waived that, with notice or lapse of time or both, would result in a default), nor has the Company or any Subsidiary received notice of a claim that it is in default under or is in violation of any indenture, loan or credit agreement or any other agreement or instrument to which it is a party or by which it or any of its properties is bound (whether or not such default or violation has been waived), (ii) is or has been in violation of any order of any court, arbitrator or any Governmental Entity, or (iii) is or has been in violation of any Applicable Law of any Governmental Entity, including, without limitation, all Applicable Laws relating to taxes, environmental protection, occupational health and safety, and employment and labor matters, anti-bribery and anti-money laundering, except in each case as could not have or reasonably be expected to result in a Material Adverse Effect.

(b) Except as disclosed in the SEC Documents, the Company and each of its Subsidiaries have all permits, licenses, authorizations, consents, orders and approvals (collectively, "**Permits**") that are required in order to carry on their business as presently conducted, except where the failure to have such Permits or the failure to make such filings, applications and registrations, would not have a Material Adverse Effect. Except as disclosed in the SEC Documents, all such Permits are in full force and effect and, to the knowledge of the Company, no suspension or cancellation of any of them is threatened, except where such absence, suspension or cancellation, would not have a Material Adverse Effect.

Section 3.11 *No Securities Act Registration*. Assuming the accuracy of the representations of the Purchaser contained in Sections 4.06 and 4.07, it is not necessary in connection with the issuance and sale to the Purchaser of the Subscription Shares to register the Subscription Shares under the Securities Act or to qualify or register the Subscription Shares under applicable U.S. state securities laws.

Section 3.12 *Taxes*.

(a) All Tax returns, Tax reports, information returns, declarations of estimated Tax and other declarations and statements with respect to Taxes (collectively, "**Tax Returns**") required to have been filed by or with respect to the Company and each Subsidiary have been timely filed (taking into account any extensions) and all such Tax Returns are complete and accurate and disclose all Taxes required to be paid by or with respect to the Company and each Subsidiary for the periods covered thereby, except for Tax Returns the failure of which to file would not have a Material Adverse Effect. All Taxes (whether or not shown on any Tax Return) for which the Company or any Subsidiary may be liable have been timely paid, except for Taxes the failure of which to pay would not have a Material Adverse Effect. The Company and each Subsidiary have set aside on its books provision reasonably adequate for the payment of all material Taxes for periods subsequent to the periods to which such Tax Returns apply.

(b) Except where such unpaid Tax would not have a Material Adverse Effect, there are no unpaid Taxes claimed to be due by the Taxing authority of any jurisdiction, and the officers of the Company and each Subsidiary know of no basis for any such claim. The provisions for Taxes payable, if any, shown on the financial statements filed with the SEC Documents are sufficient for all accrued and unpaid Taxes, whether or not disputed, and for all periods to and including the dates of such financial statements.

(c) Neither the Company nor any Subsidiary is a party to any claim, dispute, audit, pending Action or proceeding, nor is any such claim, dispute, Action or proceeding threatened by any Taxing authority, for the assessment or collection of any Taxes and no claim for the assessment or collection of any Taxes has been asserted against the Company or any Subsidiary that has not been settled with all amounts due having been paid.

(d) No lien with respect to Taxes has been filed and no deficiency or addition to Taxes, interest or penalties for any Taxes with respect to any income, properties or operations of the Company or any Subsidiary has been proposed, asserted or assessed against the Company or any Subsidiary.

(e) The Company and each Subsidiary has complied in all material respects with all Applicable Laws relating to the payment and withholding of Taxes, including sales and use Taxes, and has withheld and paid over all amounts required by Applicable Laws to be withheld and paid from the wages or salaries of employees, and neither the Company nor any Subsidiary is liable for any Taxes for failure to comply with such Applicable Laws.

(f) No claim, or notice of claim, has ever been made by an authority in a jurisdiction where the Company or a Subsidiary does not file Tax Returns that the Company or such Subsidiary is or may be subject to taxation by that jurisdiction.

(g) Neither the Company nor any Subsidiary has been a member of an affiliated group of corporations within the meaning of Section 1504(a) of the Internal Revenue Code of 1986, as amended (the "**Code**") filing a combined federal income Tax return (or any similar provision of non-U.S., state or local Law) nor does the Company or any Subsidiary of the Company have any liability for Taxes of any other Person under Treasury Regulations § 1.1502-6 (or any similar provision of non-U.S., state or local Law) or otherwise, other than the consolidated group of which the Company is currently the parent corporation.

(h) Neither the Company nor any Subsidiary has engaged in any transaction that could give rise to a disclosure obligation as a "reportable transaction" under Section 6011 of the Code and Treasury Regulations promulgated thereunder (or any similar provision of non-U.S., state or local Law).

(i) The Company is, and has at all times been, classified as a corporation for U.S. federal income tax purposes.

Section 3.13 *No Brokers*. Except for Goldman Sachs (Asia) L.L.C., no brokerage or finder's fees or commissions are or will be payable by the Company, any Subsidiary or Affiliate of the Company to any broker, financial advisor or consultant, finder, placement agent, investment banker, bank or other Person with respect to the transactions contemplated by the Transaction Documents.

Section 3.14 *Intellectual Property*. Except as disclosed in the SEC Documents, all registered or unregistered, (i) patents, patentable inventions and other patent rights (including any divisions, continuations, continuations-in-part, reissues, reexaminations and interferences thereof); (ii) trademarks, service marks, trade dress, trade names, taglines, brand names, logos and corporate names and all goodwill related thereto; (ii) copyrights, mask works and designs; (iv) trade secrets, know-how, inventions, processes, procedures, databases, confidential business information and other proprietary information and rights; (v) computer software programs, including all source code, object code, specifications, designs and documentation related thereto; and (vi) domain names, Internet addresses and other computer identifiers, in each case that is material and is used in the operation of the business of the Company or any of its Subsidiaries (the "**Intellectual Property**") is either (a) owned by the Company or one or more of its Subsidiaries or (b) is used by the Company or one or more of its Subsidiaries pursuant to a valid license. To the knowledge of the Company, there are no infringements or other violations of any Intellectual Property owned by the Company or any of its Subsidiaries by any third party, except for such infringements and violations which would not have a Material Adverse Effect. The

Company and its Subsidiaries have taken all necessary actions to maintain and protect each item of Intellectual Property, the absence of which will have a Material Adverse Effect. The conduct of the business of the Company and its Subsidiaries does not infringe or otherwise violate any intellectual property or other proprietary rights of any other person, and there is no Action pending or threatened alleging any such infringement or violation or challenging the Company's or any of its Subsidiaries' rights in or to any Intellectual Property, except for such infringements and violations which would not have a Material Adverse Effect.

Section 3.15 *Title to Property*. Neither the Company nor any Subsidiary owns any real property. Each of the Company and the Subsidiaries has good and marketable title to all personal property owned by each of them that is material to its respective business, in each case free and clear of all Encumbrances, except for Encumbrances that do not materially affect the value of such property and do not interfere with the use made and proposed to be made of such property by the Company or the Subsidiaries. Any real property and facilities held under lease by the Company and the Subsidiaries is held under valid, subsisting and enforceable leases with such exceptions as are not material and do not interfere with the use made and proposed to be made of such property and buildings by the Company or the Subsidiaries, as the case may be.

Section 3.16 *Labor Relations*. No labor dispute exists or, to the knowledge of the Company, is imminent with respect to any of the employees of the Company, except for such disputes which would not have a Material Adverse Effect. None of the Company's or its Subsidiaries' employees is a member of a union that relates to such employee's relationship with the Company or such Subsidiary, and neither the Company nor any of its Subsidiaries is a party to a collective bargaining agreement, and the Company and its Subsidiaries believe that their relationships with their employees are good. To the knowledge of the Company, no executive officer of the Company or any Subsidiary, is, or is now expected to be, in violation of any material term of any employment contract, confidentiality, disclosure or proprietary information agreement or non-competition agreement, or any other contract or agreement or any restrictive covenant in favor of any third party, and the continued employment of each such executive officer does not subject the Company or any of its Subsidiaries to any liability with respect to any of the foregoing matters. The Company and its Subsidiaries are in material compliance with all U.S. federal, state, local and foreign laws and regulations relating to employment and employment practices, terms and conditions of employment and wages and hours.

Section 3.17 *Transactions with Affiliates and Employees*. Except as set forth in the SEC Documents, none of the officers or directors of the Company or any Subsidiary and, to the knowledge of the Company, none of the employees of the Company or any Subsidiary is presently a party to any transaction with the Company or any Subsidiary (other than for services as employees, officers and directors), including any contract, agreement or other arrangement providing for the furnishing of services to or by, providing for rental of real or personal property to or from, providing for the borrowing of money from or lending of money to or otherwise requiring payments to or from, any officer, director or such employee or, to the knowledge of the Company, any entity in which any officer, director, or any such employee has a substantial interest or is an officer, director, trustee, stockholder, member or partner, in each case in excess of $100,000 other than for (i) payment of salary or consulting fees for services rendered; (ii) reimbursement for expenses incurred on behalf of the Company; and (iii) other employee benefits, including stock option agreements under any stock option plan of the Company.

Section 3.18 *Investment Company*. The Company is not, and is not an Affiliate of, and immediately after receipt of payment for the Subscription Shares will not be or be an Affiliate of, an "investment company" within the meaning of the Investment Company Act of 1940, as amended. The Company shall conduct its business in a manner so that it will not become an "investment company" subject to registration under the Investment Company Act of 1940, as amended.

Section 3.19 *Registration Rights*. No Person has any right to cause the Company or any Subsidiary to effect the registration under the Securities Act of any securities of the Company or any Subsidiary, except for Persons identified in Schedule II hereto (each an "**Existing Registration Rights Holder**"). As of the date hereof, neither the execution, delivery and performance of the Registration Rights Agreement (if entered into in the form set forth in Exhibit B hereto), nor the consummation of the transactions contemplated thereby, will violate any provision of any registration rights agreement between the Company or its Affiliates and any Existing Registration Rights Holder.

Section 3.20 *Listing and Maintenance Requirements*. The Ordinary Shares are registered pursuant to Section 12(b) of the Exchange Act, and the Company has taken no action designed to, or which to its knowledge is likely to have the effect of, terminating the registration of the Ordinary Shares under the Exchange Act nor has the Company received any notification that the SEC is contemplating terminating such registration. Except as set forth in the SEC Documents, the Company has not, since January 1, 2017, received notice from any Trading Market on which the ADSs representing the Ordinary Shares are or have been listed or quoted to the effect that the Company is not in compliance with the listing or maintenance requirements of such Trading Market. The Company is and has no reason to believe that it will not in the foreseeable future continue to be, in compliance with all such listing and maintenance requirements. The issuance by the Company of the Subscription Shares shall not have the effect of delisting or suspending the ADSs representing the Ordinary Shares from any Trading Market.

Section 3.21 *Disclosure*. The press releases disseminated by the Company during the twelve (12) months preceding the date of this Agreement taken as a whole do not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made and when made, not misleading. The Company acknowledges and agrees that no Purchaser makes or has made any representations or warranties with respect to the transactions contemplated hereby other than those set forth in this Agreement.

Section 3.22 *No Integrated Offering*. Neither the Company, nor any of its Affiliates, nor any Person acting on its or their behalf has, directly or indirectly, made any offers or sales of any security or solicited any offers to buy any security, under circumstances that would: (i) eliminate the availability of the exemption from registration under the Securities Act in connection with the offer and sale by the Company of the Subscription Shares as contemplated hereby; or (ii) cause the offer and sale of the Subscription Shares pursuant to this Agreement to be integrated with prior offerings by the Company for purposes of any applicable law, regulation or stockholder approval provisions, including, without limitation, under the rules and regulations of any Trading Market on which any of the securities of the Company are listed or designated.

Section 3.23 *Solvency*. Both before and immediately after giving effect to the transactions contemplated by this Agreement and other Transaction Documents, the Company (i) will be solvent in that both (a) the sum of its assets will not be less than the sum of its debts, and (b) that the present fair saleable value of its assets will not be less than the amount required to pay its probable liability on its recourse debts as they mature or become due, in each case, but for the outstanding principal amounts and accrued but unpaid interest with respect to (x) convertible notes in an aggregate principal amount of $230 million issued by the Company on June 10, 2019 and June 11, 2019 to Redrock Holding Investment Limited, TPG Growth III SF Pte. Ltd, 58.com Holdings Inc. and certain other investors and (y) loans in an aggregate amount of 233 million Chinese Yuan made by XW Bank to the Company and guaranteed by Henan Shiwei Data Technology Co. Ltd. (河南世为数据科技有限公司) in December 2017, and (ii) will have adequate capital and liquidity with which to engage in the their businesses as currently conducted and as described in the SEC Documents.

Section 3.24 *Foreign Corrupt Practices*. Neither the Company nor any Subsidiary nor any of the Company's directors, officers, employees or agents have, directly or indirectly, made, offered, promised or authorized any payment or gift of any money or anything of value to or for the benefit of any "foreign official" (as such term is defined in the FCPA), foreign political party or official thereof or candidate for foreign political office for the purpose of (i) influencing any official act or decision of such official, party or candidate; (ii) inducing such official, party or candidate to use his, her or its influence to affect any act or decision of a foreign Governmental Entity; or (iii) securing any improper advantage, in the case of (i), (ii) and (iii) above in order to assist the Company or any of its Affiliates in obtaining or retaining business for or with, or directing business to, any person. Neither the Company nor any of its current directors, officers, employees or agents have made or authorized any bribe, rebate, payoff, influence payment, kickback or other unlawful payment of funds or received or retained any funds in violation of any law, rule or regulation. The Company further represents that it has maintained and has caused each of its Subsidiaries and Affiliates to maintain, systems of internal controls (including, but not limited to, accounting systems, purchasing systems and billing systems) to ensure compliance with the FCPA or any other applicable anti-bribery or anti-corruption law. Neither the Company, or, to the Company's knowledge, any of its officers, directors or employees are the subject of any allegation, voluntary disclosure, investigation, prosecution or other enforcement action related to the FCPA or any other anti-corruption law.

Section 3.25 *Office of Foreign Assets Control*. Neither the Company nor any Subsidiary nor, to the Company's knowledge, any director, officer, agent, employee or affiliate of the Company or any Subsidiary is currently subject to any U.S. sanctions administered by the Office of Foreign Assets Control of the U.S. Treasury Department.

Section 3.26 *Money Laundering*. The operations of the Company and its Subsidiaries are and have been conducted at all times in compliance with applicable financial record-keeping and reporting requirements of the Currency and Foreign Transactions Reporting Act of 1970, as amended, applicable money laundering statutes and applicable rules and regulations thereunder (collectively, the "**Money Laundering Laws**"), and no Action, suit or proceeding by or before any court or governmental agency, authority or body or any arbitrator

involving the Company or any Subsidiary with respect to the Money Laundering Laws is pending or, to the knowledge of the Company or any Subsidiary, threatened.

Section 3.27 *Acknowledgement Regarding Purchaser's Purchase of Subscription Shares*. The Company acknowledges and agrees that the Purchaser is acting solely in the capacity of an arm's length purchaser with respect to this Agreement and the transactions contemplated hereby. The Company further acknowledges that the Purchaser is not acting as a financial advisor or fiduciary of the Company (or in any similar capacity) with respect to this Agreement and the transactions contemplated hereby and any advice given by the Purchaser or any of its representatives or agents in connection with this Agreement and the transactions contemplated hereby is merely incidental to the Purchaser's purchase of the Subscription Shares. The Company further represents to the Purchaser that the Company's decision to enter into this Agreement has been based solely on the independent evaluation of the transactions contemplated hereby by the Company and its representatives.

Section 3.28 *Acknowledgement Regarding Purchaser's Trading Activity*. Anything in this Agreement or elsewhere herein to the contrary notwithstanding, it is understood and acknowledged by the Company that: (i) as of the date of this Agreement, the Purchaser has not been asked by the Company to agree, nor has the Purchaser agreed, to desist from purchasing or selling, long and/or short, securities of the Company, or "derivative" securities based on securities issued by the Company or, except as agreed in Section 5.01, to hold the Subscription Shares (or the ADSs representing the Subscription Shares) for any specified term; (ii) past or future open market or other transactions by the Purchaser, specifically including, without limitation, Short Sales or "derivative" transactions, before or after the closing of this or future private placement transactions, may negatively impact the market price of the Company's publicly-traded securities; (iii) the Purchaser, and counter-parties in "derivative" transactions to which the Purchaser is a party, directly or indirectly, presently may have a "short" position in the Ordinary Shares: and (iv) the Purchaser shall not be deemed to have any affiliation with or control over any arm's length counter-party in any "derivative" transaction. The Company further understands and acknowledges that (y) the Purchaser may engage in hedging activities at various times during the period that the Subscription Shares (or the ADSs representing the Subscription Shares) are outstanding in compliance with Applicable Laws, and (z) such hedging activities (if any) could reduce the value of the existing stockholders' equity interests in the Company at and after the time that the hedging activities as conducted in compliance with Applicable Laws, are being conducted. The Company acknowledges that such aforementioned hedging activities do not constitute a breach of this Agreement.

ARTICLE IV
REPRESENTATIONS AND WARRANTIES OF THE PURCHASER

The Purchaser represents and warrants to the Company that, as of the date hereof and as of the Closing Date (except for the representations and warrants that speak as of a specific date, which shall be made as of such date):

Section 4.01 *Existence.* The Purchaser has been duly organized, is validly existing and is in good standing under the laws of its jurisdiction of organization.

Section 4.02 *Capacity.* The Purchaser has the requisite power and authority to enter into and perform its respective obligations under this Agreement and consummate the transactions contemplated hereby.

Section 4.03 *Authorization And Enforceability.* This Agreement has been duly authorized, executed and delivered by the Purchaser, and assuming the due authorization, execution and delivery by each of the other parties hereto, this Agreement is a valid and binding agreement of the Purchaser, enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally and general principles of equity.

Section 4.04 *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 Purchaser; (ii) violate any constitution, statute, regulation, rule, injunction, judgment, order, decree, ruling, charge, or other restriction of any government, Governmental Entity or court to which the Purchaser 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 Purchaser is a party or by which the Purchaser is bound or to which any assets of the Purchaser 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 Purchaser, threatened against the Purchaser that questions the validity of this Agreement or the right of the Purchaser to enter into this Agreement to consummate the transactions contemplated hereby.

Section 4.05 *Consents and Approvals.* Neither the execution and delivery by the Purchaser of this Agreement, nor the consummation by the Purchaser of any of the transactions contemplated hereby, nor the performance by the Purchaser 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.

Section 4.06 *Securities Law Matters*.

(a) The Subscription Shares are being acquired for the Purchaser's own account, not as nominee or agent, and not with a view to, or intention of, or for sale in connection with, any distribution thereof in violation of applicable securities laws, provided, that, except as agreed in Section 5.01, this representation and warranty does not obligate the Purchaser to hold any of the Subscription Shares (or the ADSs representing the Subscription Shares) for any minimum or other specific term, nor limit the Purchaser's right to sell the Subscription Shares (or the ADSs representing the Subscription Shares) pursuant to an effective registration statement under the Securities Act or otherwise in compliance with applicable federal and state securities laws.

(b) The Purchaser is an institutional "accredited investor" as defined in Rule 501(a)(1), (2), (3), or (7) of Regulation D under the Securities Act.

(c) The Purchaser acknowledges that the Subscription Shares are "restricted securities" within the meaning of Rule 144 under the Securities Act, and have not been registered under the Securities Act or any applicable state securities law, and any certificate representing the Subscription Shares shall be endorsed with the restrictive legend set forth in Section 2.04 of this Agreement. The Purchaser further acknowledges that, absent an effective registration under the Securities Act, the Subscription Shares may only be offered, sold or otherwise transferred in compliance with Applicable Laws.

Section 4.07 *Investment Experience.* The Purchaser is a sophisticated purchaser with knowledge and experience in financial and business matters such that the Purchaser is capable of evaluating the merits and risks of the investment in the Subscription Shares. The Purchaser is able to bear the economic risks of an investment in the Subscription Shares.

ARTICLE V
COVENANTS

Section 5.01 *Lock-Up.* Notwithstanding any other provisions of this Agreement or any other agreement by the Company and the Purchaser, during the Lock-Up Period, the Purchaser shall not, and shall 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 Subscription Shares to any Person other than the Purchaser's Affiliates. Any Transfer of Subscription Shares made in violation of this Section 5.01 shall be null and void *ab initio* and shall not be recorded on the books and records of the Company.

Section 5.02 *No Transfer to Adverse Persons*. Notwithstanding any other provisions of this Agreement, from the Closing Date until July 31, 2021, the Purchaser shall not, directly or indirectly, knowingly Transfer and shall not knowingly permit any Transfer of, through one or a series of transactions, any Subscription Shares issued hereunder to any Adverse Person without the prior written consent of the Company, provided, that, for the avoidance of doubt, the following sales of such Subscription Shares shall be deemed not to violate this Section 5.02 so long as the Purchaser did not intentionally Transfer or intentionally permit any Transfer of the Subscription Shares to any Adverse Person as part of such sales: (a) open market sales or block trades executed through brokers, in each case, that are not directed to specific Persons; (b) broadly-distributed public offerings pursuant to the Purchaser's rights under the Registration Rights Agreement or pursuant to Rule 144; or (c) sales pursuant to a tender offer or exchange offer for at least a majority of the equity securities of the Company made by a Person other than the Purchaser or its Affiliates to all shareholders of the Company. Any Transfer of any Subscription Shares made in violation of this Section 5.02 shall be null and void ab initio and shall not be recorded on the books and records of the Company.

Section 5.03 *Facilitation of ADS Conversion.*

(a) The Company acknowledges that the Purchaser intends to, after the end of the Lock-Up Period, convert the Subscription Shares into ADSs for future sale (the "**ADS Conversion**").

(b) At any time from and after the end of the Lock-Up Period, upon written request of the Purchaser, the Company shall: (i) use its best efforts to obtain, at Company's sole cost and expense, the opinion of an outside counsel that the Purchaser's re-sale of the Subscription Shares is permitted without volume or manner-of-sale restrictions under Rule 144 and (ii) promptly and in any event no later than three (3) Business Days following the Company's receipt of such opinion, effect, or cause its depositary bank to effect, the ADS Conversion, provided that, if requested by the Company, the Purchaser shall provide reasonable and timely cooperation to facilitate the ADS Conversion to the extent reasonably required.

(c) At any time from and after the end of the Lock-Up Period, upon written request of the Purchaser, the Company shall promptly and in any event no later than three (3) Business Days following receipt of such request, effect, or cause its depositary bank to effect, the ADS Conversion, if there is an effective registration statement on file with the SEC covering the re-sale of the Purchaser's Subscription Shares, provided that, if requested by the Company, the Purchaser shall provide reasonable and timely cooperation to facilitate the ADS Conversion to the extent reasonably required.

(d) For purposes of completing the ADS Conversion contemplated under Section 5.03(b) and Section 5.03(c) above, the Company shall, at its sole cost and expense, take all necessary actions to cause the ADS Conversion, including but not limited to directing its depositary bank, share registrar, transfer agent and an outside counsel to take all necessary actions (including the removal of the restrictive legend) in accordance with the procedures for conversion of Ordinary Shares into ADSs.

Section 5.04 *Furnishing of Information.* Until the time that the Purchaser no longer owns any of the Subscription Shares (or ADSs representing the Subscription Shares) purchased hereunder, the Company covenants to timely file (or obtain extensions in respect thereof and file within the applicable grace period) all reports required to be filed by the Company after the date hereof pursuant to the Exchange Act even if the Company is not then subject to the reporting requirements of the Exchange Act.

Section 5.05 *Reservation of Ordinary Shares.* As of the date hereof, the Company has reserved and the Company shall continue to reserve and keep available at all times until Closing, free of preemptive rights, a sufficient number of Class A Ordinary Shares for the purpose of enabling the Company to issue the Subscription Shares pursuant to this Agreement.

Section 5.06 *Most Favored Nations.*

(a) The Company hereby represents and warrants that, as of the date hereof, and covenants and agrees that, after the date hereof, no agreement or understanding with any other Person for the purchase of Class A Ordinary Shares entered into during the MFN Period has included, includes or will include terms, rights or other benefits (except for purchase price per Class A Ordinary Share, which may be determined by reference to the public trading price of the Company's ADSs) that are more favorable, in any material respect, to such other Person than the terms, rights and benefits in favor of the Purchaser under this Agreement; and during the MFN Period, the Company will not amend any such terms, rights or benefits (so that the terms, rights or benefits as amended are more favorable in any material respect than those in

favor of the Purchaser under this Agreement) in, or waive any material obligation under, any of the agreements or understandings with such other Person for the purchase of Class A Ordinary Shares unless, in any such case, the Purchaser has been offered in writing the opportunity to concurrently receive the benefits of all such terms, rights and benefits or waiver. The Purchaser shall notify the Company in writing, within ten (10) Business Days after the date it has been offered the opportunity to receive the benefit of such terms, rights, benefits or waiver, of its election to receive any such term, right, benefit or waiver so offered.

(b) For the purposes of this Section 5.06, "**MFN Period**" means the period commencing on the date 20 Business Days prior to the date hereof ("**MFN Start Date**") and ending on the earlier of (i) the date that the Company has consummated one or more rounds of equity fundraising from third parties in an aggregate amount of $100,000,000 (which amount shall include the Purchase Price paid by the Purchaser pursuant to this Agreement if the transactions contemplated hereby are consummated) from and after the MFN Start Date and notified the Purchaser in writing that it has completed such fundraising; or (ii) March 31, 2021.

ARTICLE VI
ADDITIONAL AGREEMENTS

Section 6.01 *Efforts; Further Assurances.* Subject to the terms and conditions of this Agreement, the parties hereto will use their commercially reasonable efforts to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary or desirable under Applicable Laws to consummate the transactions contemplated by this Agreement, provided, however, that notwithstanding anything to the contrary, the Purchaser shall not be required to provide any non-public information with respect to itself or its Affiliates.

Section 6.02 *Public Announcements.*

(a) The Company shall (a) prior to the start of the Trading Day immediately following the date hereof, issue a press release (the "**Press Release**") in form and substance reasonably acceptable to the Purchaser disclosing the material terms of the transactions contemplated hereby (but not disclosing the identity of the Purchaser); and (b) file a Current Report on Form 6-K in the form required by the Exchange Act and attaching the material Transaction Documents as exhibits thereto, with the SEC within the time required by the Exchange Act (such filing, together with all attachments and exhibits, the "**6-K Filing**"). From and after the issuance of the Press Release, the Company shall not, and the Company shall cause each of its Subsidiaries and each of its and their respective officers, directors, employees and agents not to provide the Purchaser with any material, non-public information regarding the Company or any of its Subsidiaries without the express prior written consent of the Purchaser. The Company shall consult with the Purchaser and consider in good faith any comments the Purchaser may have on, the 6-K Filing.

(b) The Company covenants to, after the Closing, publicly disclose all material, non-public information delivered to the Purchaser by the Company or any of its Subsidiaries, or any of their respective officers, directors, employees or agents in connection with the transactions contemplated by the Transaction Documents as soon as possible, and in any event, by no later than the earlier of: (i) the date on which the Company announces its unaudited

financial results for the quarter ended September 30, 2020 or (ii) December 31, 2020. In addition, effective upon such public disclosure as contemplated by the foregoing sentence (notice of which shall be provided by the Company to the Purchaser in writing immediately following such disclosure), the Company acknowledges and agrees that any and all confidentiality or similar obligations under any agreement, whether written or oral, between the Company, any of its Subsidiaries or any of their respective officers, directors, agents, employees or Affiliates on the one hand, and the Purchaser or any of their Affiliates on the other hand, shall terminate.

(c) Without limiting the generality of the foregoing, from and after the date of this Agreement until the date on which the Purchaser ceases to hold any Subscription Shares (or ADSs representing such Subscription Shares), the Company shall not, directly or indirectly, issue any press release or make any filing with the SEC, in each case, to the extent such press release or filing identifies the Purchaser or the transactions contemplated by this Agreement, unless the Company first consults with the Purchaser, and considers in good faith any comments that the Purchaser may have on, such materials; provided, that the Company may make any subsequent press release or filings with the SEC that are substantially consistent in form with any such materials previously approved by the Purchaser in the manner provided for in this Section 6.02 without being required to first consult the Purchaser as otherwise required in this Section 6.02. Notwithstanding anything to the contrary herein, the Company shall not issue any press release or otherwise make any public statement that identifies the Purchaser without the Purchaser's prior written consent; provided that, for the avoidance of doubt the Company shall be permitted to (i) identify the Purchaser in any filing required to be made with the SEC but only to the extent that the identification of the Purchaser is expressly required, and subject to the consultation rights and right to comment contained in the immediately preceding sentence; and (ii) solely to the extent required by applicable securities laws, identify the Purchaser in the Company's annual report on Form 20-F in Item 7.A. (Major Shareholders) or in Item 19 (Exhibits) to the extent that the Purchaser's name is mentioned in Exhibits that have been included in such Form 20-F, without consultation with or seeking prior consent from the Purchaser.

Section 6.03 *Survival*.

(a) The Fundamental Company Representations and the Fundamental Purchaser Representations shall survive indefinitely or until the latest date permitted by law.

(b) All representations and warranties contained in this Agreement other than the Fundamental Company Representations and the Fundamental Purchaser Representations shall survive the Closing until the expiration of eighteen (18) months from the Closing Date.

(c) Notwithstanding the foregoing sub-clauses (a) and (b), any breach of any representation, warranty, covenant or agreement in respect of which indemnity may be sought under this Agreement shall survive the time at which it would otherwise terminate pursuant to the sub-clause (a) and (b) above, if notice of the inaccuracy or breach thereof giving rise to such right of indemnity shall have been given to the party against whom such indemnity may be sought prior to such time.

Section 6.04 *Integration.* The Company shall not sell, offer for sale or solicit offers to buy or otherwise negotiate in respect of any security (as defined in Section 2 of the Securities Act) that would be integrated with the offer or sale of the Subscription Shares for purposes of the rules and regulations of any Trading Market such that it would require shareholder approval prior to the closing of such other transaction unless stockholder approval is obtained before the closing of such subsequent transaction.

Section 6.05 *Shareholder Rights Plan.* No claim will be made or enforced by the Company or, with the consent of the Company, any other Person, that the Purchaser is an acquiring Person under any control share acquisition, business combination, poison pill (including any distribution under a rights agreement) or similar anti-takeover plan or arrangement in effect or hereafter adopted by the Company, or that the Purchaser could be deemed to trigger the provisions of any such plan or arrangement, by virtue of purchasing Subscription Shares under this Agreement.

Section 6.06 *Use of Proceeds.* The Company shall use the net proceeds from the sale of the Subscription Shares hereunder for general corporate purposes.

Section 6.07 *Listing of Ordinary Shares.* The Company hereby agrees to use reasonable best efforts to maintain the listing or quotation of the ADSs on the Trading Market on which it is currently listed.

Section 6.08 *Share Certificates; Transfers.*

(a) The Purchaser shall have the right to request removal of the legend set forth in Section 2.04 above or any other legend from certificates evidencing Subscription Shares in any of the following circumstances: (i) in connection with the Purchaser's re-sale of the Subscription Shares (or the ADSs representing the Subscription Shares) under Rule 144, as contemplated in Section 5.03; (ii) in connection with the sale of such Subscription Shares (or the ADSs representing the Subscription Shares) pursuant to a re-sale registration statement; or (iii) if such legend is not required under applicable requirements of the Securities Act (including, without limitation, controlling judicial interpretations and pronouncements issued by the SEC).

(b) Upon receipt of a request from Purchaser under Section 6.08(a) above, the Company shall, at its own expense, no later than three (3) Trading Days following the delivery by the Purchaser to the Company of a legended certificate representing such Subscription Shares (endorsed or with stock powers attached, signatures guaranteed, and otherwise in form necessary to affect the reissuance and/or transfer, if applicable), as directed by the Purchaser, issue and dispatch by overnight courier to the Purchaser, a certificate representing such Shares that is free from all restrictive and other legends, registered in the name of the Purchaser or its designee.

Section 6.09 *Tax Filings.* The Company shall cooperate, and shall cause each Subsidiary to cooperate, with the Purchaser in providing the Purchaser with any information reasonably requested for it to timely make all filings, returns, reports, forms or calculations in order to assist the Purchaser with the preparation of its Tax Returns, obtaining any benefit pursuant to applicable Tax law, or complying with any other Tax law that the Purchaser is

subject. The Company shall not make any elections or take any other actions to be treated as other than a corporation for U.S. federal income tax purposes.

ARTICLE VII
CLOSING CONDITIONS

Section 7.01 *Conditions to Obligations of the Company and the Purchaser.* The obligations of the Company and the Purchaser to consummate the Closing are subject to the satisfaction of the following conditions:

(a) no provision of any Applicable Law shall prohibit the consummation of the Closing; and

(b) no proceeding challenging this Agreement or the transactions contemplated hereby, or seeking to prohibit, alter, prevent or materially delay the Closing, shall have been instituted before any Governmental Entity and shall be pending.

Section 7.02 *Conditions to Obligations of the Company.* The obligations of the Company to consummate the Closing are subject to the satisfaction of the following conditions:

(a) the representations and warranties of the Purchaser in this Agreement shall be true and correct in all material respects as of the Closing Date as though made as of the Closing Date (except that those representations and warranties that address matters only as of a particular date shall have been true and correct in all material respects as of such date);

(b) the Fundamental Purchaser Representations shall be true and correct as of the Closing Date as though made as of the Closing Date (except that those representations and warranties that address matters only as of a particular date shall have been true and correct as of such date); and

(c) the delivery by the Purchaser of each of the items set forth in Section 2.03(a) of this Agreement.

Section 7.03 *Conditions to Obligations of the Purchaser.* The obligation of the Purchaser to consummate the Closing is subject to the satisfaction of the following conditions:

(a) the representations and warranties of the Company that are qualified by materiality or Material Adverse Effect shall be true and correct in all respects as of the Closing Date as though made on and as of the Closing Date (except that those representations and warranties that address matters only as of a particular date shall have been true and correct only on such date),

(b) the representations and warranties of the Company that are not qualified by materiality or Material Adverse Effect shall be true and correct in all material respects as of the Closing Date as though made as of the Closing Date (except that those representations and warranties that address matters only as of a particular date shall have been true and correct only on such date),

(c) the Fundamental Company Representations shall be true and correct in all respects as of the Closing Date as though made as of the Closing Date except for de minimis inaccuracies (except that those representations and warranties that address matters only as of a particular date shall have been true and correct only on such date),

(d) the Company shall have performed or complied in all material respects with all obligations, covenants, agreements and conditions in this Agreement required to be performed or complied with by the Company on or prior to the Closing Date;

(e) there shall have been no event, occurrence, development or state of circumstances or facts that constitutes a Material Adverse Effect;

(f) the delivery by the Company of each of the items set forth in Section 2.03(b) of this Agreement;

(g) from the date hereof to the Closing Date, trading in the ADSs shall not have been suspended by the SEC or the Company's principal Trading Market (nor shall such suspension have been threatened);

(h) the sale and issuance of the Subscription Shares shall be legally permitted by all laws and regulations to which the Purchaser and the Company are subject; and

(i) the Purchaser shall have received a certificate signed by an executive officer of the Company confirming the satisfaction of items (a) through (e) above.

ARTICLE VIII
INDEMNIFICATION

Section 8.01 *Indemnification.*

(a) Subject to the other provisions of this Article VIII, the Company (the "**Indemnifying Party**") shall indemnify and hold the Purchaser and its Affiliates, and each of their respective directors, officers, employees, advisors and agents (collectively, the "**Indemnified Party**") harmless from and against any losses, liabilities, obligations, claims, contingencies, damages, costs and expenses, including all judgments, amounts paid in settlements, court costs and reasonable attorney's fees and costs of investigation (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 the Transaction Documents; 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 or the Transaction Documents, (iii) any Action instituted against the Indemnified Parties in any capacity by (A) any current or former stockholder of the Company who is not an Affiliate of such Indemnified Party, with respect to any of the transactions contemplated by the Transaction Documents or (B) any other third party with respect to any of the transactions contemplated by the Transaction Documents (unless, in either case, such Action is based upon a breach of such Indemnified Party's representations, warranties or covenants under the Transaction Documents or any agreements or understandings such Indemnified Party may have with any such stockholder or

any violations by such Indemnified Party of state or federal securities laws of the United States or any conduct by such Indemnified Party which constitutes fraud, gross negligence or willful misconduct).

(b) The Indemnifying Party shall not 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) No Indemnified Party shall be entitled to recover any Losses under clause (i) of Section 8.01(a), 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 any one or more of the Indemnified Parties under clause (i) of Section 8.01(a) exceeds $112,500 (the "**Loss Threshold**"), provided, however, that once the aggregate amount of all such Losses under clause (i) of Section 8.01(a) exceeds the Loss Threshold, the Indemnifying Party shall be liable for all such Losses under clause (i) of Section 8.01(a) (including the Loss Threshold).

(d) The maximum aggregate amount of Losses that the Indemnified Parties will be entitled to recover under clause (i) of Section 8.01(a), other than with respect to breaches of any Fundamental Company Representations or Fundamental Purchaser Representations (as applicable), shall be limited to $15,000,000. 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 8.01) shall not apply to any claim based on fraud or willful misconduct of the Indemnifying Party or its Subsidiaries or Affiliates.

(e) The 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 VIII 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 of the Indemnifying Party 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 VIII 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.

Section 8.02 *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 VIII, 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 materially 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 with counsel of its own choosing reasonably acceptable to the Indemnified Party, which right shall remain in effect if and for so long as the Indemnifying Party continues to diligently defend against such Action; provided, that in no event shall the Indemnifying Party be entitled to assume the defense of any Action if such Action (i) is with respect to a criminal proceeding, action, indictment, allegation or investigation or (ii) seeks an injunction or other equitable relief against any Indemnified Party. To the extent the Indemnifying Party is entitled to and elects to assume the defense of such Third Party Claim, the Indemnifying Party shall provide written notice of its intention to do so within thirty (30) days of its receipt of the Claim Notice. Upon delivery of such notice by the Indemnifying Party, the Indemnifying Party shall diligently defend such Action to a final non-appealable adjudication or settlement, 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 and to the extent practicable, 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. 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 8.02(b) above) of any Third Party Claim assumed by the Indemnifying Party pursuant to Section 8.02(b), provided, that the Indemnifying Party shall be responsible for the reasonable fees and expenses of a separate counsel where there is, in the reasonable opinion of counsel, a material conflict on any material issue between the position of the Indemnifying Party and the position of such Indemnified Party.

(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.

(e) The indemnification required by this Section 8.02 shall be made by periodic payments of the amount thereof during the course of the investigation or defense, as and when bills are received or are incurred.

Section 8.03 *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 materially 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.

ARTICLE IX
MISCELLANEOUS

Section 9.01 *Notices.* All notices, requests, demands and other communications that are required or may be given pursuant to the terms of this Agreement shall be in writing, and delivery shall be deemed sufficient in all respects and to have been duly given as follows: (a) on the actual date of service if delivered personally; (b) at the time of receipt if given by electronic mail to the e-mail addresses set forth in this Section 9.01; (c) on the third day after mailing if mailed by first-class mail return receipt requested, postage prepaid and properly addressed as set forth in this Section 9.01; or (d) on the day after delivery to a nationally recognized overnight courier service during its business hours for overnight delivery against receipt, and properly addressed as set forth in this Section 9.01:

If to the Purchaser:	GIC Private Limited ********** Attn: **********
If to the Company:	Uxin Limited 1-3/F, No. 12 Beitucheng East Road Chaoyang District, Beijing, 100029 People's Republic of China E-mail: ********** Attn: **********

Any party may change its address or other contact information for notice by giving notice to each other party in accordance with the terms of this Section 9.01. In no event will delivery to a copied Person alone constitute delivery to the party represented by such copied Person.

Section 9.02 *Severability.* If any term, provision, covenant or restriction of this Agreement is held by a court of competent jurisdiction or other Governmental Entity to be invalid, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions of this Agreement shall remain in full force and effect and shall in no way be affected, impaired or invalidated so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any party. Upon such a determination, the

parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in an acceptable manner in order that the transactions contemplated hereby be consummated as originally contemplated to the fullest extent possible.

Section 9.03 *Entire Agreement.* This Agreement, including any schedules and exhibits hereto, and any confidentiality agreements between the parties currently in existence, constitutes the entire agreement and understanding among the parties hereto with respect to the subject matter hereof and supersedes any prior understandings, agreements or representations by or among the parties, written or oral, related to the subject matter hereof.

Section 9.04 *Counterparts.* This Agreement may be executed in separate counterparts, each of which shall be an original and all of which taken together shall constitute one and the same agreement. Signatures in the form of facsimile or electronically imaged "PDF" shall be deemed to be original signatures for all purposes hereunder. The parties irrevocably and unreservedly agree that this Agreement may be executed by way of electronic signatures and the parties agree that this Agreement, or any part thereof, shall not be challenged or denied any legal effect, validity and/or enforceability solely on the ground that it is in the form of an electronic record.

Section 9.05 *Assignments.* This Agreement is personal to each of the parties hereto. Neither party may assign or delegate any rights or obligations hereunder without first obtaining the written consent of the other party.

Section 9.06 *Descriptive Headings; Construction*. The descriptive headings of this Agreement are inserted for convenience only and do not constitute a part of this Agreement. The parties hereto agree that this Agreement is the product of negotiation between sophisticated parties and individuals, all of whom were represented by counsel, and each of whom had an opportunity to participate in and did participate in the drafting of each provision hereof. Accordingly, ambiguities in this Agreement, if any, shall not be construed strictly or in favor of or against any party but rather shall be given a fair and reasonable construction without regard to the rule of *contra proferentem*.

Section 9.07 *Amendment.* This Agreement may be amended only by a written instrument executed by each of the parties hereto.

Section 9.08 *Governing Law.* This Agreement shall be governed by and construed in accordance with the laws of the State of New York, without regard to its principles of conflicts of laws.

Section 9.09 *Dispute Resolution* . Any dispute, controversy, claim or difference of any kind whatsoever arising out of, relating to or in connection with this Agreement, or the breach, termination or invalidity hereof (including the validity, scope and enforceability of this arbitration provision) (the "**Dispute**") shall be brought exclusively in the state and federal courts siting in the City of New York, Borough of Manhattan. Each party irrevocably and unconditionally waives any objection to the laying of venue of any Dispute in such courts, and hereby further irrevocably and unconditionally waives and agrees not to plead or claim in any such court that any such Action, suit or proceeding brought in any such court has been brought in

an inconvenient forum. Without limiting the foregoing, each party agrees that service of process on such party as provided in Section 9.01 shall be deemed effective service of process on such party. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATED TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY TO THE GREATEST EXTENT PERMITTED BY APPLICABLE LAW.

Section 9.10 *Expenses.* Except as otherwise expressly provided herein, all costs and expenses incurred in connection with this Agreement, or any amendment or waiver hereof, and the transactions contemplated hereby shall be paid by the party incurring such costs or expenses, provided, that, for the avoidance of doubt, all transfer agent fees, stamp taxes and other taxes and duties levied in connection with the delivery of the Subscription Shares (and any ADSs representing the Subscription Shares) to the Purchaser shall be borne by the Company.

Section 9.11 *Third Party Beneficiaries.* Except as otherwise expressly set forth in this Agreement (which shall include without limitation Article VIII), there are no third party beneficiaries of this Agreement and nothing in this Agreement, express or implied, is intended to confer on any Person any rights, remedies or obligations.

Section 9.12 *Specific Performance.* The parties hereto agree that irreparable damage would occur if any provision of this Agreement were not performed in accordance with the terms hereof and that the parties shall be entitled to an injunction or injunctions to prevent breaches of this Agreement or to enforce specifically the performance of the terms and provisions hereof in any court of competent jurisdiction, in addition to any other remedy to which they are entitled at law or in equity.

Section 9.13 *No Waiver; Cumulative Remedies*. 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 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, in whole or in part, by a waiver or renunciation of the claim or right unless in writing signed by the other party; (b) no waiver that may be given by a party will be applicable except in the specific instance for which it is given; and (c) no notice to or demand on one party will be deemed to be a waiver of any obligation of that party or of the right of the party giving such notice or demand to take further action without notice or demand as provided in this Agreement.

Section 9.14 *Replacement of Shares*. If any certificate or instrument evidencing the Purchaser's Subscription Shares (or the ADSs representing the Subscription Shares) is mutilated, lost, stolen or destroyed, the Company shall issue or cause to be issued in exchange and substitution for and upon cancellation thereof (in the case of mutilation), or in lieu of and substitution therefor, a new certificate or instrument, but only upon receipt of evidence reasonably satisfactory to the Company of such loss, theft or destruction. The Purchaser applying for a new certificate or instrument under such circumstances shall also pay any reasonable third-

party costs (including customary indemnity) associated with the issuance of such replacement certificate or instrument.

Section 9.15 *Termination*. This Agreement may be terminated by the Company or the Purchaser, by written notice to the other parties, if the Closing has not been consummated by the thirtieth (30th) calendar day following the date of this Agreement; provided, that no such termination will affect the right of any party to sue for any breach by the other party.

[Signature Pages Follow]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date first set forth above.

UXIN LIMITED

By: /s/ Dai Kun
Name: Kun Dai
Title: Director

GIC PRIVATE LIMITED

By: /s/ Yeo King Ming, Bryan
Name: Yeo King Ming, Bryan
Title: Managing Director

By: /s/ Charles Lim Sing Siong
Name: Charles Lim Sing Siong
Title: General Counsel

EXHIBIT A
Form of Legal Opinion

EXHIBIT B
Form of Registration Rights Agreement

EXHIBIT C
Company Bank Account Information

EXHIBIT D
Incumbency Certificate

Schedule I
Adverse Persons

Schedule II
Existing Registration Right Holders

Exhibit 4.39

REGISTRATION RIGHTS AGREEMENT

This REGISTRATION RIGHTS AGREEMENT (the "Agreement") is made as of October 8, 2020 by and among Uxin Limited, an company organized and existing under the laws of the Cayman Islands (the "Company"), and GIC Private Limited, a private company limited by shares organized under the laws of Singapore (the "Purchaser"). Notwithstanding the foregoing, all rights and obligations of the parties to this Agreement shall take effect as of the Agreement Effective Time (as defined below).

RECITALS

WHEREAS, the Company and the Purchaser are party to a Share Subscription Agreement, dated as of October 5, 2020 (the "Subscription Agreement"), pursuant to which the Purchaser is purchasing an aggregate of 50,813,008 Class A Ordinary Shares; and

WHEREAS, in connection with the consummation of the transactions contemplated by the Subscription Agreement, and pursuant to the terms of the Subscription Agreement, the parties desire to enter into this Agreement in order to grant certain rights to the Purchaser as set forth below.

NOW, THEREFORE, in consideration of the covenants and promises set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

AGREEMENT

Certain Definitions. Unless the context otherwise requires, the following terms, for all purposes of this Agreement, shall have the meanings specified in this Section 1.

"ADS Conversion" has the meaning ascribed to such term in the Subscription Agreement.

"Affiliate" has the meaning set forth in Rule 12b-2 of the rules and regulations promulgated under the Exchange Act; provided, however, that for purposes of this Agreement, the Purchaser and its Affiliates, on the one hand, and the Company and its Affiliates, on the other, shall not be deemed to be "Affiliates" of one another.

"Agreement Effective Time" means 11:59pm New York time on the date 15 Business Days following the date of the Purchaser's written request under Section 5.03 of the Subscription Agreement, unless as of such time, (A) the Company has (i) obtained the opinion of an outside counsel that the Purchaser's re-sale of the Subscription Shares is permitted without restriction under Rule 144, (ii) effected the removal of any legend from the certificates evidencing the Subscription Shares and (iii) if requested by the Purchaser, effected, or caused its depositary bank to effect, the ADS Conversion; or (B) the Purchaser has otherwise completed the ADS Conversion or disposed of all of its Subscription Shares.

"Board" means the board of directors of the Company.

"Business Day" means any day except any Saturday, any Sunday, any day which is a public holiday in the Republic of Singapore or a federal legal holiday in the United States or any day on which banking institutions in the Cayman Islands, the People's Republic of China (which for the purpose of this Agreement shall exclude Hong Kong SAR, Macau SAR and Taiwan), the State of New York or the Republic of Singapore are authorized or required by law or other governmental action to close.

"Class A Ordinary Shares" has the meaning ascribed to such term in the Subscription Agreement.

"Closing Date" has the meaning ascribed to such term in the Subscription Agreement.

"Effective Date" means the date that a Registration Statement filed pursuant to Section 2.1(a) is first declared effective by the SEC.

"Effectiveness Deadline" means, with respect to the Shelf Registration Statement or New Registration Statement, the first anniversary of the Closing Date; provided, however, that if the Company is notified by the SEC that the Shelf Registration Statement or the New Registration Statement will not be reviewed or is no longer subject to further review and comments, the Effectiveness Deadline as to such Shelf Registration Statement shall be the fifth (5th) Business Day following the date on which the Company is so notified if such date precedes the dates otherwise required above; provided, further, that if the Effectiveness Deadline falls on a Saturday, Sunday or other day that the SEC is closed for business, the Effectiveness Deadline shall be extended to the next Business Day on which the SEC is open for business.

"Exchange Act" means the Securities Exchange Act of 1934, as amended, and the rules and regulations of the Commission promulgated thereunder.

"Filing Deadline" has the meaning set forth in Section 2.1(a).

"FINRA" means the Financial Industry Regulatory Authority.

"Form F-3" means such form under the Securities Act as in effect on the date hereof or any successor or similar registration form under the Securities Act subsequently adopted by the Commission that permits inclusion or incorporation of substantial information by reference to other documents filed by the Company with the Commission.

"Free Writing Prospectus" means an issuer free writing prospectus, as defined in Rule 433 under the Securities Act, relating to an offer of Registrable Securities.

"Holder" means any Person owning or having the right to acquire Registrable Securities.

"Liquidated Damages" has the meaning set forth in Section 2.1(c).

"New Registration Statement" has the meaning set forth in Section 2.1(a).

"Participating Holder" means with respect to any registration, any Holder of Registrable Securities covered by the applicable Registration Statement.

"Person" has the meaning ascribed to such term in the Subscription Agreement.

"Prospectus" means the prospectus included in any Registration Statement, all amendments and supplements to such prospectus, including pre- and post-effective amendments to such Registration Statement, and all other material incorporated by reference in such prospectus.

"Register," "registered" and "registration" refer to a registration effected by preparing and filing a registration statement in compliance with the Securities Act, and the declaration or ordering of effectiveness of such registration statement or document.

"Registrable Securities" means the Class A Ordinary Shares issued or acquired at the Closing (as defined in the Subscription Agreement) and any Class A Ordinary Shares issued as (or issuable upon the conversion or exercise of any warrant, right or other security which is issued as) a dividend or other distribution with respect to, or in exchange for or in replacement of, such Class A Ordinary Shares. Notwithstanding the foregoing, Class A Ordinary Shares shall cease to be Registrable Securities for all

purposes hereunder upon the earliest to occur of the following: (A) the sale by any Person of such Class A Ordinary Shares to the public either pursuant to a registration statement under the Securities Act or under Rule 144 (in which case, only such Class A Ordinary Shares sold shall cease to be Registrable Securities) or (B) such Class A Ordinary Shares becoming eligible for sale by the Holder pursuant to Rule 144 without volume or manner-of-sale restrictions (but only if the Company has effected the removal of any legend from the certificates evidencing the Registrable Securities and any ADS Conversion requested by the Purchaser).

"Registration Statement" means any registration statement of the Company that covers Registrable Securities pursuant to the provisions of this Agreement filed with, or to be filed with, the SEC under the rules and regulations promulgated under the Securities Act, including the related Prospectus, amendments and supplements to such registration statement, including pre- and post-effective amendments, and all exhibits and all material incorporated by reference in such registration statement.

"Registration Expenses" has the meaning set forth in Section 2.3.

"Remainder Registration Statement" has the meaning set forth in Section 2.1.

"Rule 144" means Rule 144 as promulgated by the SEC under the Securities Act, as such rule may be amended from time to time, or any similar successor rule that may be promulgated by the SEC.

"SEC" or "Commission" means the Securities and Exchange Commission or any other federal agency at the time administering the Securities Act.

"SEC Guidance" means (i) any publicly-available written or oral guidance, comments, requirements or requests of the Commission staff and (ii) the Securities Act.

"Securities Act" means the Securities Act of 1933, as amended, or any similar successor federal statute and the rules and regulations thereunder, all as the same shall be in effect from time to time.

"Shelf Registration Statement" has the meaning set forth in Section 2.1(a).

"Subscription Shares" has the meaning ascribed to such term in the Subscription Agreement.

"Transaction Documents" means this Agreement and the Subscription Agreement, all exhibits and schedules thereto and hereto and any other documents or agreement executed in connection with the transactions contemplated hereunder or thereunder.

2. Registration Rights.

2.1 Shelf Registration.

(a) Registration Statements. On or no later than three (3) Business Days after: (i) the date on which the Company files its annual report for its fiscal year ended March 31, 2021 with the SEC on Form 20-F, and (ii) July 31, 2021 (the "Filing Deadline"), the Company shall prepare and file with the SEC a Registration Statement on Form F-3 (or, if Form F-3 is not then available to the Company, on such form of registration statement as is then available to effect a registration for resale of the Registrable Securities) for an offering to be made on a continuous basis pursuant to Rule 415 under the Securities Act (the "Shelf Registration Statement"). Such Shelf Registration Statement shall, subject to the limitations of Form F-3, include without limitation the aggregate amount of Registrable Securities to be registered

therein and shall contain (except if otherwise required pursuant to written comments received from the Commission upon a review of such Shelf Registration Statement) the "Plan of Distribution" section in substantially the form attached hereto as Annex A. To the extent the staff of the SEC does not permit all of the Registrable Securities to be registered on the Shelf Registration Statement filed pursuant to this Section 2.1(a) or for any other reason any Registrable Securities are not then included in a Registration Statement filed under this Agreement, the Company shall (i) inform each of the Holders thereof and use its commercially reasonable efforts to file amendments to the Shelf Registration Statement as required by the Commission; and/or (ii) withdraw the Shelf Registration Statement and file a new registration statement (a "New Registration Statement"), in either case covering without limitation the maximum number of Registrable Securities permitted to be registered by the SEC, on Form F-3 or such other form available to register for resale the Registrable Securities as a secondary offering; provided, however, that prior to filing such amendment or New Registration Statement, the Company shall be obligated to use its commercially reasonable efforts to advocate with the SEC for the registration of all of the Registrable Securities in accordance with the SEC Guidance, including without limitation, the Manual of Publicly Available Telephone Interpretations D.29. Notwithstanding any other provision of this Agreement and subject to the payment of liquidated damages in Section 2.1(c), if any SEC Guidance sets forth a limitation of the number of Registrable Securities permitted to be registered on a particular Registration Statement as a secondary offering (and notwithstanding that the Company used diligent efforts to advocate with the SEC for the registration of all or a greater number of Registrable Securities), unless otherwise directed in writing by a Holder as to its Registrable Securities, the number of Registrable Securities to be registered on such Registration Statement will first be reduced by Registrable Securities not acquired pursuant to the Subscription Agreement (whether pursuant to registration rights or otherwise), and second by Registrable Securities represented by Class A Ordinary Shares (applied, in the case that some Class A Ordinary Shares may be registered, to the Holders on a pro rata basis based on the total number of unregistered Class A Ordinary Shares held by such Holders, subject to a determination by the Commission that certain Holders must be reduced first based on the number of Class A Ordinary Shares held by such Holders). In addition, if any SEC Guidance requires any Person seeking to sell securities under a Registration Statement filed pursuant to this Agreement to be specifically identified as an "underwriter" in order to permit such Registration Statement to become effective, and such Person does not consent to being so named as an underwriter in such Registration Statement, then, in each such case, the Company shall reduce the total number of Registrable Securities to be registered on behalf of such Person, until such time as the Commission does not require such identification or until such Person accepts such identification and the manner thereof. In the event the Company amends the Shelf Registration Statement or files a New Registration Statement, as the case may be, under clauses (i) or (ii) above, the Company will use its commercially reasonable efforts to file with the SEC, as promptly as allowed by SEC or SEC Guidance provided to the Company or to registrants of securities in general, one or more Registration Statements on Form F-3 or such other form available to register for resale those Registrable Securities that were not registered for resale on the Shelf Registration Statement, as amended, or the New Registration Statement (the "Remainder Registration Statement").

(b) Effectiveness.

(i) The Company shall use reasonable best efforts to have the Shelf Registration Statement or New Registration Statement declared effective as soon as practicable but in no event later than the Effectiveness Deadline (including filing with the Commission a request for acceleration of effectiveness in accordance with Rule 461 promulgated under the Securities Act), and shall use its commercially reasonable efforts to keep the Shelf Registration Statement or New Registration Statement continuously effective under the Securities Act until the earlier of (a) such time as all of the Registrable Securities covered by such Registration Statement have been publicly sold by the Holders; or (b) the date that all Registrable Securities covered by such Registration Statement may be sold by non-affiliates without volume or manner-of-sale restrictions pursuant to Rule 144, without the requirement for the Company to be in compliance with the current public information requirement under Rule 144 as determined by counsel to the Company pursuant to a written opinion letter to such effect, addressed and reasonably acceptable to the Company's depositary bank (the "Effectiveness Period"). The Company shall notify the Purchaser by facsimile or e-mail as promptly as practicable, and in any event, within twenty-four (24) hours, after any Registration Statement is declared effective and shall simultaneously provide the Purchaser with copies of any related Prospectus to be used in connection with the sale or other disposition of the securities covered thereby.

(ii) During the Effectiveness Period, the Company shall use its reasonable best efforts to prevent the issuance of any stop order or other suspension of effectiveness of each Registration Statement or the use of any Prospectus contained therein, or the suspension of the qualification, or the loss of an exemption from qualification, of any of the Registrable Securities for sale in any jurisdiction and, if such an order or suspension is issued, to obtain the withdrawal of such order or suspension at the earliest possible moment.

(c) If: (i) the Shelf Registration Statement is not filed with the SEC on or prior to the Filing Deadline; (ii) the Shelf Registration Statement or the New Registration Statement, as applicable, is not declared effective by the SEC (or otherwise does not become effective) for any reason on or prior to the Effectiveness Deadline; (iii) after its Effective Date, (A) such Registration Statement ceases for any reason (including without limitation by reason of a stop order, or the Company's failure to update the Registration Statement), to remain continuously effective as to all Registrable Securities included in such Registration Statement or (B) the Company suspends the use of the Prospectus contained in the Registration Statement; or (iv) the Company fails to satisfy the current public information requirement pursuant to Rule 144(c)(1) as a result of which the Holders are unable to sell Registrable Securities without restriction under Rule 144 (or any successor thereto) and fails to cure any such failure to satisfy the Rule 144(c)(1) requirement within fifteen (15) Business Days following the date upon which the Holder notifies the Company in writing that such Holder is unable to sell Registrable Securities as a result thereof, (any such failure or breach in clauses (i) through (iv) above being referred to as an "Event," and the date on which such Event occurs, being referred to as an "Event Date"), then in addition to any other rights the Holders may have hereunder or under applicable law, on each such Event Date and on each monthly anniversary of each such Event Date (if the applicable Event shall not have been cured by such date) until the earlier of (1) the applicable Event is cured or (2) the Registrable Securities are eligible for resale pursuant to Rule 144 without manner of sale or volume restrictions, the Company shall pay to each Holder an amount in cash, as partial liquidated damages and not as a penalty ("Liquidated Damages"),

equal to one percent (1.0%) of the aggregate purchase price paid by such Holder pursuant to the Subscription Agreement for any unregistered Registrable Securities then held by such Holder. The parties agree that (1) notwithstanding anything to the contrary herein or in the Subscription Agreement, no Liquidated Damages shall be payable with respect to any period after the expiration of the Effectiveness Period (it being understood that this sentence shall not relieve the Company of any Liquidated Damages accruing prior to the Effectiveness Deadline) and in no event shall, the aggregate amount of Liquidated Damages payable to a Holder exceed, in the aggregate, three percent (3%) of the aggregate purchase price paid by such Holder pursuant to the Subscription Agreement and (2) in no event shall the Company be liable in any thirty (30) day period for Liquidated Damages under this Agreement in excess of one percent (1.0%) of the aggregate purchase price paid by the Holders pursuant to the Subscription Agreement. If the Company fails to pay any Liquidated Damages pursuant to this Section 2.1(c) in full within five (5) Business Days after the date payable, the Company will pay interest thereon at a rate of one percent (1.0%) per month (or such lesser maximum amount that is permitted to be paid by applicable law) to the Holder, accruing daily from the date such Liquidated Damages are due until such amounts, plus all such interest thereon, are paid in full. The Liquidated Damages pursuant to the terms hereof shall apply on a daily pro-rata basis for any portion of a month prior to the cure of an Event, except in the case of the first Event Date. The Company shall not be liable for Liquidated Damages under this Agreement as to any Registrable Securities which are not permitted by the Commission to be included in a Registration Statement due solely to SEC Guidance from the time that it is determined that such Registrable Securities are not permitted to be registered until such time as the provisions of this Agreement as to the Remainder Registration Statements required to be filed hereunder are triggered, in which case the provisions of this Section 2.1(c) shall once again apply, if applicable. In such case, the Liquidated Damages shall be calculated to only apply to the percentage of Registrable Securities which are permitted in accordance with SEC Guidance to be included in such Registration Statement. The Effectiveness Deadline for a Registration Statement shall be extended without default or Liquidated Damages hereunder in the event that the Company's failure to obtain the effectiveness of such Registration Statement on a timely basis results from the failure of the Purchaser to timely provide the Company with information requested by the Company and necessary to complete the Registration Statement in accordance with the requirements of the Securities Act (in which the Effectiveness Deadline would be extended with respect to Registrable Securities held by the Purchaser).

(d) In the event that Form F-3 is not available for the registration of the resale of Registrable Securities hereunder, the Company shall (i) register the resale of the Registrable Securities on another appropriate form reasonably acceptable to the Holder and (ii) undertake to register the Registrable Securities on Form F-3 promptly after such form is available, *provided* that the Company shall maintain the effectiveness of the Registration Statement then in effect until such time as a Registration Statement on Form F-3 covering the Registrable Securities has been declared effective by the Commission.

2.2 Piggyback Registrations.

(a) If at any time after the Shelf Registration Statement is declared effective, there is not then an effective registration statement covering all of the Registrable Securities, and the Company determines to prepare and file with the SEC a Registration Statement relating to an offering for its own account or the account of others of any of its equity securities other than (x) a registration pursuant to a Registration Statement on Form S-8 (or other registration solely relating to an offering or sale to employees or directors of the Company pursuant to any employee stock plan or other employee benefit arrangement), (y) pursuant to a Registration Statement on Form F-4 (or similar form that relates to a transaction subject to Rule 145 under the Securities Act or any successor rule thereto), or (z) in connection with any dividend or distribution reinvestment or similar plan, then the Company shall send to each Holder written notice of such determination and, if within 15 Business Days after the date of such notice, any such Holder shall so request in writing, the Company shall include in such Registration Statement all or any part of the Registrable Securities such Holder requests to be registered.

(b) The Company shall have the right, in its sole discretion, to postpone, terminate or withdraw any registration initiated by it under this Section 2.2 prior to the effectiveness of such registration whether or not any Holder has elected to include Registrable Securities in such registration.

2.3 Expenses. All expenses incident to the Company's performance of or compliance with this Agreement shall be paid by the Company, other than underwriting discounts or commissions deducted from the proceeds in respect of any Registrable Securities, including (i) all registration and filing fees, and any other fees and expenses associated with filings required to be made with the SEC, FINRA or any other regulatory authority and, if applicable, the fees and expenses of any "qualified independent underwriter" as such term is defined in NASD Rule 2720 (or any successor provision) and of its counsel, (ii) all fees and expenses in connection with compliance with any securities or "Blue Sky" laws (including fees and disbursements of counsel for the underwriters in connection with "Blue Sky" qualifications of the Registrable Securities), (iii) all printing, duplicating, word processing, messenger, telephone, facsimile and delivery expenses (including expenses of printing certificates for the Registrable Securities in a form eligible for deposit with The Depository Trust Company and of printing Prospectuses and Free Writing Prospectuses), (iv) all fees and disbursements of counsel for the Company and of all independent certified public accountants of the Company (including the expenses of any special audit and cold comfort letters required by or incident to such performance), (v) Securities Act liability insurance or similar insurance if the Company so desires or the underwriters so require in accordance with then-customary underwriting practice, (vi) all fees and expenses incurred in connection with the listing of Registrable Securities on any securities exchange or quotation of the Registrable Securities on any inter-dealer quotation system, (vii) all fees and expenses of any special experts or other Persons retained by the Company in connection with any registration, (viii) all of the Company's internal expenses (including all salaries and expenses of its officers and employees performing legal or accounting duties), and (ix) all expenses related to the "road-show" for any underwritten offering, including all travel, meals and lodging. All such expenses are referred to herein as "Registration Expenses." In no event shall the Company be responsible for any underwriting commissions attributable to the sale of Registrable Securities or any outside counsel fees of the Purchaser incurred in connection with the sale of Registrable Securities.

2.4 Company Obligations. The Company will use reasonable best efforts to effect the registration of the Registrable Securities in accordance with the terms hereof, and pursuant thereto the Company will:

(a) prepare the required Registration Statement including all exhibits and financial statements required under the Securities Act to be filed therewith, and before filing a Registration Statement, Prospectus or any Free Writing Prospectus, or any amendments or supplements thereto, (x) furnish to the Participating Holders, if any, copies of all documents prepared to be filed, which documents shall be subject to the review of such Participating Holders and their respective counsel and (y) except in the case of a registration under Section 2.2, not file any Registration Statement or Prospectus or amendments or supplements thereto to which any Participating Holders shall reasonably object;

(b) file with the SEC a Registration Statement relating to the Registrable Securities including all exhibits and financial statements required by the SEC to be filed therewith, and use commercially reasonable efforts to cause such Registration Statement to become effective under the Securities Act;

(c) prepare and file with the SEC such pre- and post-effective amendments to such Registration Statement, supplements to the Prospectus and such amendments or supplements to any Free Writing Prospectus as may be necessary to keep such registration effective for the period of time required by this Agreement, and comply with provisions of the applicable securities laws with respect to the sale or other disposition of all securities covered by such Registration Statement during such period in accordance with the intended method or methods of disposition by the sellers thereof set forth in such Registration Statement;

(d) promptly notify the Participating Holders, and (if requested) confirm such advice in writing and provide copies of the relevant documents, as soon as reasonably practicable after notice thereof is received by the Company (A) when the applicable Registration Statement or any amendment thereto has been filed or becomes effective, and when the applicable Prospectus or Free Writing Prospectus or any amendment or supplement thereto has been filed, (B) of any written comments by the SEC or any request by the SEC for amendments or supplements to such Registration Statement, Prospectus or Free Writing Prospectus or for additional information, (C) of the issuance by the SEC of any stop order suspending the effectiveness of such Registration Statement or any order by the SEC preventing or suspending the use of any preliminary or final Prospectus or any Free Writing Prospectus or the initiation or threatening of any proceedings for such purposes, (D) of the receipt by the Company of any notification with respect to the suspension of the qualification of the Registrable Securities for offering or sale in any jurisdiction and (E) of the receipt by the Company of any notification with respect to the initiation or threatening of any proceeding for the suspension of the qualification of the Registrable Securities for offering or sale in any jurisdiction;

(e) promptly notify the Participating Holders when the Company becomes aware of the happening of any event as a result of which the Registration Statement, the Prospectus included in such Registration Statement (as then in effect) or any Free Writing Prospectus contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements therein (in the case of such Prospectus, any preliminary Prospectus or any Free Writing Prospectus, in light of the circumstances under which they were made) not misleading, when any Free Writing Prospectus includes information that may conflict with the information

contained in the Registration Statement, or, if for any other reason it shall be necessary during such time period to amend or supplement such Registration Statement, Prospectus or Free Writing Prospectus in order to comply with the Securities Act and, in either case as promptly as reasonably practicable thereafter, prepare and file with the SEC and furnish without charge to the Participating Holders an amendment or supplement to such Registration Statement, Prospectus or Free Writing Prospectus which shall correct such misstatement or omission or effect such compliance;

(f) promptly incorporate in a Prospectus supplement, Free Writing Prospectus or post-effective amendment to the applicable Registration Statement such information as the Participating Holders agree should be included therein relating to the plan of distribution with respect to such Registrable Securities, and make all required filings of such Prospectus supplement, Free Writing Prospectus or post-effective amendment as soon as reasonably practicable after being notified of the matters to be incorporated in such Prospectus supplement, Free Writing Prospectus or post-effective amendment;

(g) furnish to each Participating Holder, without charge, as many conformed copies as such Participating Holder may reasonably request of the applicable Registration Statement and any amendment or post-effective amendment thereto, including financial statements and schedules, all documents incorporated therein by reference and all exhibits (including those incorporated by reference);

(h) deliver to each Participating Holder, without charge, as many copies of the applicable Prospectus (including each preliminary Prospectus), any Free Writing Prospectus and any amendment or supplement thereto as such Participating Holder may reasonably request (it being understood that the Company consents to the use of such Prospectus, any Free Writing Prospectus and any amendment or supplement thereto by such Participating in connection with the offering and sale of the Registrable Securities thereby) and such other documents as such Participating Holder may reasonably request in order to facilitate the disposition of the Registrable Securities by such Participating Holder;

(i) on or prior to the date on which the Registration Statement is declared effective, use its reasonable best efforts to register or qualify, and cooperate with the Participating Holders and their respective counsel, in connection with the registration or qualification of such Registrable Securities for offer and sale under the securities or “Blue Sky” laws of each state and other jurisdiction of the United States as any Participating Holder or their respective counsel reasonably request in writing and do any and all other acts or things reasonably necessary or advisable to keep such registration or qualification in effect for such period as required by this Agreement, provided that the Company shall not be required to qualify generally to do business in any jurisdiction where it is not then so qualified or to take any action which would subject it to taxation or general service of process in any such jurisdiction where it is not then so subject;

(j) cooperate with the Participating Holders to facilitate the timely preparation and delivery of certificates representing Registrable Securities to be sold and not bearing any restrictive legends, and enable such Registrable Securities to be in such

denominations and registered in such names as may be requested at least three (3) Business Days prior to any sale of Registrable Securities;

(k) use its reasonable best efforts to cause the Registrable Securities covered by the Registration Statement to be registered with or approved by such other governmental agencies or authorities as may be necessary to enable the seller or sellers thereof to consummate the disposition of such Registrable Securities;

(l) enter into such customary agreements (including underwriting and indemnification agreements) and take all such other actions as the Purchaser reasonably requests in order to expedite or facilitate the registration and disposition of such Registrable Securities;

(m) obtain for delivery to the Participating Holders an opinion or opinions from counsel for the Company dated the effective date of the Registration Statement or, in the event of an underwritten offering, the date of the closing under the underwriting agreement, in customary form, scope and substance, which opinions shall be reasonably satisfactory to such Participating Holders or underwriters, as the case may be, and their respective counsel;

(n) cooperate with each Participating Holder participating in the disposition of such Registrable Securities and their respective counsel in connection with any filings required to be made with FINRA or any other securities regulatory authority;

(o) use its reasonable best efforts to comply with all applicable securities laws and make available to its security holders, as soon as reasonably practicable, an earnings statement satisfying the provisions of Section 11(a) of the Securities Act and the rules and regulations promulgated thereunder;

(p) provide and cause to be maintained a transfer agent and registrar for all Registrable Securities covered by the applicable Registration Statement from and after a date not later than the effective date of such Registration Statement;

(q) use commercially reasonable efforts to cause all Registrable Securities covered by the Registration Statement to be listed on each securities exchange on which any of the Class A Ordinary Shares is then listed or quoted and on each inter-dealer quotation system on which any of the Class A Ordinary Shares is then quoted;

(r) the Company shall make available, during normal business hours, for inspection and review by the Purchaser, advisors to and representatives of the Purchaser (who may or may not be affiliated with the Purchaser and who are reasonably acceptable to the Company), all financial and other records, all SEC Reports (as defined in the Subscription Agreement) and other filings with the SEC, and all other corporate documents and properties of the Company as may be reasonably necessary for the purpose of such review, and cause the Company's officers, directors and employees, within a reasonable time period, to supply all such information reasonably requested by the Purchaser or any such representative, advisor or underwriter in connection with such Registration Statement (including, without limitation, in response to all questions and other inquiries reasonably made or submitted by any of them), prior to and from time to time after the filing and effectiveness of the Registration Statement for the sole purpose of enabling the

Purchaser and such representatives, advisors and underwriters and their respective accountants and attorneys to conduct initial and ongoing due diligence with respect to the Company and the accuracy of such Registration Statement; and

(s) with a view to making available to the Purchaser the benefits of Rule 144 (or its successor rule) and any other rule or regulation of the SEC that may at any time permit the Purchaser to sell Class A Ordinary Shares to the public without registration, the Company covenants and agrees to: (i) make and keep public information available, as those terms are understood and defined in Rule 144, until the earlier of (A) the date as all of the Registrable Securities may be sold without restriction by the holders thereof pursuant to Rule 144 or any other rule of similar effect or (B) such date as all of the Registrable Securities shall have been resold; (ii) file with the SEC in a timely manner all reports and other documents required of the Company under the Exchange Act; and (iii) furnish to the Purchaser upon request, as long as the Purchaser owns any Registrable Securities, (A) a written statement by the Company that it has complied with the reporting requirements of the Exchange Act, (B) a copy of the Company's most recent Annual Report on Form 10-K or Quarterly Report on Form 10-Q, and (C) such other information as may be reasonably requested in order to avail the Purchaser of any rule or regulation of the SEC that permits the selling of any such Registrable Securities without registration.

All such information made available or provided pursuant to this Section 2.4 shall be treated as confidential information and shall not be disclosed by the Purchaser to any other Person other than the Purchaser's respective officers, directors, employees, accountants, consultants, legal counsel, investment bankers, advisors and authorized agents (collectively, the "Purchaser Representatives"); provided, that, each such Purchaser Representative shall be informed that such confidential information is strictly confidential and shall be subject to confidentiality restrictions in favor of the Purchaser with respect to the confidential information disclosed by the Purchaser to such Purchaser Representative. Notwithstanding anything to the contrary herein, the foregoing restrictions shall not prevent the disclosure by the Purchaser of any information (x) that is required to be disclosed by order of a court of competent jurisdiction, administrative body or other governmental authority, or by subpoena, summons or legal process, or by law, rule or regulation or (y) that is publicly available (other than by a breach of the Purchaser's confidentiality obligations to the Company), provided that, to the extent permitted by Law (as defined in the Subscription Agreement), in the event the Purchaser or a Purchaser Representative is required to make a disclosure pursuant to clause (x) hereof, it shall provide to the Board prompt notice of such disclosure and allow the Company, at the Company's expense, to undertake appropriate action to prevent disclosure of, or to seek to obtain a protective order for, such information (other than any such disclosure required by any administrative body or other governmental authority in the exercise of its regulatory or other oversight authority with respect to the Purchaser or such Purchaser Representative). The confidentiality obligations herein shall, with respect to the Purchaser, expire on the second (2nd) anniversary of the date on which the Purchaser ceases to hold any Class A Ordinary Shares. The Company shall hold in confidence and not make any disclosure of information concerning the Purchaser provided to the Company unless (i) disclosure of such information is necessary to comply with federal or state securities laws, (ii) the disclosure of such information is necessary to avoid or correct a misstatement or omission in any Registration Statement or is otherwise required to be disclosed in such Registration Statement pursuant to the Securities Act, (iii) the release of such information is ordered pursuant to a subpoena or other final, non-appealable order from a court or governmental body of competent jurisdiction, or (iv) such information has been made generally available to the public other than by disclosure in violation of this Agreement or any other Transaction Document. The Company agrees that it shall, upon learning that disclosure of such information concerning the Purchaser is sought in or by a court or governmental body of competent

jurisdiction or through other means, give prompt written notice to the Purchaser and allow the Purchaser, at the Purchaser's expense, to undertake appropriate action to prevent disclosure of, or to obtain a protective order for, such information.

2.5 Obligations of the Purchaser.

(a) The Purchaser shall furnish in writing to the Company such information regarding itself, the Registrable Securities held by it and the intended method of disposition of the Registrable Securities held by it, as shall be reasonably required to effect the registration of such Registrable Securities and shall execute such documents in connection with such registration as the Company may reasonably request. At least seven (7) Business Days prior to the first anticipated filing date of any Registration Statement, the Company shall notify the Purchaser of the information the Company requires from the Purchaser if the Purchaser elects to have any of its Registrable Securities included in the Registration Statement. The Purchaser shall provide such information to the Company at least three (3) Business Days prior to the first anticipated filing date of such Registration Statement if the Purchaser elects to have any of its Registrable Securities included in the Registration Statement.

(b) The Purchaser, by its acceptance of the Registrable Securities agrees to timely cooperate with the Company as reasonably requested by the Company in connection with the preparation and filing of a Registration Statement hereunder, unless the Purchaser has notified the Company in writing of its election to exclude all of its Registrable Securities from such Registration Statement.

(c) The Purchaser agrees that, upon receipt of any notice from the Company of the happening of an event pursuant to Section 2.4(d)(C), Section 2.4(d)(D) and Section 2.4(e) hereof, the Purchaser will immediately discontinue disposition of Registrable Securities pursuant to the Registration Statement covering such Registrable Securities, until the Purchaser is advised by the Company that such dispositions may again be made. Notwithstanding anything to the contrary in this Section 2.5(c), the Purchaser may dispose of the Class A Ordinary Shares and the Company shall cause its transfer agent to deliver unlegended Class A Ordinary Shares to a transferee of the Purchaser in connection with any sale of Registrable Securities with respect to which the Purchaser has entered into a contract for sale prior to the Purchaser's receipt of a notice from the Company of the happening of any event of the kind described in the first sentence of this Section 2.5(c), and for which the Purchaser has not yet settled.

(d) Notwithstanding the foregoing or anything to the contrary contained in this Agreement, nothing in this Agreement shall require the Purchaser to provide any non-public financial information with respect to itself or its Affiliates.

2.6 Indemnification.

(a) Indemnification by the Company. The Company will indemnify and hold harmless the Purchaser and its officers, directors, members, employees and agents, successors and assigns, and each other person, if any, who controls the Purchaser within the meaning of the Securities Act, against any losses, claims, damages or liabilities, joint or several, to which they may become subject under the Securities

Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon: (i) any untrue statement or alleged untrue statement of any material fact contained in any Registration Statement, any preliminary Prospectus or final Prospectus, or any amendment or supplement thereof or any omission or alleged omission to state a material fact required to be stated therein or necessary to make the statements therein (in the case of any Prospectus or form of prospectus or supplement thereto, in light of the circumstances under which they were made) not misleading; (ii) any "Blue Sky" application or other document executed by the Company specifically for that purpose or based upon written information furnished by the Company filed in any state or other jurisdiction in order to qualify any or all of the Registrable Securities under the securities laws thereof (any such application, document or information herein called a "Blue Sky Application"); (iii) the omission or alleged omission to state in a Blue Sky Application a material fact required to be stated therein or necessary to make the statements therein not misleading, in light of the circumstances in which they were made; (iv) any violation by the Company or its agents of any rule or regulation promulgated under the Securities Act applicable to the Company or its agents and relating to action or inaction required of the Company in connection with such registration; or (v) any failure to register or qualify the Registrable Securities included in any such Registration Statement in any state where the Company or its agents has affirmatively undertaken or agreed in writing that the Company will undertake such registration or qualification on the Purchaser's behalf and will reimburse the Purchaser, and each such officer, director or member and each such controlling person for any legal or other expenses reasonably incurred by them in connection with investigating or defending any such loss, claim, damage, liability or action; provided, however, that the Company will not be liable in any such case if and to the extent that any such loss, claim, damage or liability arises out of or is based upon an untrue statement or alleged untrue statement or omission or alleged omission so made in conformity with information furnished by the Purchaser or any such controlling person in writing specifically for use in such Registration Statement or Prospectus.

(b) Indemnification by the Purchaser. The Purchaser agrees, severally but not jointly, to indemnify and hold harmless, to the fullest extent permitted by law, the Company, its directors, officers, employees, shareholders and each person who controls the Company (within the meaning of the Securities Act) against any losses, claims, damages, liabilities and expense (including reasonable attorney fees) resulting from (i) any untrue statement or alleged untrue statement of a material fact or any omission or alleged omission of a material fact required to be stated in the Registration Statement or Prospectus or preliminary Prospectus or amendment or supplement thereto or necessary to make the statements therein (in the case of any Prospectus or form of prospectus or supplement thereto, in light of the circumstances under which they were made) not misleading; (ii) the omission or alleged omission to state in a Blue Sky Application a material fact required to be stated therein or necessary to make the statements therein not misleading; or (iii) any violation by the Purchaser or its agents of any rule or regulation promulgated under the Securities Act applicable to the Purchaser or its agents and relating to action or inaction required of such Purchaser under this Agreement, to the extent, but only to the extent that such untrue statement or alleged untrue statement or omission or alleged omission is contained in any information furnished in writing by the Purchaser to the Company specifically for inclusion in such Registration

Statement or Prospectus or amendment or supplement thereto. In no event shall the liability of the Purchaser be greater in amount than the dollar amount of the proceeds (net of all expense paid by the Purchaser in connection with any claim relating to this Section 2.6 and the amount of any damages the Purchaser has otherwise been required to pay by reason of such untrue statement or omission) received by the Purchaser upon the sale of the Registrable Securities included in the Registration Statement giving rise to such indemnification obligation.

(c) Conduct of Indemnification Proceedings. Any Person entitled to indemnification hereunder shall (i) give prompt notice to the indemnifying party of any claim with respect to which it seeks indemnification and (ii) permit such indemnifying party to assume the defense of such claim with counsel reasonably satisfactory to the indemnified party (provided, however, that such indemnified party shall, at the expense of the indemnifying party, be entitled to counsel of its own choosing to monitor such defense); provided that, subject to the preceding sentence, any Person entitled to indemnification hereunder shall have the right to employ separate counsel and to participate in the defense of such claim, but the fees and expenses of such counsel shall be at the expense of such Person unless (a) the indemnifying party has agreed to pay such fees or expenses, or (b) the indemnifying party shall have failed to assume the defense of such claim and employ counsel reasonably satisfactory to such person or (c) in the reasonable judgment of any such Person, based upon written advice of its counsel, a conflict of interest exists between such person and the indemnifying party with respect to such claims (in which case, if the Person notifies the indemnifying party in writing that such Person elects to employ separate counsel at the expense of the indemnifying party, the indemnifying party shall not have the right to assume the defense of such claim on behalf of such Person); and provided, further, that the failure of any indemnified party to give notice as provided herein shall not relieve the indemnifying party of its obligations hereunder, except to the extent that such failure to give notice shall materially adversely affect the indemnifying party in the defense of any such claim or litigation. It is understood that the indemnifying party shall not, in connection with any proceeding in the same jurisdiction, be liable for fees or expenses of more than one separate firm of attorneys at any time for all such indemnified parties. No indemnifying party will, except with the consent of the indemnified party, consent to entry of any judgment or enter into any settlement that does not include as an unconditional term thereof the giving by the claimant or plaintiff to such indemnified party of a release from all liability in respect of such claim or litigation.

(d) Contribution. If for any reason the indemnification provided for in the preceding paragraphs (a) and (b) is unavailable to an indemnified party or insufficient to hold it harmless, other than as expressly specified therein, then the indemnifying party shall contribute to the amount paid or payable by the indemnified party as a result of such loss, claim, damage or liability in such proportion as is appropriate to reflect the relative fault of the indemnified party and the indemnifying party, as well as any other relevant equitable considerations. No Person guilty of fraudulent misrepresentation within the meaning of Section 11(f) of the Securities Act shall be entitled to contribution from any Person not guilty of such fraudulent misrepresentation. In no event shall the contribution obligation of a holder of Registrable Securities be greater in amount than the dollar amount of the proceeds (net of all expenses paid by such holder in connection with any claim relating to this Section 2.6 and the amount of any damages such holder has otherwise been

required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission) received by it upon the sale of the Registrable Securities giving rise to such contribution obligation.

2.7 Termination of Registration Rights. The registration rights provided to the Holders under Section 2 shall terminate in their entirety upon such time as there are no Registrable Securities. Notwithstanding the foregoing, Sections 2.3, 2.6 and 3 shall survive the termination of such registration rights.

3. Miscellaneous.

3.1 Governing Law; Jurisdiction. This Agreement shall be governed by, and construed in accordance with, the internal laws of the State of New York without regard to the choice of law principles thereof. Each of the parties hereto irrevocably submits to the exclusive jurisdiction of the state and federal courts sitting in the City of New York, Borough of Manhattan, for the purpose of any suit, action, proceeding or judgment relating to or arising out of this Agreement and the transactions contemplated hereby. Service of process in connection with any such suit, action or proceeding may be served on each party hereto anywhere in the world by the same methods as are specified for the giving of notices under this Agreement. Each of the parties hereto irrevocably consents to the jurisdiction of any such court in any such suit, action or proceeding and to the laying of venue in such court. Each party hereto irrevocably waives any objection to the laying of venue of any such suit, action or proceeding brought in such courts and irrevocably waives any claim that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum.

3.2 Successors and Assigns. Except as otherwise expressly provided herein, the provisions hereof shall inure to the benefit of, and be binding upon, the successor and assigns of the parties hereto (other than the rights of any Holder under Section 2 hereof, which shall not be assignable and shall not inure to the benefit of any successor or assign of a Holder). The Company may not assign its rights or obligations hereunder except with the prior written consent of each Holder. Each Holder may assign their respective rights hereunder (other than the rights of any Holder under Section 2 hereof, which shall not be assignable and shall not inure to the benefit of any successor or assign of a Holder) in the manner and to the Persons permitted under the Subscription Agreement.

3.3 Entire Agreement; Amendment. This Agreement and the other Transaction Documents constitute the full and entire understanding and agreement between the parties with regard to the subjects hereof and thereof. Any previous agreements among the parties relative to the specific subject matter hereof are superseded by this Agreement. Neither this Agreement nor any provision hereof may be amended, changed, waived, discharged or terminated other than by a written instrument signed by the party against who enforcement of any such amendment, change, waiver, discharge or termination is sought.

3.4 Notices. All notices and other communications provided for or permitted hereunder shall be made as set forth in Section 9.01 of the Subscription Agreement.

3.5 Severability. If any term, provision, covenant or restriction of this Agreement is held by a court of competent jurisdiction to be invalid, illegal, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions set forth herein shall remain in full force and effect and shall in no way be affected, impaired or invalidated, and the parties hereto shall use their commercially reasonable efforts to find and employ an alternative means to achieve the same or substantially the same result as that contemplated by such term, provision, covenant or restriction. It is hereby stipulated and declared to be the intention of the parties that they would have executed the remaining terms, provisions, covenants and

restrictions without including any of such that may be hereafter declared invalid, illegal, void or unenforceable.

3.6 Headings. The headings herein are for convenience only, do not constitute a part of this Agreement and shall not be deemed to limit or affect any of the provisions hereof.

3.7 Counterparts. This Agreement may be executed in two or more counterparts, all of which when taken together shall be considered one and the same agreement and shall become effective when counterparts have been signed by each party and delivered to each other party, it being understood that the parties need not sign the same counterpart. In the event that any signature is delivered by facsimile transmission or by e-mail delivery of a ".pdf" format data file, such signature shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) with the same force and effect as if such facsimile or ".pdf" signature page were an original thereof. The parties irrevocably and unreservedly agree that this Agreement may be executed by way of electronic signatures and the parties agree that this Agreement, or any part thereof, shall not be challenged or denied any legal effect, validity and/or enforceability solely on the ground that it is in the form of an electronic record.

3.8 Delays or Omissions. It is agreed that no delay or omission to exercise any right, power or remedy accruing to any party upon any breach or default of any other party under this Agreement shall impair any such right, power or remedy, nor shall it be construed to be a waiver of any such breach or default, or any acquiescence therein, or of any similar breach or default thereafter occurring; nor shall any waiver of any single breach or default be deemed a waiver of any other breach or default theretofore or thereafter occurring. It is further agreed that any waiver, permit, consent or approval of any kind or character of any breach or default under this Agreement, or any waiver of any provisions or conditions of this Agreement must be in writing and shall be effective only to the extent specifically set forth in writing, and that all remedies, either under this Agreement, by law or otherwise, shall be cumulative and not alternative.

3.9 Consents. Any permission, consent, or approval of any kind or character under this Agreement shall be in writing and shall be effective only to the extent specifically set forth in such writing.

3.10 SPECIFIC PERFORMANCE. THE PARTIES HERETO AGREE THAT IRREPARABLE DAMAGE WOULD OCCUR IN THE EVENT THAT ANY OF THE PROVISIONS OF THIS AGREEMENT WERE NOT PERFORMED IN ACCORDANCE WITH ITS SPECIFIC INTENT OR WERE OTHERWISE BREACHED. IT IS ACCORDINGLY AGREED THAT THE PARTIES SHALL BE ENTITLED TO AN INJUNCTION OR INJUNCTIONS, WITHOUT BOND, TO PREVENT OR CURE BREACHES OF THE PROVISIONS OF THIS AGREEMENT AND TO ENFORCE SPECIFICALLY THE TERMS AND PROVISIONS HEREOF, THIS BEING IN ADDITION TO ANY OTHER REMEDY TO WHICH THEY MAY BE ENTITLED BY LAW OR EQUITY, AND ANY PARTY SUED FOR BREACH OF THIS AGREEMENT EXPRESSLY WAIVES ANY DEFENSE THAT A REMEDY IN DAMAGES WOULD BE ADEQUATE.

3.11 Construction of Agreement. No provision of this Agreement shall be construed against either party as the drafter thereof.

3.12 Section References. Unless otherwise stated, any reference contained herein to a Section or subsection refers to the provisions of this Agreement.

3.13 Variations of Pronouns. All pronouns and all variations thereof shall be deemed to refer to the masculine, feminine, or neuter, singular or plural, as the context in which they are used may require.

[Remainder of Page Intentionally Left Blank; Signature Pages Follow]

IN WITNESS WHEREOF, the parties have caused this Registration Rights Agreement to be duly executed and delivered by their proper and duly authorized officers as of the day and year first written above.

UXIN LIMITED

By: /s/ Kun Dai
Name: Kun Dai
Title: Director

[Signature Page to Registration Rights Agreement]

IN WITNESS WHEREOF, the parties have caused this Registration Rights Agreement to be duly executed and delivered by their proper and duly authorized officers as of the day and year first written above.

PURCHASER:

GIC PRIVATE LIMITED

By: /s/ Yeo King Ming, Bryan
Name: Yeo King Ming, Bryan
Title: Managing Director

By: /s/ Charles Lim Sing Siong
Name: Charles Lim Sing Siong
Title: General Counsel

Annex A

PLAN OF DISTRIBUTION

We are registering the Class A Ordinary Shares issued to the selling shareholders to permit the resale of these Class A Ordinary Shares by the holders of the Class A Ordinary Shares from time to time after the date of this prospectus. We will not receive any of the proceeds from the sale by the selling shareholders of the Class A Ordinary Shares. We will bear all fees and expenses incident to our obligation to register the Class A Ordinary Shares.

The selling shareholders may sell all or a portion of the Class A Ordinary Shares beneficially owned by them and offered hereby from time to time directly or through one or more underwriters, broker-dealers or agents. If the Class A Ordinary Shares are sold through underwriters or broker-dealers, the selling shareholders will be responsible for underwriting discounts or commissions or agent's commissions. The Class A Ordinary Shares may be sold on any national securities exchange or quotation service on which the securities may be listed or quoted at the time of sale, in the over-the-counter market or in transactions otherwise than on these exchanges or systems or in the over-the-counter market and in one or more transactions at fixed prices, at prevailing market prices at the time of the sale, at varying prices determined at the time of sale, or at negotiated prices. These sales may be effected in transactions, which may involve crosses or block transactions. The selling shareholders may use any one or more of the following methods when selling shares:

- ordinary brokerage transactions and transactions in which the broker-dealer solicits purchasers;
- block trades in which the broker-dealer will attempt to sell the shares as agent but may position and resell a portion of the block as principal to facilitate the transaction;
- purchases by a broker-dealer as principal and resale by the broker-dealer for its account;
- an exchange distribution in accordance with the rules of the applicable exchange;
- privately negotiated transactions;
- settlement of short sales entered into after the effective date of the registration statement of which this prospectus is a part;
- broker-dealers may agree with the selling shareholders to sell a specified number of such shares at a stipulated price per share;
- through the writing or settlement of options or other hedging transactions, whether such options are listed on an options exchange or otherwise;
- a combination of any such methods of sale; and
- any other method permitted pursuant to applicable law.

The selling shareholders also may resell all or a portion of the shares in open market transactions in reliance upon Rule 144 under the Securities Act, as permitted by that rule, or Section 4(1) under the Securities Act, if available, rather than under this prospectus, provided that they meet the criteria and conform to the requirements of those provisions.

Broker-dealers engaged by the selling shareholders may arrange for other broker-dealers to participate in sales. If the selling shareholders effect such transactions by selling Class A Ordinary Shares to or through underwriters, broker-dealers or agents, such underwriters, broker-dealers or agents may receive commissions in the form of discounts, concessions or commissions from the selling shareholders or commissions from purchasers of the Class A Ordinary Shares for whom they may act as agent or to whom they may sell as principal. Such commissions will be in amounts to be negotiated, but, except as set forth in a supplement to this prospectus,

in the case of an agency transaction will not be in excess of a customary brokerage commission in compliance with FINRA Rule 5110.

In connection with sales of the Class A Ordinary Shares or otherwise, the selling shareholders may enter into hedging transactions with broker-dealers or other financial institutions, which may in turn engage in short sales of the Class A Ordinary Shares in the course of hedging in positions they assume. The selling shareholders may also sell Class A Ordinary Shares short and if such short sale shall take place after the date that this Registration Statement is declared effective by the Commission, the selling shareholders may deliver Class A Ordinary Shares covered by this prospectus to close out short positions and to return borrowed shares in connection with such short sales. The selling shareholders may also loan or pledge Class A Ordinary Shares to broker-dealers that in turn may sell such shares, to the extent permitted by applicable law. The selling shareholders may also enter into option or other transactions with broker-dealers or other financial institutions or the creation of one or more derivative securities which require the delivery to such broker-dealer or other financial institution of shares offered by this prospectus, which shares such broker-dealer or other financial institution may resell pursuant to this prospectus (as supplemented or amended to reflect such transaction). Notwithstanding the foregoing, the selling shareholders have been advised that they may not use shares registered on this registration statement to cover short sales of our ordinary shares made prior to the date the registration statement, of which this prospectus forms a part, has been declared effective by the SEC.

The selling shareholders may, from time to time, pledge or grant a security interest in some or all of the warrants or Class A Ordinary Shares owned by them and, if they default in the performance of their secured obligations, the pledgees or secured parties may offer and sell the Class A Ordinary Shares from time to time pursuant to this prospectus or any amendment to this prospectus under Rule 424(b)(3) or other applicable provision of the Securities Act of 1933, as amended, amending, if necessary, the list of selling shareholders to include the pledgee, transferee or other successors in interest as selling shareholders under this prospectus. The selling shareholders also may transfer and donate the Class A Ordinary Shares in other circumstances in which case the transferees, donees, pledgees or other successors in interest will be the selling beneficial owners for purposes of this prospectus.

The selling shareholders and any broker-dealer or agents participating in the distribution of the Class A Ordinary Shares may be deemed to be “underwriters” within the meaning of Section 2(11) of the Securities Act in connection with such sales. In such event, any commissions paid, or any discounts or concessions allowed to, any such broker-dealer or agent and any profit on the resale of the shares purchased by them may be deemed to be underwriting commissions or discounts under the Securities Act. Selling Shareholders who are “underwriters” within the meaning of Section 2(11) of the Securities Act will be subject to the prospectus delivery requirements of the Securities Act and may be subject to certain statutory liabilities of, including but not limited to, Sections 11, 12 and 17 of the Securities Act and Rule 10b-5 under the Securities Exchange Act of 1934, as amended, or the Exchange Act.

Each selling shareholder has informed the Company that it is not a registered broker-dealer and does not have any written or oral agreement or understanding, directly or indirectly, with any person to distribute the ordinary shares. Upon the Company being notified in writing by a selling shareholder that any material arrangement has been entered into with a broker-dealer for the sale of ordinary shares through a block trade, special offering, exchange distribution or secondary distribution or a purchase by a broker or dealer, a supplement to this prospectus will be filed, if required, pursuant to Rule 424(b) under the Securities Act, disclosing (i) the name of each such selling shareholder and of the participating broker-dealer(s), (ii) the number of shares involved, (iii) the price at which such the Class A Ordinary Shares were sold, (iv) the commissions paid or discounts or concessions allowed to such broker-dealer(s), where applicable, (v) that such broker-dealer(s) did not conduct any investigation to verify the information set out or incorporated by reference in this prospectus, and (vi) other facts material to the transaction. In no event shall any broker-dealer receive fees, commissions and markups, which, in the aggregate, would exceed eight percent (8%).

Under the securities laws of some states, the Class A Ordinary Shares may be sold in such states only through registered or licensed brokers or dealers. In addition, in some states the Class A Ordinary Shares may not be sold unless such shares have been registered or qualified for sale in such state or an exemption from registration or qualification is available and is complied with.

There can be no assurance that any selling shareholder will sell any or all of the Class A Ordinary Shares registered pursuant to the shelf registration statement, of which this prospectus forms a part.

Each selling shareholder and any other person participating in such distribution will be subject to applicable provisions of the Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder, including, without limitation, Regulation M of the Exchange Act, which may limit the timing of purchases and sales of any of the Class A Ordinary Shares by the selling shareholder and any other participating person. Regulation M may also restrict the ability of any person engaged in the distribution of the Class A Ordinary Shares to engage in market-making activities with respect to the Class A Ordinary Shares. All of the foregoing may affect the marketability of the Class A Ordinary Shares and the ability of any person or entity to engage in market-making activities with respect to the Class A Ordinary Shares.

We will pay all expenses of the registration of the Class A Ordinary Shares pursuant to the registration rights agreement, including, without limitation, Securities and Exchange Commission filing fees and expenses of compliance with state securities or "blue sky" laws; provided, *however*, that each selling shareholder will pay all underwriting discounts and selling commissions, if any, and any legal expenses incurred by it. We will indemnify the selling shareholders against certain liabilities, including some liabilities under the Securities Act, in accordance with a registration rights agreement, or the selling shareholders will be entitled to contribution. We may be indemnified by the selling shareholders against civil liabilities, including liabilities under the Securities Act, that may arise from any written information furnished to us by the selling shareholders specifically for use in this prospectus, in accordance with the related registration rights agreements, or we may be entitled to contribution.

We have agreed with the selling shareholders to keep the registration statement of which this prospectus constitutes a part effective until the earlier of (1) such time as all of the securities covered by this prospectus have been disposed of pursuant to and in accordance with the registration statement, or (2) the date on which all of the securities may be sold without restriction pursuant to Rule 144 of the Securities Act.

Exhibit 4.40

SUBSCRIPTION AGREEMENT

This Subscription Agreement (this "Agreement") is made as of October 5, 2020 by and between:

(1) Uxin Limited, an exempted company incorporated in the Cayman Islands (the "Company"); and

(2) Wells Capital Management, Inc., on behalf of each of the entities listed on **Exhibit A** hereto, (each a "Purchaser" and together, the "Purchasers").

(Each a "Party" and collectively the "Parties".)

RECITALS

A. WHEREAS, the Company desires to issue, sell and deliver to the Purchaser, and the Purchaser desires to purchase and acquire from the Company, upon the terms and conditions set forth in this Agreement, certain Class A ordinary shares, par value US$0.0001 per share, of the Company ("Class A Ordinary Shares").

NOW, THEREFORE, in consideration of the foregoing and the mutual representations, warranties, covenants and agreements set forth herein, as well as other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto, intending to be legally bound, agree as follows:

ARTICLE I
PURCHASE AND SALE OF SECURITIES

Section 1.1 Issuance, Sale and Purchase of Ordinary Shares. Subject to the terms and conditions of this Agreement, at the Closing (as defined below), each Purchaser hereby agrees to purchase, and the Company hereby agrees to allot, issue and sell to each Purchaser that number of Class A Ordinary Shares set forth for each Purchaser on **Exhibit A** hereto, par value US$0.0001 per share, of the Company (the "Purchased Shares") at a purchase price of US$0.2952 per share for an aggregate purchase price as set forth for each Purchaser on **Exhibit A** hereto (the "Purchase Price"), free and clear of all liens or encumbrances (except for restrictions arising under the Securities Act of 1933, as amended (the "Securities Act") or created by virtue of this Agreement and the Lock-up Arrangement (as defined below).

Section 1.2 Closing.

(a) Closing. The closing (the "Closing") shall take place remotely via electronic exchange of documents and signatures or at such places as the parties hereto shall mutually agree in writing, as soon as practicable but in no event later than (i) the third (3rd) Business Day following the satisfaction or waiver of all conditions to the Closing set forth in Section 1.3 below

(other than those conditions that by their nature are to be satisfied at the Closing, but subject to the satisfaction or waiver of those conditions), or (ii) such other date and time as may be mutually agreed in writing by the Company and the Purchaser. The date on which the Closing occurs is referred to herein as the "Closing Date."

(b) Payment and Delivery. At the Closing, each Purchaser shall, severally and not jointly, pay and deliver the Purchase Price for such Purchaser's Purchased Shares to the Company in U.S. dollars by wire transfer, or by such other method mutually agreed by the Company and the Purchaser, of immediately available funds to such bank account designated in writing by the Company against (and concurrently with) delivery by the Company to each Purchaser of either (i) (A) the Purchased Shares in book entry form, free and clear of any liens or other restrictions (other than those arising under this Agreement or applicable securities laws), in the name of such Purchaser (or its nominee in accordance with its delivery instructions) or to a custodian designated by such Purchaser, as applicable, and (B) a certified true copy (certified as a true copy by any director of the Company or the Company's share registrar) of the relevant extract of the updated register of members of the Company, evidencing that the Purchased Shares are issued and registered in the name of the Purchaser; or (ii) a duly executed share certificate representing the Purchased Shares in the name of such Purchaser (the original copies of which shall be delivered to the Purchaser as soon as practicable following the Closing Date in accordance with its delivery instructions).

(c) Restricted Legends. The certificate representing Purchased Shares shall be endorsed with the following legend:

THIS SECURITY HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR UNDER THE SECURITIES LAWS OF ANY STATE. THIS SECURITY MAY NOT BE TRANSFERRED, SOLD, OFFERED FOR SALE, PLEDGED OR HYPOTHECATED IN THE ABSENCE OF (1) AN EFFECTIVE REGISTRATION STATEMENT UNDER THE ACT, (2) AN EXEMPTION OR QUALIFICATION UNDER THE ACT AND OTHER APPLICABLE SECURITIES LAWS OR (3) DELIVERY TO THE COMPANY OF AN OPINION OF COUNSEL REASONABLY SATISFACTORY TO THE COMPANY THAT SUCH REGISTRATION IS NOT REQUIRED.

Section 1.3 Closing Conditions.

(a) Conditions to Obligations of Company. The obligation of the Company hereunder to consummate the Closing with respect to a Purchaser is subject to the satisfaction or waiver, at or before the Closing, of each of the following conditions with respect to such Purchaser:

(i) (a) The representations and warranties of the Purchaser in this Agreement shall be true and correct on and as of the Closing Date as though made on and as of the Closing Date; and (b) the Purchaser shall have performed all obligations and conditions herein required to be performed or observed by the Purchaser on or prior to the Closing Date.

(ii) No governmental authority 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 (an "Injunction") with respect to the Purchaser, or imposes any damages or penalties in connection with the transactions contemplated by this Agreement with respect to the Purchaser that are substantial in relation to the Company; and no action, suit, proceeding or investigation shall have been instituted by a governmental authority 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 the Purchaser, or imposes any damages or penalties in connection with the transactions contemplated by this Agreement with respect to the Purchaser that are substantial in relation to the Company.

(b) Conditions to Obligations of Purchaser. The obligation of the Purchaser hereunder to consummate the Closing is subject to the satisfaction or waiver, at or before the Closing, of each of the following conditions:

(i) (a) the representations and warranties of the Company that are qualified by materiality or Material Adverse Effect shall be true and correct in all respects on and as of the Closing Date as though made on and as of the Closing Date; (b) the representations and warranties of the Company that are not qualified by materiality or Material Adverse Effect shall be true and correct in all material respects on and as of the Closing Date as though made on and as of the Closing Date; and (c) the Company shall have performed or complied with all obligations and conditions in this Agreement required to be performed or complied with by the Company on or prior to the Closing Date.

(ii) No governmental authority of competent jurisdiction shall have enacted, issued, promulgated, enforced or entered any Injunction with respect to the Purchaser, or imposes any damages or penalties in connection with the transactions contemplated by this Agreement with respect to the Purchaser; and no action, suit, proceeding or investigation shall have been instituted by a governmental authority 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 the Purchaser, or imposes any damages or penalties in connection with the transactions contemplated by this Agreement with respect to the Purchaser.

ARTICLE II
REPRESENTATIONS AND WARRANTIES

Section 2.1 Representations and Warranties of the Company. The Company hereby represents and warrants to each Purchaser that:

(a) Due Formation. The Company is a company duly incorporated as an exempted company with limited liability, validly existing and in good standing under the laws of the Cayman Islands. The Company has all requisite power and authority to carry on its business as it is currently being conducted.

(b) Authority. The Company has full power and authority to enter into, execute and deliver this Agreement and each agreement, certificate, document and instrument to be executed and delivered by the Company pursuant to this Agreement and to perform its obligations hereunder.

The execution and delivery by the Company of this Agreement and any agreements, certificates, documents and instruments to be executed and delivered by the Company pursuant to this Agreement, and the performance by the Company of its obligations hereunder, have been duly authorized by all requisite actions on its part.

(c) Valid Agreement. This Agreement has been duly executed and delivered by the Company and constitutes the legal, valid and binding obligation of the Company, enforceable against the Company in accordance with its terms, except (i) as limited by applicable bankruptcy, insolvency, reorganization, moratorium, and other laws of general application affecting enforcement of creditors' rights generally, and (ii) as limited by laws relating to the availability of specific performance, injunctive relief, or other equitable remedies.

(d) Capitalization.

(i) All issued and outstanding Class A Ordinary Shares are validly issued, fully paid and non-assessable.

(ii) All issued and outstanding shares in the capital of the Company, and all outstanding shares of capital stock of each of the Company's subsidiaries (each a "Subsidiary" and collectively "Subsidiaries") have been issued in compliance with (x) all applicable Securities Laws and other applicable laws and (y) all requirements set forth in applicable contracts, without violation of any preemptive rights, rights of first refusal or other similar rights. "Securities Laws" means the Securities Act, the Securities Exchange Act of 1934, as amended (the "Exchange Act"), the listing rules of, or any listing agreement with the NASDAQ Stock Exchange and any other applicable law regulating securities matters.

(iii) The rights of the Class A Ordinary Shares to be issued to the Purchaser as Purchased Shares are as stated in the Memorandum and Articles of Association of the Company, included as Exhibit 3.2 to the Company's Registration Statement on Form F-1 (File No. 333225266) filed with the Securities and Exchange Commission ("SEC") on June 1, 2018.

(e) Due Issuance of the Purchased Shares. The issue and allotment of the Purchased Shares have been duly authorized by and on behalf of the Company and, when (i) paid for by the Purchaser pursuant to this Agreement, and (ii) entry has been made on the register of members of the Company to reflect such Purchased Shares as being fully paid, the Purchased Shares will be validly issued, fully paid and non-assessable and free and clear of any pledge, mortgage, security interest, encumbrance, lien, charge, assessment, right of first refusal, right of pre-emption, third party right or interest, claim or restriction of any kind or nature, except for restrictions arising under the Securities Act or created by virtue of this Agreement and the Lock-up Arrangement.

(f) Noncontravention. Neither the execution and the delivery of this Agreement, nor the consummation of the transactions contemplated hereby, will (i) violate any provision of the organizational documents of the Company or its Subsidiaries or violate any constitution, statute, regulation, rule, injunction, judgment, order, decree, ruling, charge, or other restriction of any government, governmental entity or court to which the Company or its Subsidiaries is subject, or (ii) conflict with, result in a breach of, constitute a default under, result in the acceleration of or creation of an encumbrance under, or create in any party the right to accelerate, terminate, modify,

or cancel, any agreement, contract, lease, license, instrument, or other arrangement to which the Company or its Subsidiaries is a party or by which the Company or its Subsidiaries is bound or to which any of the Company's or its Subsidiaries' assets are subject, in each case of the foregoing (i) and (ii), in such a manner that would materially and adversely affect the Company's ability to consummate the transactions contemplated hereby. There is no action, suit or proceeding, pending or threatened against the Company or its Subsidiaries that questions the validity of this Agreement or the right of the Company to enter into this Agreement or to consummate the transactions contemplated hereby.

(g) Consents and Approvals. 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 Date.

(h) Compliance with Laws. The business of the Company or its Subsidiaries is not being conducted in violation of any law or government order applicable to the Company except for violations which do not and would not have a Material Adverse Effect. As used herein, "Material Adverse Effect" shall mean any event, fact, circumstance or occurrence that, individually or in the aggregate with any other events, facts, circumstances or occurrences, results in or would reasonably be expected to result in a material adverse change in or a material adverse effect on (i) the condition, assets, liabilities, results of operations, business, prospects, affairs or operations of the Company or its Subsidiaries taken as a whole, financial or otherwise, except to the extent that any such Material Adverse Effect results from (x) changes in generally accepted accounting principles that are generally applicable to comparable companies or (y) changes in general economic and market conditions; or (ii) the ability of the Company to consummate the transactions contemplated by this Agreement.

(i) Litigation. Except as disclosed in the Company's annual report on Form 20-F for the fiscal year ended December 31, 2019 filed with the SEC on May 12, 2020, there are no actions, suits, proceedings or investigations by or against the Company or its Subsidiaries or affecting the business or any of the assets of the Company or its Subsidiaries pending or, to the Company's knowledge, threatened to be brought, that have had or would reasonably be expected to have a Material Adverse Effect.

(j) Intellectual Property.

(i) The Company owns or possesses sufficient legal rights to all patents, trademarks, service marks, trade names, copyrights, trade secrets, licenses, information and other proprietary rights and processes necessary for its business as now conducted and as presently proposed to be conducted (the "Company Intellectual Property Rights"), without any infringement of, violation of or other conflict with the rights of others. Except that would not be reasonably expected to have a Material Adverse Effect, there are no outstanding options, licenses or agreements, claims, encumbrances or shared ownership interests of any kind relating to the Company's Intellectual Property Rights, nor is the Company bound by or a party to any options, licenses or agreements of any kind with respect to the patents, trademarks, service marks, trade

names, copyrights, trade secrets, licenses, information or other proprietary rights or processes of any other person or entity other than such licenses or agreements arising from the purchase of "off the shelf" or standard object code, internal-use software products (or related support/maintenance agreements). The Company is not obligated to make any material payments by way of royalties, fees or otherwise to any owner or licensor of or claimant to any Company Intellectual Property Rights with respect to the use thereof in connection with the conduct of its business as now conducted or as presently proposed to be conducted.

(ii) The Company has not received any communications alleging that the Company has violated or, by conducting its business as presently proposed to be conducted, would violate any of the material patents, trademarks, service marks, trade names, copyrights or trade secrets or other proprietary rights of any other person or entity and the Company is not aware of any potential basis for such an allegation or of any specific reason to believe that such an allegation may be forthcoming.

(iii) The Company is not aware, after reasonably due inquiry, that any of its employees is obligated under any contract (including licenses, covenants or commitments of any nature) or other agreement, or subject to any judgment, decree or order of any court or administrative agency, that would interfere with their duties to the Company or that would conflict with the Company's business as presently conducted or proposed to be conducted. Neither the execution nor delivery of this Agreement, nor the carrying on of the Company's business by the employees of the Company, nor the conduct of the Company's business as presently proposed, will, to the Company's knowledge, conflict with or result in a breach of the terms, conditions or provisions of, or constitute a default under, any contract, covenant or instrument under which any of such employees is now obligated. Each current and former employee, officer and consultant of the Company has executed a proprietary information and inventions agreement. No employee, officer or consultant of the Company has excluded works or inventions made prior to his or her employment with the Company from his or her assignment of inventions pursuant to such employee, officer or consultant's proprietary information and inventions agreement. It will not be necessary for the Company to utilize any inventions, trade secrets or proprietary information of any of its employees made prior to their employment by the Company, except (i) for inventions, trade secrets or proprietary information that have been assigned to the Company when there are patent rights associated with the inventions, trade secrets or proprietary information, or (ii) for inventions, trade secrets or proprietary information that becomes publicly known through no action or inaction of Company, when there are no patent rights associated with the inventions, trade secrets or proprietary information.

(iv) To the best of the Company's knowledge, there has not been and there is not now any material unauthorized use, infringement or misappropriation of any Company Intellectual Property Rights by any third party, including, without limitation, any service provider of the Company. The Company has not brought any actions or lawsuits alleging (i) infringement of any of the Company Intellectual Property Rights or (ii) breach of any license, sublicense or other agreement authorizing another party to use the Company Intellectual Property Rights that have had or would reasonably be expected to have a Material Adverse Effect.

(v) The Company has taken all reasonable and appropriate steps to protect and preserve the confidentiality of all inventions, algorithms, formulas, schematics, technical drawings,

ideas, know-how, processes not otherwise protected by patents or patent applications, source code, program listings, and trade secrets ("Confidential Information"), including without limitation the marking of all such Confidential Information with appropriate "Proprietary" or "Confidential" legends, the establishment of policies for the handling, disclosure, and use of Confidential Information, and the acquisition of valid written nondisclosure agreements from any party receiving Confidential Information. To the best of the Company's knowledge, no person other than the Company has used, divulged or appropriated Confidential Information except for the benefit of the Company. Neither the Company nor, to the best of the Company's knowledge, any other person has used, divulged or appropriated Confidential Information to the detriment of the Company other than pursuant to the terms of written agreements between the Company and such other persons.

Section 2.2 Representations and Warranties of the Purchaser. Each Purchaser, severally and not jointly, hereby represents and warrants to the Company that:

(a) Due Formation. The Purchaser is duly formed, validly existing and in good standing in the jurisdiction of its organization. The Purchaser has all requisite power and authority to carry on its business as it is currently being conducted.

(b) Authority. The Purchaser has full power and authority to enter into, execute and deliver this Agreement and each agreement, certificate, document and instrument to be executed and delivered by the Purchaser pursuant to this Agreement and to perform its obligations hereunder. The execution and delivery by the Purchaser of this Agreement and any agreements, certificates, documents and instruments to be executed and delivered by the Purchaser pursuant to this Agreement, and the performance by the Purchaser of its obligations hereunder have been duly authorized by all requisite actions on its part.

(c) Valid Agreement. This Agreement has been duly executed and delivered by the Purchaser and constitutes the legal, valid and binding obligation of the Purchaser, enforceable against the Purchaser in accordance with its terms, except (i) as limited by applicable bankruptcy, insolvency, reorganization, moratorium, and other laws of general application affecting enforcement of creditors' rights generally, and (ii) as limited by laws relating to the availability of specific performance, injunctive relief, or other equitable remedies.

(d) Noncontravention. Neither the execution and the delivery of this Agreement, nor the consummation of the transactions contemplated hereby, will (i) violate any provision of the organizational documents of the Purchaser or violate any constitution, statute, regulation, rule, injunction, judgment, order, decree, ruling, charge, or other restriction of any government, governmental entity or court to which the Purchaser is subject, or (ii) conflict with, result in a breach of, constitute a default under, result in the acceleration of or creation of an encumbrance under, or create in any party the right to accelerate, terminate, modify, or cancel, any agreement, contract, lease, license, instrument, or other arrangement to which the Purchaser is a party or by which the Purchaser is bound or to which any of the Purchaser's assets are subject, in each case of the foregoing (i) and (ii), in such a manner that would materially and adversely affect the Purchaser's ability to consummate the transactions contemplated hereby. There is no action, suit or proceeding, pending or threatened against the Purchaser that questions the validity of this

Agreement or the right of the Purchaser to enter into this Agreement or to consummate the transactions contemplated hereby.

(e) Consents and Approvals. Neither the execution and delivery by the Purchaser of this Agreement, nor the consummation by the Purchaser of any of the transactions contemplated hereby, nor the performance by the Purchaser 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 Date.

(f) Status and Investment Intent.

(i) Experience. The Purchaser has sufficient knowledge and experience in financial and business matters so as to be capable of evaluating the merits and risks of its investment in its Purchased Shares. The Purchaser is capable of bearing the economic risks of such investment, including a complete loss of its investment.

(ii) Purchase Entirely for Own Account. The Purchaser is acquiring its Purchased Shares for its own account for investment purposes only and not with the view to, or with any intention of, resale, distribution or other disposition thereof. The Purchaser does not have any direct or indirect arrangement, or understanding with any other persons to distribute, or regarding the distribution of the Purchased Shares in violation of the Securities Act or any other applicable state securities law.

(iii) Solicitation. The Purchaser did not contact the Company as a result of any general solicitation.

(iv) Information. The Purchaser 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 Purchased Shares.

(v) Status. The Purchaser is an “accredited investor” within the meaning of Rule 501 of Regulation D, as presently in effect, under the Securities Act.

(vi) Restricted Shares. The Purchaser acknowledges that (i) the Purchased Shares have not been registered under the Securities Act or any state securities laws and (ii) the Purchased Shares may not be sold unless such disposition is registered under the Securities Act and applicable state securities Laws or is exempt from registration thereunder.

(g) Brokers. No broker, finder or investment banker is entitled to any brokerage, finder’s or other fee or commission in connection with the transactions contemplated by this Agreement based upon arrangements made by or on behalf of the Purchaser.

(h) Sophisticated Purchaser. The Purchaser acknowledges that it (i) has such knowledge and experience in financial and business matters that it is capable of independently evaluating the risks and merits of purchasing the Purchased Shares and it is capable of evaluating the merits and risks and can bear the economic risk of its investment in the Purchased Shares; (ii)

has independently determined that the Purchased Shares are a suitable investment for it; and (iii) has sufficient financial resources to bear the loss of its entire investment in the Shares.

(i) No Additional Representation. The Purchaser has (i) had access to all public information filed or furnished by the Company to the SEC without undue difficulty and have made such investigation with respect to the Company and the Shares, as it deems necessary to make its investment decision; and (ii) had the opportunity to ask questions concerning the terms and conditions of this Agreement. The Purchaser acknowledges that the Company makes no representations or warranties as to any matter whatsoever except as expressly set forth in this Agreement or in any certificate delivered by the Company to the Purchaser in accordance with the terms hereof and thereof.

ARTICLE III
COVENANTS

Section 3.1 Lock-up. The Purchaser shall not, during the period that commences on the Closing Date and continues until the date (inclusive) that is one hundred and eighty (180) days thereafter (the "Lock-up Period"), directly or indirectly, offer, sell, contract to sell, pledge, transfer, assign or otherwise dispose (the "Transfer") of any of the Purchased Shares, 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 the Purchased Shares, or publicly disclose the intention to make any such offer, sale, contract to sell, pledge or disposition, or to enter into any such transaction, swap, hedge or other arrangement, without, in each case, the prior written consent of the Company (the "Lock-up Arrangement"). The foregoing sentence shall not apply to (a) transactions relating to the ADSs or other securities of the Company acquired in open market transactions, or (b) to any stockholder, member, partner or trust beneficiary as part of a distribution, or to any corporation, partnership or other entity that is an affiliate of such Purchaser provided that in the case of any transfer or distribution pursuant to clause (b), each recipient shall sign and deliver to the Company a written agreement to be bound by the transfer restrictions set forth herein.

Section 3.2 No Transfer to Adverse Persons. Notwithstanding any other provisions of this Agreement, the Purchaser shall not, directly or indirectly, Transfer and shall not permit any Transfer of, through one or a series of transactions (including without limitation, through one or a series of block trade transactions), any Purchased Shares and any ADSs converted from such Purchased Shares, directly or indirectly (including through any Affiliate) to any Adverse Person without the prior written consent of the Company, other than through open market sales to any transferee that is not known by the Purchaser to be an Adverse Person. Any Transfer of the Purchased Shares made in violation of this Section 3.2 shall be null and void ab initio and shall not be recorded on the books and records of the Company.

"Adverse Person(s)" shall mean any Person identified in Exhibit B hereto, any additional Persons to be mutually agreed in writing by the Company and the Purchaser from time to time, and any controlled Affiliates of any of the foregoing.

Section 3.3 Deposit Arrangement. The Company acknowledges that the Purchaser intends to, subject to Applicable Laws and the terms and conditions of this Agreement and after

the expiration or termination of the Lock-Up Period, convert all or a portion of the Purchased Shares into American Depository Shares ("ADSs") for future sale (the "ADS Conversion"). In the event that the Purchaser makes a written request of ADS Conversion to the Company after the Lock-Up Period and the Company is reasonably satisfied, based on an opinion of an outside counsel contemplated by Section 3.4 below, that the resale of the Purchased Shares is permitted by and in compliance with Rule 144 under the Securities Act ("Rule 144"), the Company shall use its best efforts to facilitate, and the Purchaser shall use its reasonable efforts to cooperate with the Company to facilitate, the ADS Conversion, including but not limited to, as applicable, directing the depositary bank, share registrar, transfer agent and legal counsel to take all necessary actions (including the removal of restrictive legend) in accordance with the procedures for conversion of Ordinary Shares into ADSs. Such ADSs shall be listed on a major United States national securities exchange which is registered with the U.S. Securities and Exchange Commission. The Company shall be responsible for all fees and expenses associated with or arising from effecting the deposit arrangement referred to in this Section 3.3, including ADS conversion fees.

Section 3.4 Rule 144 Availability. The Company shall, until such time as all Purchased Shares have been converted into ADSs, (a) in a timely manner, make all necessary filings with the SEC under the Exchange Act and (b) take all other steps that are commercially reasonable and necessary to ensure that the resale of the Purchased Shares by each Purchaser is permitted under Rule 144. The Company shall, after the expiration of the Lock-Up Period and upon a written request by the Purchasers, at its cost and expenses, cause to be provided to the Purchasers in connection with the conversion of Purchased Shares to ADSs any and all opinions of counsel to allow for such conversion.

Section 3.5 Further Assurances. From the date of this Agreement until the Closing Date, each of the Parties agrees to do or cause to be done all things necessary or reasonably advisable under applicable laws to fulfill or obtain the fulfillment of the conditions precedent to the consummation of the transactions contemplated hereby.

ARTICLE IV
INDEMNIFICATION

Section 4.1 Indemnification. The Company (the "Indemnifying Party") shall indemnify and hold each Purchaser and its directors, officers, employees, advisors and agents (collectively, the "Indemnified Party") harmless from and against any losses, claims, damages, fines, expenses and liabilities of any kind or nature whatsoever, including but not limited to any reasonable investigative, legal and other expenses incurred in connection with, and any amounts paid in settlement of, any pending or threatened legal action or proceeding (collectively, "Losses") resulting from or arising out of: (a) the breach of any representation or warranty of the Indemnifying Party contained in this Agreement; or (b) the violation or nonperformance of any covenant or agreement of the Indemnifying Party contained in this Agreement, *provided* that (i) the Indemnifying Party shall be liable for any Losses consisting of punitive damages, (ii) the amount of any Losses for which indemnification is provided under this section shall be reduced by (a) any amounts that have been recovered by any Indemnified Party from any third party, (b) any insurance proceeds or other cash receipts or source of reimbursement that have been received by any Indemnified Party with respect to such Losses, in each case, net of any costs of

recovery, and (c) any amounts which are attributable to the gross negligence, willful misconduct or fraud of the Indemnified Party, and (iii) each Indemnified Party shall use commercially reasonable efforts to mitigate the Losses it incurs.

Section 4.2 Third Party Claims.

(a) If any third party shall notify any Indemnified Party in writing with respect to any matter involving a claim by such third party (a "Third Party Claim") which such Indemnified Party believes would give rise to a claim for indemnification against the Indemnifying Party under this Article IV, then the Indemnified Party shall promptly (i) notify the Indemnifying Party thereof in writing within thirty (30) days of receipt of notice of such claim 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.

(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 (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 fully control and settle the proceeding, provided, that, any such settlement or compromise shall be permitted hereunder only with the written consent of the Indemnified Party.

(c) If requested by the Indemnifying Party, the Indemnified Party shall, at the sole cost and expense of the Indemnifying Party, reasonably 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, 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 of any Third Party Claim assumed by the Indemnifying Party pursuant to Section 4.2(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 the 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.

Section 4.3 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 best estimate of the amount of Losses attributable to such claim and the basis of the Indemnified Party's request for indemnification under this Agreement. 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.

Section 4.4 Indemnification Threshold and Cap. Notwithstanding the foregoing, the Indemnified Party shall not be entitled to recover any Losses until such time as the aggregate amount of all such Losses that have been suffered or incurred by the Indemnified Party exceeds US$100,000. The Indemnifying Party shall have no liability (for indemnification or otherwise) with respect to any Losses in excess of the Purchase Price except for Losses attributable to the gross negligence, willful misconduct or fraud of the Indemnifying Party, which such Losses shall not be subject to the cap described in this Section 4.4.

ARTICLE V
TERMINATION

Section 5.1 Termination. This Agreement may be terminated at any time prior to the Closing:

(a) by the mutual written consent of the Parties;

(b) by either Party serving written notice to the other, in the event that:

(i) any governmental authority having competent jurisdiction shall have enacted, issued, promulgated, enforced or entered any Injunction which shall have become final and non-appealable; or

(ii) the other Party (x) shall have breached any representation, warranty, covenant or agreement set forth in this Agreement, and (y) such breach or misrepresentation is not cured within ten (10) days after it receives written notice thereof from the other Party, and (z) such breach or misrepresentation would cause failure of satisfaction of any of the conditions set forth in Section 1.3; or

(iii) the Closing shall not have been consummated by 15 business days from the date of this Agreement.

Section 5.2 Effect of Termination. In the event of termination of this Agreement pursuant to Section 5.1, this Agreement shall forthwith become void and there shall be no liability under this Agreement on the part of any Party, except that termination of this Agreement shall not relieve the Parties of any accrued obligations and liabilities prior to the effective date of such termination and the terms of this Section 5.2 and Article VI shall survive any such termination.

ARTICLE VI
MISCELLANEOUS

Section 6.1 Survival of the Representations and Warranties. All representations and warranties made by any party hereto shall survive for two years and shall terminate and be without further force or effect on the second anniversary of the date hereof, except as to any claims thereunder which have been asserted in writing pursuant to Section 4.1 against the party making

such representations and warranties on or prior to such second anniversary. The covenants set forth in this Agreement shall survive the Closing until fully discharged in accordance with their terms.

Section 6.2 Governing Law; Arbitration. 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, including any question regarding its existence, validity or termination ("Dispute") shall be referred to and finally resolved by arbitration before the American Arbitration Association ("AAA") in accordance with the AAA's rules then in force. There shall be three arbitrators. Each Party has the right to appoint one arbitrator and the third arbitrator shall be appointed by the AAA. The language to be used in the arbitration proceedings shall be English. The seat of arbitration shall be New York, New York. Each of the Parties 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.

Section 6.3 Amendment. This Agreement shall not be amended, changed or modified, except by another agreement in writing executed by the parties hereto.

Section 6.4 Binding Effect. This Agreement shall inure to the benefit of, and be binding upon, the Purchaser, the Company, and their respective heirs, successors and permitted assigns.

Section 6.5 Assignment. Neither this Agreement nor any of the rights, duties or obligations hereunder may be assigned by the Company or the Purchaser without the express written consent of the other Party. Any purported assignment in violation of the foregoing shall be null and void.

Section 6.6 Notices. Except as may be otherwise provided herein, any notices, consents, waivers or other communications required or permitted to be given under the terms of this Agreement must be in writing and will be deemed to have been delivered: (a) upon receipt, when delivered personally; (b) upon receipt, when sent by facsimile (provided confirmation of transmission is mechanically or electronically generated and kept on file by the sending party); or (c) one (1) Business Day after deposit with an internationally recognized overnight courier service; or (d) when sent by confirmed electronic mail if sent during normal business hours of the recipient, or if not, then on the next Business Day, in each case properly addressed to the party to receive the same. The addresses and facsimile numbers for such communications shall be:

If to the Company:

Uxin Limited
Attn: *********
Floor 3, No. 12 Beitucheng East Road, Chaoyang
District, Beijing P.R China 100029
Tel: *********

If to the Purchaser: c/o Wells Capital Management, Inc.
Attn: *********
Tel: *********

Any party hereto may change its address for purposes of this Section 6.6 by giving the other Party written notice of the new address in the manner set forth above.

Section 6.7 Public Announcements; Confidentiality.

(a) Neither the Company nor Purchaser, nor any of their respective Subsidiaries, shall issue or cause the publication of any press release or other public announcement with respect to the existence of this Agreement or the transactions contemplated under this Agreement without the prior consent of the other Party (which consent shall not be unreasonably withheld, conditioned or delayed), except as may be required by applicable law or the rules and regulations of any applicable stock exchange, in each case, as determined in the good faith judgment of and reasonable opinion of counsel to the Party proposing to make such release.

(b) For a period starting from the date of this Agreement to a date that is eighteen (18) months after the Closing, the Purchaser shall, and shall cause its affiliates and their respective Representatives which receive confidential information of the Company, to, hold in strict confidence any and all confidential information known to the Purchaser to be confidential information of the Company, whether written or oral, concerning the Company, except to the extent that such information (a) is generally available to and known by the public through no fault of the Purchaser, any of its affiliates or their respective Representatives; (b) is lawfully acquired by the Purchaser, any of its affiliates or their respective Representatives from and after the Closing from sources which are not prohibited from disclosing such information by a legal, contractual or fiduciary obligation; (c) is independently developed by the Purchaser as shown by documents or other competent evidence by the Purchaser, or (d) is approved for release by the Company. If the Purchaser or any of its affiliates or their respective Representatives are compelled to disclose any information by judicial or administrative process or by other requirements of laws, regulation or applicable national securities exchange, the Purchaser shall promptly notify the Company in writing and shall disclose only that portion of such information is legally required to be disclosed, provided that the Purchaser shall use commercially reasonable efforts to obtain, at the Company's sole cost and expense, an appropriate protective order or other reasonable assurance that confidential treatment will be accorded such information. "Representatives" means, with respect to any person, such person's affiliates and such person and its affiliates' respective directors, officers, employees, members, partners, accountants, consultants, advisors, attorneys, agents and other representatives who receive confidential information of the Company in furtherance of this Agreement.

(c) Notwithstanding anything to the contrary in this Section 6.7, the Company may, if required by law or regulation (i) disclose this Agreement and the transactions contemplated hereby

in a Form 6-K or Form 20-F, (ii) make such disclosure as is required under the relevant stock exchange rules or by the SEC, and (iii) make public statements in response to specific questions by the press, analysts, investors or those attending industry conferences or financial analyst conference calls; provided, however, that confidential treatment will be requested with respect to the Purchaser's and its sub-advisor's or other identifiable affiliate's identity in the foregoing scenarios if such confidential treatment is permissible under applicable law or regulation.

Section 6.8 Taxes and Expenses. Each Party shall pay all of its own fees and expenses (including attorneys' fees) incurred in connection with this Agreement and the transaction contemplated under this Agreement. Except as otherwise provided in this Agreement or agree expressly among the Parties, each Party shall be solely responsible for all taxes accruing to such Party arising from this Agreement or the transactions under applicable Laws.

Section 6.9 Adjustments for Share Splits, etc. Wherever in this Agreement there is a reference to a specific number of the shares, then upon the occurrence of any subdivision, combination or share or extraordinary dividend of or on the shares with an effective or record date from the date hereof until the Closing, the specific number of such shares so referenced in this Agreement shall be proportionally adjusted to reflect the effect on the outstanding shares of such class or series of shares by such subdivision, combination or dividend.

Section 6.10 Entire Agreement. This Agreement constitutes the entire understanding and agreement between the Parties with respect to the matters covered hereby, and all prior agreements and understandings, oral or in writing, if any, between the Parties with respect to the matters covered hereby are merged and superseded by such agreements.

Section 6.11 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.

Section 6.12 Specific Performance. The Parties 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 shall be entitled to specific performance of the terms hereof, in addition to any other remedy at law or equity.

Section 6.13 No Third-Party Beneficiaries. This Agreement shall be binding upon and inure solely to the benefit of the Parties and their respective successors and permitted assigns and nothing herein, express or implied, is intended to or shall confer upon any other Person any legal or equitable right, benefit or remedy of any nature whatsoever.

Section 6.14 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 section so designated.

Section 6.15 Execution in Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute but one and the same instrument.

Section 6.16 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 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, in whole or in part, by a waiver or renunciation of the claim or right unless in writing signed by the other party; (b) no waiver that may be given by a party will be applicable except in the specific instance for which it is given; and (c) no notice to or demand on one party will be deemed to be a waiver of any obligation of that party or of the right of the party giving such notice or demand to take further action without notice or demand as provided in this Agreement.

Section 6.17 No Joint and Several Liability. Notwithstanding anything to the contrary herein, all representations, warranties, covenants, liabilities and obligations are several, and not joint, to each Purchaser, and no Purchaser shall be liable for breach, default, liability or other obligation of the other Purchasers to this Agreement.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have caused their respective signature page to this Agreement to be duty executed as of the date first written above.

UXIN LIMITED

By: /s/ Kun Dai
Name: Kun Dai
Title: Director

IN WITNESS WHEREOF, the parties hereto have caused their respective signature page to this Agreement to be duly executed as of the date first written above.

Wells Fargo Emerging Markets Equity Fund

By: Wells Capital Management Incorporated, its Investment Sub-Adviser

By: /s/ Traci McCormack
Name: Traci McCormack
Title: SVP, Regulatory Operations

Emerging Markets Equity Fund, a series of
525 Market Street Fund LLC

By: Wells Capital Management Incorporated, its Managing Member

By: /s/ Traci McCormack
Name: Traci McCormack
Title: SVP, Regulatory Operations

Wells Fargo Emerging Markets Equity CIT

By: Wells Capital Management Incorporated, its Investment Advisor

By: /s/ Traci McCormack
Name: Traci McCormack
Title: SVP, Regulatory Operations

EXHIBIT A

PURCHASERS

Name of Purchaser	Number of Purchased Shares	Price Per Share	Purchase Price
Wells Fargo Emerging Markets Equity Fund	23,979,831	$.2952	$7,078,846.11
Emerging Markets Equity Fund, a series of 525 Market Street Fund, LLC	6,750,000	$.2952	$1,992,600.00
Wells Fargo Emerging Markets Equity CIT	3,150,000	$.2952	$929,880.00
TOTAL	33,879,831	$.2952	$10,001,326.11

EXHIBIT B

ADVERSE PERSONS

Exhibit 4.41

Execution Version

SHARE SUBSCRIPTION AGREEMENT

dated June 14, 2021

by and among

ASTRAL SUCCESS LIMITED

ABUNDANT GRACE INVESTMENT LIMITED

and

UXIN LIMITED

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SHARE SUBSCRIPTION AGREEMENT

SHARE SUBSCRIPTION AGREEMENT (this "**Agreement**") is made and entered into on June 14, 2021 by and among:

1. Uxin Limited, a company organized under the laws of the Cayman Islands (the "**Company**")

2. Each Person listed on SCHEDULE I (each an "**Investor**" and collectively the "**Investors**").

Each of the forgoing parties is referred to herein individually as a "**Party**" and collectively as the "**Parties**".

WHEREAS, the Company desires to allot and issue to each Investor, and each Investor desires to, severally but not jointly, subscribe for and be issued from the Company, certain Senior Preferred Shares (as defined below). In addition, the Company agrees to issue to each Investor a warrant (each a "**Warrant**" and collectively the "**Warrants**", together with the Senior Preferred Shares, the "**Subscription Securities**") to purchase certain Senior Preferred Shares, pursuant to the terms and conditions set forth in this Agreement; and

WHEREAS, the Parties desire to enter into this Agreement and make the respective representations, warranties, covenants and agreement on the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the premises set forth above, the mutual promises and covenants set forth herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged and accepted, and intending to be legally bound hereby, the Parties hereby agree as follows:

ARTICLE I
DEFINITIONS

Section 1.01 *Definitions*. As used in this Agreement, the following terms shall have the following meanings:

"**Action**" means claim, complaint, action, arbitration, charge, hearing, inquiry, litigation, suit, inquiry, notice of violation, audit, examination, investigation or any other proceeding or any settlement, judgment, order, award, injunction or decree pending or other proceeding (whether civil, criminal, administrative, investigative or informal), including, without limitation, an informal investigation or partial proceeding, such as a deposition.

"**ADSs**" means the American Depositary Shares of the Company, each representing three (3) Class A Ordinary Shares.

"**Affiliate**" means, with respect to any Person, any other Person directly or indirectly controlling, controlled by or under common control with such Person. For purposes of this definition, "**control**" when used with respect to any Person means the power to direct the

management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise, and the terms "**controlling**" and "**controlled**" have correlative meanings. For purposes of this Agreement, no Investor shall be deemed an Affiliate of the Company.

"**Agreement**" has the meaning assigned to such term in the preamble.

"**Antitrust Authority**" means any Governmental Entity charged with enforcing, applying, administering, or investigating any Antitrust Laws, including the Anti-monopoly Bureau of the State Administration for Market Regulation of the PRC (国家市场监管总局反垄断局**)** or any other competition authority of any jurisdiction.

"**Antitrust Filing**" has the meaning assigned to such term in Section 6.02.

"**Antitrust Laws**" means the Anti-Monopoly Law of the PRC; and all other Applicable Laws (whether national or foreign) in effect from time to time that are designed or intended to prohibit, restrict or regulate actions that have the purpose or effect of restricting or lessening competition.

"**Applicable Laws**" means, with respect to any Person, any transnational, domestic or foreign federal, national, state, provincial, local or municipal law (statutory, common or otherwise), constitution, treaty, convention, ordinance, code, rule, regulation, executive order, injunction, judgment, decree, ruling or other similar requirement enacted, adopted, promulgated or applied by a Governmental Entity that is binding upon or applicable to such Person or any of such Person's assets, rights or properties.

"**Board**" means the board of directors of the Company.

"**Business Day**" means any day except any Saturday, any Sunday, any day which is a federal legal holiday in the United States or any day on which banking institutions in the Cayman Islands, the People's Republic of China (which for the purpose of this Agreement shall exclude Hong Kong SAR, Macau SAR and Taiwan) or the State of New York are authorized or required by law or other governmental action to close.

"**Certificate of Designation**" means the Certificate of Designation with respect to the rights and preferences of the Senior Preferred Shares, in the form attached hereto as EXHIBIT D.

"**Conversion Shares**" means, collectively, Class A Ordinary Shares issuable upon conversion of (i) the Senior Preferred Shares to be issued or issuable at the First Closing and the Second Closing, and (ii) the Warrant Shares.

"**Claim Notice**" has the meaning assigned to such term in Section 8.02(a).

"**Class A Ordinary Shares**" means the Company's Class A ordinary shares, par value $0.0001 per share.

"**Class B Ordinary Shares**" means the Company's Class B ordinary shares, par value $0.0001 per share.

"**Closing**" or "**Closings**" has the meaning assigned to such term in Section 2.04.

"**Closing Date**" means the First Closing Date and/or the Second Closing Date, as applicable.

"**Code**" means the Inland Revenue Code of 1986, as amended.

"**Company**" has the meaning assigned to such term in the preamble.

"**Company Securities**" means (a) Ordinary Shares, (b) Senior Preferred Shares, (c) the Warrants, (d) securities convertible into, or exercisable or exchangeable, for Ordinary Shares, (d) any options, warrants or other rights to acquire Ordinary Shares and/or Senior Preferred Shares, and (e) any ADSs, depository receipts or similar instruments issued in respect of Ordinary Shares.

"**Debt Restructuring**" has the meaning assigned to such term in **SCHEDULE IV**;

"**Debt Restructuring Amount**" has the meaning assigned to such term in **SCHEDULE IV**;

"**Designated Bank Account**" has the meaning assigned to such terms in Section 6.07(b).

"**Encumbrance**" means any mortgage, lien, pledge, charge, security interest, title defect, right of first refusal, claim, easement, right-of-way, option, preemptive or similar right or other restriction of any kind or nature.

"**Exchange Act**" means the U.S. Securities Exchange Act of 1934, as amended, and any rules and regulations promulgated thereunder.

"**Existing Registration Rights Holder**" has the meaning assigned to such term in Section 3.19.

"**FCPA**" means the Foreign Corrupt Practices Act of 1977, as amended.

"**First Closing**" has the meaning assigned to such term in Section 2.03.

"**First Closing Date**" has the meaning assigned to such term in Section 2.03.

"**Principal Holding Company**" Xin Gao Group Limited, a company organized under the Laws of the British Virgin Islands.

"**Principal Parties**" means Mr. Kun Dai (戴琨) and the Principal Holding Company.

"**Fundamental Company Representations**" means the representations and warranties by the Company contained in Sections 3.02, 3.03, 3.04, 3.05 and 3.11.

"**Fundamental Investor Representations**" means the representations and warranties by the Investors contained in Sections 4.01, 4.02, 4.03 and 4.04.

"**Group**" or "**Group Companies**" means the Company and its Subsidiaries.

"**Governmental Entity**" means 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.

"**HKIAC**" has the meaning assigned to such term in Section 9.09(a).

"**Indemnified Parties**" or "**Indemnifying Party**" has the meaning assigned to such term in Section 8.01(a).

"**Indemnity Notice**" has the meaning assigned to such term in Section 8.03.

"**Intellectual Property**" has the meaning assigned to such term in Section 3.14.

"**Investor**" or "**Investors**" has the meaning assigned to such term in the preamble.

"**Investor Designees**" has the meaning assigned to such term in Section 6.07(b).

"**Investors' Rights Agreement**" means the investors' rights agreement, in the form attached hereto as EXHIBIT B, to be entered into by and among the Company, the Principal Parties and the Investors at the First Closing.

"**Joy Capital**" has the meaning assigned to such term in SCHEDULE I.

"**Lock-Up Letter**" means each of the Consent Letter for Lock-Up, in the form substantially same as the form attached hereto as EXHIBIT E, to be entered into by and between (i) the Company (on the one hand) and (ii) each Major Shareholder or each Investor (on the other hand) at or prior to the First Closing.

"**Losses**" has the meaning assigned to such term in Section 8.01(a).

"**Loss Threshold**" has the meaning assigned to such term in Section 8.01(e).

"**Major Noteholders**" means Redrock Holding Investments Limited, TPG Growth III SF Pte. Ltd. and 58.com Holdings Inc..

"**Major Shareholders**" means the Redrock Holding Investments Limited, TPG Growth III SF Pte. Ltd., 58.com Holdings Inc., ClearVue UXin Holdings, Ltd., Magic Carpet International Limited, Jeneration Capital Affiliated Entities (Jeneration Capital Master Fund, JenCap UX and JenCap UX II Plus LLC.), Baidu (Hong Kong) Limited, LC Affiliated Funds (LC Parallel Fund V and L.P., LC Fund V, L.P.), Kingkey Affiliated Entities (Kingkey New Era Auto Industry Global Limited and BOCOM International Supreme Investment Limited), GIC Private Limited and Wells Capital Management (Wells Fargo Emerging Markets Equity Fund, Wells Fargo Emerging Markets Equity CIT), and their respective Affiliates who holds Shares or ADSs of the Company.

"**Material Adverse Effect**" means 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, results of operation or prospects of the Company and its Subsidiaries taken as a whole or (b) the ability of the Company to timely consummate the transactions contemplated by this Agreement (including the sale of the Subscription Securities) or 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 Investors, (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), (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 Investors in writing, (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), (vi) changes in general legal, tax or regulatory conditions (provided that such changes do not have a unique and materially disproportionate impact on the business of the Company and its Subsidiaries), (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 in each case occurring after the date hereof, or (viii) earthquakes, hurricanes, floods, epidemic-induced public health crises or other disasters in each case occurring after the date hereof.

"**Memorandum and Articles**" means the amended and restated memorandum and articles of association of the Company currently in effect, as may be amended or restated from time to time.

"**Money Laundering Laws**" has the meaning assigned to such term in Section 3.26.

"**New Business**" means the "trading market" for used cars, which is a one-stop online and offline shopping market, under which, the Group Companies purchase used cars through a variety of suppliers and sell such used cars to customers via online and offline channels after certain maintenance works.

"**Nasdaq**" means the NASDAQ Global Select Market.

"**Nasdaq's 20% rule**" means the Nasdaq Stock Market Rule 5635(d).

"**Nio Capital**" has the meaning assigned to such term in SCHEDULE I.

"**Ordinary Shares**" means Class A Ordinary Shares and Class B Ordinary Shares.

"**Party**" or "**Parties**" has the meaning assigned to such terms in the preamble.

"**Permits**" has the meaning assigned to such term in Section 3.10.

"**Person**" means an individual, corporation, partnership, limited liability company, association, trust or other entity or organization, including a Governmental Entity.

"**Personal Information**" has the meaning assigned to such term in Section 3.27.

"**Purchase Price**" means, with respect to each Investor, the amount of aggregate purchase price payable at the First Closing or the Second Closing (as the case may be and if applicable), as set forth opposite such Investor's name in Part A or Part B (as applicable) of SCHEDULE I, as consideration for that number of Senior Preferred Shares set forth opposite such Investor's name in Part A or Part B (as applicable) of SCHEDULE I.

"**PRC**" means the People's Republic of China.

"**Professional Advisors**" has the meaning assigned to such term in Section 9.10.

"**Registration Rights Agreement**" means the registration rights agreement, in the form attached hereto as EXHIBIT C, to be entered into by and among the Company and the Investors at the First Closing.

"**Rule 144**" means Rule 144 promulgated by the SEC pursuant to the Securities Act, as such Rule may be amended or interpreted from time to time, or any similar rule or regulation hereafter adopted by the SEC having substantially the same purpose and effect as such Rule.

"**Sarbanes-Oxley Act**" means the U.S. Sarbanes-Oxley Act of 2002, as amended, and any rules and regulations promulgated thereunder.

"**Second Closing**" has the meaning assigned to such term in Section 2.04.

"**Second Closing Date**" has the meaning assigned to such term in Section 2.04.

"**SEC**" means the U.S. Securities and Exchange Commission.

"**SEC Documents**" has the meaning assigned to such term in Section 3.01.

"**Securities Act**" means the U.S. Securities Act of 1933, as amended, and any rules and regulations promulgated thereunder.

"**Senior Preferred Shares**" means the Company's Senior Convertible Preferred Shares, par value $0.0001 per share issued hereunder having the rights, preferences and privileges set forth in the Certificate of Designation.

"**Short Sales**" means all "short sales" as defined in Rule 200 of Regulation SHO under the Exchange Act (but shall not be deemed to include locating and/or borrowing shares of Common Stock).

"**Subscription Securities**" has the meaning assigned to such term in the recital.

"**Subsidiary**" means any entity of which a majority of the outstanding equity securities or other ownership interests representing a majority of the outstanding equity interests or otherwise

having ordinary voting power to elect a majority of the board of directors or other Persons performing similar functions are at the time directly or indirectly owned or controlled by the Company, and includes any entity which is directly or indirectly controlled by the Company (including, for the avoidance of doubt, any variable interest entities that are consolidated into the financial statements of the Company).

"**Supplementary Agreement**" has the meaning assigned to such term in Section 7.04(a).

"**Stated Value**" has the meaning assigned to such term in Section 2.01.

"**Taxes**" means (a) all U.S. federal, state, local, non-U.S., and other net income, gross income, gross receipts, sales, use, ad valorem, transfer, franchise, profits, license, lease, service, service use, withholding, payroll, employment, excise, severance, stamp, occupation, premium, property, windfall profits, alternative or add-on minimum taxes, customs, unclaimed property or escheat, duties or other taxes, fees, assessments, or charges of any kind whatsoever, together with any interest and any penalties, additions to tax, or additional amounts with respect thereto and (b) any liability for the payment of any amount of the type described in the immediately preceding clause (a) as a result of (1) being a "transferee" (within the meaning of Section 6901 of the Code, or any other Applicable Law) of another Person, (2) being a member of an affiliated, combined, consolidated or unitary group or (3) any contractual liability.

"**Tax Representations**" means any representation or warranty in Section 3.12.

"**Tax Returns**" means any representation or warranty in Section 3.12.

"**Termination Agreement**" has the meaning assigned to such term in Section 7.04(a).

"**Third Party Claim**" has the meaning assigned to such term in Section 8.02(a).

"**Trading Day**" means a day on which the principal Trading Market is open for trading.

"**Trading Market**" means any of the following markets or exchanges on which the Ordinary Shares are listed or quoted for trading on the date in question: the NYSE MKT, the Nasdaq Capital Market, the Nasdaq Global Market, the Nasdaq Global Select Market, the New York Stock Exchange (or any successors to any of the foregoing).

"**Transaction Documents**" means this Agreement, the Investors' Rights Agreement, the Voting Agreement, the Lock-Up Letters, the Registration Rights Agreement, the Certificate of Designation, the Warrants and any other documents or agreements executed on or after the date of this Agreement in connection with the transactions contemplated hereunder.

"**U.S.**" means the United States of America.

"**U.S. GAAP**" means U.S. generally accepted accounting principles.

"**Voting Agreement**" means the voting agreement, in the form attached hereto as EXHIBIT F, to be entered into by and among the Company, the Principal Parties, the Major Noteholders and the Investors at the First Closing.

"**Warrant**" has the meaning assigned to such term in preamble.

"**Warrant Exercise Date**" means, with respect to each Investor, the date or dates on which the Warrant with respect to such Investor is exercised (fully or partially) by such Investor.

"**Warrant Shares**" means the Senior Preferred Shares issuable upon exercise of the Warrants.

"**2019 Investors' Right Agreement**" means the Investors' rights agreement dated June 10, 2019 entered into by and among the Company, the Major Noteholders and certain other parties thereto in connection with the issuance of the 2019 Notes.

"**2019 Share Mortgage**" means the equitable share mortgage dated June 10, 2019 entered into by and among the Principal Holding Company (as mortgagor), Madison Pacific Trust Limited (as mortgagee) and the Company in respect of 40,809,861 Class B Ordinary Shares held by the Principal Holding Company in connection with the 2019 Investors' Right Agreement.

"**2019 Notes**" means the Convertible Notes in the aggregate principal amount of $230,000,000 issued by the Company pursuant to the Convertible Note Purchase Agreement dated May 29, 2019 entered into by and among the Company, the Major Noteholders and certain other parties thereto.

Section 1.02 *Other Definitional And Interpretive Provisions.* The words "hereof", "herein" and "hereunder" and words of like import used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement. The captions herein are included for convenience of reference only and shall be disregarded in the construction or interpretation hereof. References to Articles, Sections, Clauses, Exhibits and Schedules are to Articles, Sections, Clauses, Exhibits and Schedules of this Agreement unless otherwise specified. All Exhibits and Schedules annexed hereto or referred to herein are hereby incorporated in and made a part of this Agreement as if set forth in full herein. Any capitalized terms used in any Exhibit or Schedule but not otherwise defined therein shall have the meanings given to them in this Agreement. Any singular term in this Agreement shall be deemed to include the plural, and any plural term the singular. Whenever the words "include", "includes" or "including" are used in this Agreement, they shall be deemed to be followed by the words "without limitation", whether or not they are in fact followed by those words or words of like import. "Writing", "written" and comparable terms refer to printing, typing and other means of reproducing words (including electronic media) in a visible form. References to any Person include the successors and permitted assigns of that Person. References from or through any date mean, unless otherwise specified, from and including or through and including, respectively. References to "law", "laws" or to a particular statute or law shall be deemed also to include any and all Applicable Law. References to any statute shall be deemed to refer to such statute as amended from time to time and to any rules or regulations promulgated thereunder. References to "dollars" or "$" are to U.S. dollars.

ARTICLE II
SALE AND PURCHASE OF THE SUBSCRIPTION SECURITIES

Section 2.01 *Sale and Issuance of the Subscription Securities at First Closing.* On the terms and subject to the conditions contained in this Agreement, at the First Closing (as

defined below), the Company agrees to issue and sell to each Investor, and each Investor agrees, severally but not jointly, to subscribe for and purchase that certain number of Senior Preferred Shares for that certain Purchase Price set forth opposite such Investor's name in Part A of SCHEDULE I in the aggregate amount of $100,000,000 for both Investors, corresponding to an issue price of $0.3433 per Senior Preferred Share (the "**Stated Value**") (subject to adjustments for any stock splits, combinations, stock dividends, recapitalizations or the like); and the Company shall also issue to each Investor for no additional consideration a Warrant in the form attached hereto as EXHIBIT A. Each Warrant shall be exercisable within eighteen (18) months from the First Closing Date. Upon the exercise of the Warrant, each Investor shall be entitled to receive that certain number of Warrant Shares set forth opposite such Investor's name in Part A of SCHEDULE I at a per share exercise price equal to the Stated Value (subject to adjustments pursuant to the terms of the Warrant with respect to such Investor).

Section 2.02 *Sale and Issuance of the Subscription Securities at Second Closing*. On the terms and subject to the conditions contained in this Agreement, at a time to be decided in each Investor's sole discretion that is within one year after the First Closing Date, the Company agrees to issue and sell to each Investor and each Investor is entitled to subscribe for and purchase, severally but not jointly, that certain number of Senior Preferred Shares for that certain Purchase Price set forth opposite such Investor's name in Part B of SCHEDULE I in the aggregate amount of $50,000,000 for both Investors. To the extent any Investor does not exercise its right pursuant to the foregoing sentence, if, during any three consecutive month period after the six month anniversary from the First Closing Date, the retail sales of cars in the New Business exceed 3,000 units, the Company shall be entitled to require such Investor (and such Investor shall be obligated upon receipt of such request) to purchase that certain number of Senior Preferred Shares at that certain Purchase Price set forth opposite such Investor's name in Part B of SCHEDULE I. For the avoidance of doubt, the Company cannot exercise such right until after the nine-month anniversary of the First Closing Date, but shall exercise such right no later than the one-year anniversary of the First Closing Date.

Section 2.03 *First Closing*. The consummation of the purchase and sale of the Subscription Securities at the First Closing hereunder (the "**First Closing**", and the date of the First Closing, the "**First Closing Date**") shall take place remotely via electronic exchange of documents as soon as practicable, but in no event later than fifteen (15) Business Days after all applicable Closing conditions specified in Article VII hereof having been satisfied or waived, respectively, by each Investor and the Company (other than those conditions that by their nature are to be satisfied at the First Closing, but subject to the satisfaction or, to the extent permissible, waiver thereof at the First Closing), or at such other time and place as the Company and the related Investor may mutually agree in writing.

Section 2.04 *Second Closing*. The consummation of the purchase and sale of the Subscription Securities at the Second Closing hereunder (the "**Second Closing**", and the date of the Second Closing, the "**Second Closing Date**") shall take place remotely via electronic exchange of documents as soon as practicable, but in no event later than fifteen (15) Business Days after all applicable Closing conditions specified in Article VII hereof having been satisfied or waived, respectively, by each Investor and the Company (other than those conditions by their nature are to be satisfied at the Second Closing, but subject to the satisfaction or, to the extent permissible, waiver thereof at the Second Closing), or at such other time and place as the Company and the

related Investor may mutually agree in writing (together with the First Closing, the "**Closings**", and each, a "**Closing**").

Section 2.05 *Actions at the Closings.* At the Closing, the following actions shall take place, all of which shall be deemed to have occurred simultaneously and no action shall be deemed to have been completed or any document delivered until all such actions have been completed and all required documents have been delivered:

(a) Each Investor shall:

(i) pay and deliver the Purchase Price to the Company in U.S. dollars by wire transfer of immediately available funds to the Designated Bank Account as set forth in EXHIBIT J;

(ii) as to the First Closing, deliver to the Company the Warrant with respect to such Investor, executed by a duly authorized officer of such Investor;

(iii) as to the First Closing, deliver to the Company the Investors' Rights Agreement, executed by a duly authorized officer of such Investor;

(iv) as to the First Closing, deliver to the Company the Registration Rights Agreement, executed by a duly authorized officer of such Investor;

(v) as to the First Closing, deliver to the Company the Voting Agreement, executed by a duly authorized officer of such Investor; and

(vi) as to the First Closing, deliver to the Company the Lock-Up Letter executed by a duly authorized officer of such Investor.

(b) The Company shall:

(i) allot and issue to each Investor the Senior Preferred Shares being purchased by such Investor at such Closing, and deliver to each Investor one or more duly executed share certificate(s) representing such Senior Preferred Shares registered in the name of the related Investor (the original copies of which shall be delivered to each Investor as soon as practicable within 10 Business Days following the First Closing Date);

(ii) deliver to each Investor a certified true copy of the register of members of the Company evidencing the Senior Preferred Shares being owned by each Investor at such Closing;

(iii) as to the First Closing, deliver to each Investor a legal opinion of Maples and Calder (Hong Kong) LLP in respect of Cayman laws, in substantially the form attached hereto as EXHIBIT G, dated as of the First Closing Date, executed by such counsel;

(iv) as to the First Closing, deliver to each Investor the Warrant with respect to such Investor, executed by a duly authorized officer of the Company and the Principal Parties;

(v) as to the First Closing, deliver to each Investor the Investors' Rights Agreement, executed by a duly authorized officer of the Company and the Principal Parties;

(vi) as to the First Closing, deliver to each Investor the Registration Rights Agreement, executed by a duly authorized officer of the Company;

(vii) as to the First Closing, deliver to each Investor copies of the Lock-Up Letters, each executed by a duly authorized officer of the Company and the respective Major Shareholder;

(viii) as to the First Closing, deliver to each Investor the Voting Agreement, executed by a duly authorized officer of the Company, the Principal Parties and the Major Noteholders;

(ix) as to the First Closing, deliver to each Investor copies of duly executed documentations referred to in Section 6.12;

(x) deliver to each Investor an incumbency certificate in the form attached hereto as EXHIBIT K;

(xi) deliver to each Investor the certificate referred to in Section 7.03(j);

(xii) as to the First Closing, deliver to each Investor a copy of (i) the resolutions adopted by the Board approving this Agreement and other Transaction Documents and matters relating to the First Closing, and (ii) the Certificate of Designation in effect at the First Closing; and

(xiii) as to the Second Closing, deliver to each Investor a copy of the resolutions adopted by the Board approving matters relating to the Second Closing.

Section 2.06 *Restrictive Legend*. Each certificate representing the Senior Preferred Shares shall be endorsed with the following legend: THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933 (AS AMENDED, THE "**ACT**") OR UNDER THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. THE SECURITIES REPRESENTED BY THIS CERTIFICATE MAY NOT BE TRANSFERRED, SOLD, OFFERED FOR SALE, PLEDGED OR HYPOTHECATED UNLESS SUCH TRANSFER IS EFFECTED (1) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE ACT OR (2) PURSUANT TO ANY AVAILABLE EXEMPTION OR QUALIFICATION UNDER APPLICABLE SECURITIES LAWS. ANY ATTEMPT TO TRANSFER, SELL, PLEDGE OR HYPOTHECATE THE SECURITIES REPRESENTED BY THIS CERTIFICATE IN VIOLATION OF THESE RESTRICTIONS SHALL BE VOID.

ARTICLE III
REPRESENTATIONS AND WARRANTIES OF THE COMPANY

The Company represents and warrants to each Investor that, except as otherwise disclosed in the SEC Documents, as of the date hereof, the First Closing Date, the Second Closing Date (if applicable) and each Warrant Exercise Date (if applicable) (except for the representations and warranties that speak as of a specific date, which shall be made as of such date):

Section 3.01 *Accuracy of Disclosure*. The Company has filed or furnished, as applicable, on a timely basis, all registration statements, proxy statements and other statements, reports, schedules, forms and other documents required to be filed or furnished by it with the SEC (all of the foregoing documents filed with or furnished to the SEC and all exhibits included therein and financial statements, notes and schedules thereto and documents incorporated by reference therein, the "**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 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 statements therein, in the light of the circumstances under which they were made, not misleading. The agreements and documents described in the SEC Documents conform to the descriptions thereof contained therein and there are no agreements or other documents required by the Securities Act and the rules and regulations thereunder to be described in the SEC Documents that have not been so filed. Each agreement or other instrument (however characterized or described) to which the Company is a party or by which it is or may be bound or affected and (i) that is referred to in the SEC Documents, or (ii) is material to the Company's business, has been duly authorized and validly executed by the Company, is in full force and effect in all material respects and is enforceable against the Company and, to the Company's knowledge, the other parties thereto, in accordance with its terms, except (x) as such enforceability may be limited by bankruptcy, insolvency, reorganization or similar laws affecting creditors' rights generally, (y) as enforceability of any indemnification or contribution provision may be limited under the federal and state securities laws, and (z) that the remedy of specific performance and injunctive and other forms of equitable relief may be subject to the equitable defenses and to the discretion of the court before which any proceeding therefore may be brought. Except as described in the SEC Documents, none of such agreements or instruments has been assigned by the Company, and neither the Company nor, to the best of the Company's knowledge, any other party is in default thereunder and, to the best of the Company's knowledge, no event has occurred that, with the lapse of time or the giving of notice, or both, would constitute a default thereunder. Performance by the Company of such agreements or instruments will not result in a material violation of any existing Applicable Law, rule, regulation, judgment, order or decree of any governmental agency or court, domestic or foreign, having jurisdiction over the Company or any of its assets or businesses, including, without limitation, those relating to environmental laws and regulations.

Section 3.02 *Existence and Qualification.*

(a) The Company is an exempted company that is duly organized, 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. The Company is duly qualified to transact business and is in good standing in each jurisdiction in which the conduct of its business or its 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.

(b) The Subsidiaries of the Company and their respective jurisdictions of incorporation are as set forth in the SEC Documents. Each Subsidiary is duly incorporated or otherwise organized, validly existing and in good standing under the laws of its jurisdiction of incorporation or organization, with the requisite corporate power and authority to own, lease, operate and use its properties and assets and to carry on its business as currently conducted and as it is presently proposed to be conducted. Each Subsidiary is duly qualified to transact business and is in good standing in each jurisdiction in which the failure to so qualify or be in good standing could be reasonably expected to result in a Material Adverse Effect.

Section 3.03 *Capitalization; Issuance of Subscription Securities*.

(a) As of the date of this Agreement, the authorized share capital of the Company is $1,000,000 divided into 10,000,000,000 shares comprising of (i) 8,900,000,000 Class A Ordinary Shares, of which 1,078,367,443 Class A Ordinary Shares (excluding the 5,975,887 Class A Ordinary Shares issued to the Company's depositary bank for bulk issuance of ADSs reserved for future issuances upon the exercise or vesting of awards granted under the Company's share incentive plan) were issued and outstanding, (ii) 100,000,000 Class B Ordinary Shares, of which 40,809,861 Class B Ordinary Shares were issued and outstanding, and (iii) 1,000,000,000 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 Company Securities 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, right of first refusal, right of participation or similar rights to subscribe for or purchase securities.

(b) Upon adoption of the Certificate of Designation by the Board and immediately prior to the First Closing, the authorized share capital of the Company is $1,000,000 divided into 10,000,000,000 shares comprising of (i) 8,900,000,000 Class A Ordinary Shares, of which 1,078,367,443 Class A Ordinary Shares (excluding the 5,975,887 Class A Ordinary Shares issued to the Company's depositary bank for bulk issuance of ADSs reserved for future issuances upon the exercise or vesting of awards granted under the Company's share incentive plan) were issued and outstanding, (ii) 100,000,000 Class B Ordinary Shares, of which 40,809,861 Class B Ordinary Shares were issued and outstanding, and (iii) 1,000,000,000 Senior Preferred Shares. The Senior Preferred Shares issuable upon the Second Closing and the exercise of the Warrants shall be duly and validly reserved for issuance. The Conversion Shares issuable upon conversion of (i)

the Senior Preferred Shares to be issued or issuable at the First Closing and the Second Closing and (ii) the Warrant Shares shall be duly and validly reserved for issuance.

(c) When issued in compliance with the provisions of this Agreement and the Warrants (as applicable) and the Memorandum and Articles, the Senior Preferred Shares will be (i) validly issued, fully paid and non-assessable, (ii) issued in compliance with the applicable registration and qualification requirements of Applicable Laws, and (iii) will be free from all rights of first refusal, preemptive or similar rights, Taxes and Encumbrances; provided, however, that the Senior Preferred Shares may be subject to restrictions on transfer under the applicable securities laws. 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.

(d) The Subscription Securities and the Warrant Shares have been or will be duly authorized and, when issued and delivered in accordance with the terms of this Agreement and the Warrants (as applicable), will be validly issued, fully paid, non-assessable, and free and clear of any Encumbrance and restrictions on transfer (except for restrictions on transfer arising under applicable securities laws or created by virtue of this Agreement). The issuance of the Subscription Securities and the Warrant Shares will not be subject to any preemptive, right of first refusal, right of participation or similar rights. Upon entry of each Investor in the register of members of the Company as the legal owner of the Subscription Securities and the Warrant Shares , the Company will transfer to each Investor good and valid title to the Subscription Securities and the Warrant Shares, free and clear of any Encumbrances.

(e) Except as set forth in SEC Documents, there are no outstanding options, warrants, scrip rights to subscribe to, calls or commitments of any character whatsoever relating to, or securities, rights or obligations convertible into or exercisable or exchangeable for, or giving any Person any right to subscribe for or acquire, any Company Securities, or contracts, commitments, understandings or arrangements by which the Company or any Subsidiary is or may become bound to issue additional Company Securities. Except as set out in the SEC Documents, there are no obligations (whether outstanding or authorized) of the Company or any Subsidiary requiring the repurchase of any Company Securities.

(f) The offers and sales of Company Securities were at all relevant times either registered under the Securities Act and the applicable state securities or Blue Sky laws or, based in part on the representations and warranties of the Investors, exempt from such registration requirements. Except as set forth in the SEC Documents, there are no shareholders' agreements, voting agreements or other similar agreements with respect to the Company Securities to which the Company is a party or, to the knowledge of the Company, between or among any of the holders of Company Securities.

(g) The Company owns, directly or indirectly, all of the issued and outstanding capital stock or other equity interests of each Subsidiary (except for any Subsidiary which is a variable interest entity over which the Company or any of its Subsidiaries effects control pursuant to contractual arrangements) free and clear of any Encumbrances, and all of the issued and outstanding shares of capital stock or other equity interests of each Subsidiary are validly

issued and are fully paid and non-assessable. There are no outstanding options, warrants, rights (including conversion and rights of first refusal and similar rights) to subscribe to, calls, or commitments of any character whatsoever relating to securities, rights or obligations convertible into or exchangeable for, or giving any Person any right to subscribe for or acquire any shares of capital stock of any Subsidiary, or contracts, commitments, understandings, or arrangements by which each Subsidiary is or may become bound to issue additional shares of capital stock of each Subsidiary, or securities or rights convertible or exchangeable into shares of capital stock of each Subsidiary.

(h) The Company is not, and has never been, an issuer of the type described in paragraph (i) of Rule 144.

Section 3.04 *Capacity, Authorization and Enforceability.* The Company has the requisite power and authority to enter into and perform its obligations under this Agreement and the Transaction Documents and to consummate the transactions contemplated hereby and thereby. This Agreement and the Transaction Documents have been duly authorized, executed and delivered by the Company, and assuming the due authorization, execution and delivery by each of the other Parties, this Agreement and the Transaction Documents are valid and binding agreements of the Company, enforceable in accordance with their terms, subject to applicable bankruptcy, insolvency or similar laws affecting creditors' rights generally and general principles of equity. Without limiting the generality of the foregoing, as of the First Closing and the Second Closing, no approval by the shareholders of the Company is required in connection with this Agreement or other Transaction Documents, the performance by the Company of its obligations hereunder or thereunder, or the consummation by the Company of the transactions contemplated hereby or thereby, except for those that have been obtained, waived or exempted on or prior to such First Closing and Second Closing.

Section 3.05 *Non-Contravention.* Neither the execution, delivery and performance of this Agreement, nor the consummation of the transactions contemplated hereby, will (i) violate any provision of the Memorandum and Articles 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 government, Governmental Entity or court to which the Company is subject (including federal and state securities laws and regulations of any self-regulatory organization to which the Company or its securities are subject, including all Trading Markets), 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 is a party or by which the Company is bound or to which the Company's assets are subject, except in the case of clauses (ii) and (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.

Section 3.06 *Consents and Approvals.* Assuming the accuracy of the representations and warranties of the Investors 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 applicable Closing and those filings required to be made with the SEC and Nasdaq (including, without limitation, a Form 6-K).

Section 3.07 *Financial Statements.*

(a) The financial statements (including any related notes) contained in the SEC Documents, the unaudited consolidated financial statements ended as of December 31, 2020 and the summary of liabilities as of March 31, 2021 prepared by the Company and provided to Investors: (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 U.S. 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, cash flows and changes in shareholders' equity of the Company and its Subsidiaries for the periods covered thereby, except as disclosed therein and permitted under the Exchange Act.

(b) Except as disclosed in the SEC Documents, the Company has established and maintained a system of internal control over financial reporting (as defined in Rule 13a-15 or 15d-15, as applicable, under the Exchange Act) sufficient to provide reasonable assurance regarding the reliability of financial reporting, including policies and procedures that (A) mandate the maintenance of records that in reasonable detail accurately and fairly reflect the material transactions and dispositions of the assets of the Company, (B) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with U.S. GAAP, and that receipts and expenditures of the Company are being made only in accordance with appropriate authorizations of the Board and management of the Company and (C) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the assets of the Company. Except as disclosed in the SEC Documents, there are no material weaknesses or significant deficiencies in the Company's internal controls. The Company's auditors and the audit committee of the Board have not been advised of any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal controls over financial reporting. Since December 31, 2020, there has been no change in the Company's internal control over financial reporting that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

(c) The "disclosure controls and procedures" (as defined in Rules 13a-15(e) or 15d-15(e), as applicable, under the Exchange Act) of the Company are designed to ensure that all material information required to be disclosed by the Company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the management of the Company as appropriate to allow timely decisions regarding required disclosure.

(d) Neither the Company nor any of its Subsidiaries is a party to, nor has any commitment to become a party to, any joint venture, off-balance sheet partnership or any

similar contract, agreement, arrangement or undertaking (including any contract, agreement, arrangement or undertaking relating to any transaction or relationship between or among one or more of the Company and/or any of its Subsidiaries, on the one hand, and any unconsolidated affiliate, including any structured finance, special purpose or limited purpose entity or Person, on the other hand), or any "off-balance sheet arrangements" (as defined in Item 303(a) of Regulation S-K promulgated by the SEC), where the result, purpose or intended effect of such contract, agreement, arrangement or undertaking is to avoid disclosure of any material transaction involving, or material liabilities of, the Company or any of its Subsidiaries in the Company's or such Subsidiary's published financial statements or other SEC Documents.

Section 3.08 *Absence Of Certain Changes.* Since the date of the latest audited financial statements included within the SEC Documents, except as specifically disclosed in a subsequent SEC Document, (i) there has been no event, occurrence, development or state of circumstances that could reasonably be expected to, either individually or in the aggregate, result in a Material Adverse Effect; (ii) the Company has not incurred any liabilities (contingent or otherwise) other than (A) trade payables and accrued expenses incurred in the ordinary course of business consistent with past practice and (B) liabilities not required to be reflected in the Company's financial statements pursuant to U.S. GAAP or disclosed in filings made with the Commission, (iii) the Company has not altered its method of accounting or the manner in which it keeps its accounting books and records other than as required by U.S. GAAP, (iv) the Company has not declared or made any dividend or distribution of cash or other property to its shareholders or purchased, redeemed or made any agreements to purchase or redeem any shares of its capital stock, (v) the Company has not issued any equity securities to any officer, director or Affiliate, except pursuant to existing Company stock option plans and (vi) no officer or director of the Company has resigned from any position with the Company. The Company does not have pending before the SEC any request for confidential treatment of information. Except for the issuance of the Subscription Securities contemplated by this Agreement, no event, liability, fact, circumstance, occurrence or development has occurred or exists or is reasonably expected to occur or exist with respect to the Company or its Subsidiaries or their respective businesses, prospects, properties, operations, assets or financial condition that would be required to be disclosed by the Company under applicable securities laws at the time this representation is made or deemed made that has not been publicly disclosed at least one Trading Day prior to the date that this representation is made. Unless otherwise disclosed in an SEC Document filed prior to the date hereof, the Company has not: (i) issued any securities or incurred any liability or obligation, direct or contingent, for borrowed money; or (ii) declared or paid any dividend or made any other distribution on or in respect to its capital stock.

Section 3.09 *Litigation.* Except as disclosed in the SEC Documents, there are no Actions by or against the Company or its Subsidiaries or affecting the business or any of the assets of the Company or its Subsidiaries pending before any Governmental Entity, or, to the Company's knowledge, threatened to be brought by or before any Governmental Entity that (i) adversely affects or challenges the legality, validity or enforceability of the transactions contemplated by this Agreement or the Company Securities; or (ii) if adversely determined, would reasonably be expected to result in a Material Adverse Effect. Except as disclosed in the SEC documents, neither the Company, any Subsidiary, nor, to the Company's knowledge, any of their respective officers, directors or any of its employees is a party or is named as subject to the provisions of any Action involving a claim of violation of or liability under federal or state securities laws or a claim of

breach of fiduciary duty. There has not been, and to the knowledge of the Company, there is not pending or contemplated, any investigation by the SEC involving the Company or, to the knowledge of the Company, any current or former director or officer of the Company relating to the Company or its business. The SEC has not issued any stop order or other order suspending the effectiveness of any registration statement filed by the Company or any Subsidiary under the Exchange Act or the Securities Act. There is no Action by the Company or any Subsidiary pending or which the Company or any Subsidiary intends to initiate, which if adversely determined, could reasonably be expected to have a Material Adverse Effect. The foregoing includes, without limitation, Actions pending or threatened in writing (or any basis therefor known to the Company) involving the prior employment of any of the Company's employees, their services provided in connection with the Company's business, any information or techniques allegedly proprietary to any of their former employers or their obligations under any agreements with prior employers.

Section 3.10 *Compliance With Laws.*

(a) Except as disclosed in the SEC Documents, the Company or its Subsidiaries is and has been since January 1, 2015, in compliance with all Applicable Laws of any Governmental Entity in all material respects. Since January 1, 2015, except as set forth in the SEC Documents, neither the Company nor any Subsidiary (i) is or has been in default under or in violation of (and no event has occurred that has not been waived that, with notice or lapse of time or both, would result in a default), nor has the Company or any Subsidiary received notice of a claim that it is in default under or is in violation of any indenture, loan or credit agreement or any other agreement or instrument to which it is a party or by which it or any of its properties is bound (whether or not such default or violation has been waived), (ii) is or has been in violation of any order of any court, arbitrator or any Governmental Entity, or (iii) is or has been in violation of any Applicable Law of any Governmental Entity, including, without limitation, all Applicable Laws relating to taxes, environmental protection, occupational health and safety, and employment and labor matters, anti-bribery and anti-money laundering, in each case in any material respects.

(b) Except as disclosed in the SEC Documents, the Company and each of its Subsidiaries have all permits, licenses, authorizations, consents, orders and approvals (collectively, "**Permits**"), and have made all filings, applications and registrations with, any Governmental Authority that are required in order to carry on their business as presently conducted in all material respects. Except as disclosed in the SEC Documents, all such Permits are in full force and effect in all material respects and, to the knowledge of the Company, no suspension or cancellation of any of them is threatened, and all such filings, applications and registrations are current.

(c) The Company is not in violation of any listing requirements of the Nasdaq and has no knowledge of any facts that would reasonably be expected to lead to delisting or suspension of its ADSs from the Nasdaq in the foreseeable future.

Section 3.11 *No Securities Act Registration.* Assuming the accuracy of the representations of the Investors contained in Sections 4.06 and 4.07, it is not necessary in connection with the issuance and sale to the Investors of the Subscription Securities to register the Subscription Securities under the Securities Act or to qualify or register the Subscription Securities under applicable U.S. state securities laws.

Section 3.12 *Tax.*

(a) All Tax returns, Tax reports, information returns, declarations of estimated Tax and other declarations and statements with respect to Taxes (collectively, "**Tax Returns**") required to have been filed by or with respect to the Company and each Subsidiary have been timely filed (taking into account any extensions) and all such Tax Returns are complete and accurate and disclose all Taxes required to be paid by or with respect to the Company and each Subsidiary for the periods covered thereby, except for Tax Returns the failure of which to file would not have a Material Adverse Effect. All Taxes (whether or not shown on any Tax Return) for which the Company or any Subsidiary may be liable have been timely paid, except for Taxes the failure of which to pay would not have a Material Adverse Effect. The Company and each Subsidiary have set aside on its books provision reasonably adequate for the payment of all material Taxes for periods subsequent to the periods to which such Tax Returns apply.

(b) Except where such unpaid Tax would not have a Material Adverse Effect, there are no unpaid Taxes claimed to be due by the Taxing authority of any jurisdiction, and the officers of the Company and each Subsidiary know of no basis for any such claim. The provisions for Taxes payable, if any, shown on the financial statements filed with the SEC Documents are sufficient for all accrued and unpaid Taxes, whether or not disputed, and for all periods to and including the dates of such financial statements.

(c) Neither the Company nor any Subsidiary is a party to any claim, dispute, audit, pending Action or proceeding, nor is any such claim, dispute, Action or proceeding threatened by any Taxing authority, for the assessment or collection of any Taxes and no claim for the assessment or collection of any Taxes has been asserted against the Company or any Subsidiary that has not been settled with all amounts due having been paid.

(d) No lien with respect to Taxes has been filed and no deficiency or addition to Taxes, interest or penalties for any Taxes with respect to any income, properties or operations of the Company or any Subsidiary has been proposed, asserted or assessed against the Company or any Subsidiary.

(e) The Company and each Subsidiary has complied in all material respects with all Applicable Laws relating to the payment and withholding of Taxes, including sales and use Taxes, and has withheld and paid over all amounts required by Applicable Laws to be withheld and paid from the wages or salaries of employees, and neither the Company nor any Subsidiary is liable for any Taxes for failure to comply with such Applicable Laws.

(f) No claim, or notice of claim, has ever been made by an authority in a jurisdiction where the Company or a Subsidiary does not file Tax Returns that the Company or such Subsidiary is or may be subject to taxation by that jurisdiction.

(g) Neither the Company nor any Subsidiary has been a member of an affiliated group of corporations within the meaning of Section 1504(a) of the Code filing a combined federal income Tax return (or any similar provision of non-U.S., state or local Law) nor does the Company or any Subsidiary of the Company have any liability for Taxes of any other Person under Treasury Regulations § 1.1502-6 (or any similar provision of non-U.S., state or local

Law) or otherwise, other than the consolidated group of which the Company is currently the parent corporation.

(h) Neither the Company nor any Subsidiary has engaged in any transaction that could give rise to a disclosure obligation as a "reportable transaction" under Section 6011 of the Code and Treasury Regulations promulgated thereunder (or any similar provision of non-U.S., state or local Law).

(i) The Company is, and has at all times been, classified as a corporation for U.S. federal income tax purposes.

Section 3.13 *No Brokers*. Neither the Company nor any of its Subsidiaries or Affiliates is a party to any agreement, arrangement or understanding with any Person that would give rise to any valid right, interest or claim against or upon the Investors or the Company for any brokerage commission, finder's fee, placement fee or other similar compensation, as a result of the transactions contemplated by the Transaction Documents.

Section 3.14 *Intellectual Property*. Except as disclosed in the SEC Documents, all registered or unregistered, (i) patents, patentable inventions and other patent rights (including any divisions, continuations, continuations-in-part, reissues, reexaminations and interferences thereof); (ii) trademarks, service marks, trade dress, trade names, taglines, brand names, logos and corporate names and all goodwill related thereto; (ii) copyrights, mask works and designs; (iv) trade secrets, know-how, inventions, processes, procedures, databases, confidential business information and other proprietary information and rights; (v) computer software programs, including all source code, object code, specifications, designs and documentation related thereto; and (vi) domain names, Internet addresses and other computer identifiers, in each case that is material and is used in the operation of the business of the Company or any of its Subsidiaries (the "**Intellectual Property**") is either (a) owned by the Company or one or more of its Subsidiaries or (b) is used by the Company or one or more of its Subsidiaries pursuant to a valid license. To the knowledge of the Company, there are no infringements or other violations of any Intellectual Property owned by the Company or any of its Subsidiaries by any third party, except for such infringements and violations which would not have a Material Adverse Effect. The Company and its Subsidiaries have taken all necessary actions to maintain and protect each item of Intellectual Property, the absence of which will have a Material Adverse Effect. The conduct of the business of the Company and its Subsidiaries does not infringe or otherwise violate any intellectual property or other proprietary rights of any other person, and there is no Action pending or threatened alleging any such infringement or violation or challenging the Company's or any of its Subsidiaries' rights in or to any Intellectual Property, except for such infringements and violations which would not have a Material Adverse Effect.

Section 3.15 *Title to Property*. Neither the Company nor any Subsidiary owns any real property. Each of the Company and the Subsidiaries has good and marketable title to all personal properties and assets (whether tangible or intangible) owned by each of them that is material to its respective business, in each case free and clear of all Encumbrances, except for Encumbrances that do not materially affect the value of such property and do not interfere with the use made and proposed to be made of such property by the Company or the Subsidiaries. Any real property and facilities held under lease by the Company and the Subsidiaries is held under

valid, subsisting and enforceable leases with such exceptions as are not material and do not interfere with the use made and proposed to be made of such property and buildings by the Company or the Subsidiaries, as the case may be. The Designated Bank Account is free and clear of all Encumbrances, except for Encumbrances as set forth in Section 6.07(b) of this Agreement.

Section 3.16 *Labor Relations*. No labor disturbance by or dispute with the employees of the Company or its Subsidiaries exists or, to the knowledge of the Company, is contemplated or threatened, and the Company is not aware of any existing or imminent labor disturbance by, or dispute with, any of the employees of the Company or its Subsidiaries, except for such disturbance or disputes which would not have a Material Adverse Effect. None of the Company's or its Subsidiaries' employees is a member of a union that relates to such employee's relationship with the Company or such Subsidiary, and neither the Company nor any of its Subsidiaries is a party to a collective bargaining agreement, and the Company and its Subsidiaries believe that their relationships with their employees are good. To the knowledge of the Company, no executive officer of the Company or any Subsidiary, is, or is now expected to be, in violation of any material term of any employment contract, confidentiality, disclosure or proprietary information agreement or non-competition agreement, or any other contract or agreement or any restrictive covenant in favor of any third party, and the continued employment of each such executive officer does not subject the Company or any of its Subsidiaries to any liability with respect to any of the foregoing matters. The Company and its Subsidiaries are in material compliance with all U.S. federal, state, local and foreign laws and regulations relating to employment and employment practices, terms and conditions of employment and wages and hours.

Section 3.17 *Transactions with Affiliates and Employees*. Except as set forth in the SEC Documents, none of the officers or directors of the Company or any Subsidiary and, to the knowledge of the Company, none of the employees of the Company or any Subsidiary is presently a party to any transaction with the Company or any Subsidiary (other than for services as employees, officers and directors), including any contract, agreement or other arrangement providing for the furnishing of services to or by, providing for rental of real or personal property to or from, providing for the borrowing of money from or lending of money to or otherwise requiring payments to or from, any officer, director or such employee or, to the knowledge of the Company, any entity in which any officer, director, or any such employee has a substantial interest or is an officer, director, trustee, shareholder, member or partner, in each case in excess of $100,000 other than for (i) payment of salary or consulting fees for services rendered; (ii) reimbursement for expenses incurred on behalf of the Company; and (iii) other employee benefits, including stock option agreements under any stock option plan of the Company.

Section 3.18 *Investment Company*. The Company is not, and is not an Affiliate of, and immediately after receipt of payment for the Subscription Securities will not be or be an Affiliate of, an "investment company" within the meaning of the Investment Company Act of 1940, as amended. The Company shall conduct its business in a manner so that it will not become an "investment company" subject to registration under the Investment Company Act of 1940, as amended.

Section 3.19 *Registration Rights*. No Person has any right to cause the Company or any Subsidiary to effect the registration under the Securities Act of any securities of the Company or any Subsidiary, except for Persons identified in SCHEDULE II hereto (each an

"**Existing Registration Rights Holder**"). As of the date hereof, neither the execution, delivery and performance of the Registration Rights Agreement (if entered into in the form set forth in EXHIBIT C hereto), nor the consummation of the transactions contemplated thereby, will violate any provision of any registration rights agreement between the Company or its Affiliates and any Existing Registration Rights Holder.

Section 3.20 *Listing and Maintenance Requirements*. The Ordinary Shares are registered pursuant to Section 12(b) of the Exchange Act, and the Company has taken no action designed to, or which to its knowledge is likely to have the effect of, terminating the registration of the Ordinary Shares under the Exchange Act nor has the Company received any notification that the SEC is contemplating terminating such registration. Except as set forth in the SEC Documents, the Company has not, since January 1, 2017, received notice from any Trading Market on which the ADSs representing the Ordinary Shares are or have been listed or quoted to the effect that the Company is not in compliance with the listing or maintenance requirements of such Trading Market. The Company is and has no reason to believe that it will not in the foreseeable future continue to be, in compliance with all such listing and maintenance requirements. The issuance by the Company of the Subscription Securities shall not have the effect of delisting or suspending the ADSs representing the Ordinary Shares from any Trading Market.

Section 3.21 *Disclosure*. The press releases disseminated by the Company during the twelve (12) months preceding the date of this Agreement taken as a whole do not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made and when made, not misleading. The Company acknowledges and agrees that no Investor makes or has made any representations or warranties with respect to the transactions contemplated hereby other than those set forth in this Agreement.

Section 3.22 *No Integrated Offering*. Neither the Company, nor any of its Affiliates, nor any Person acting on its or their behalf has, directly or indirectly, made any offers or sales of any security or solicited any offers to buy any security, under circumstances that would: (i) eliminate the availability of the exemption from registration under the Securities Act in connection with the offer and sale by the Company of the Subscription Securities as contemplated hereby; or (ii) cause the offer and sale of the Subscription Securities pursuant to this Agreement to be integrated with prior offerings by the Company for purposes of any Applicable Law, regulation or shareholder approval provisions, including, without limitation, under the rules and regulations of any Trading Market on which any of the securities of the Company are listed or designated.

Section 3.23 *Solvency*. Both before and immediately after giving effect to the transactions contemplated by this Agreement and other Transaction Documents, the Company will have adequate capital and liquidity with which to engage in the their businesses as currently conducted and as described in the SEC Documents.

Section 3.24 *Foreign Corrupt Practices*. Neither the Company nor any Subsidiary nor any of the Company's directors, officers, employees or agents have, directly or indirectly, made, offered, promised or authorized any payment or gift of any money or anything of value to or for the benefit of any "foreign official" (as such term is defined in the FCPA), foreign

political party or official thereof or candidate for foreign political office for the purpose of (i) influencing any official act or decision of such official, party or candidate; (ii) inducing such official, party or candidate to use his, her or its influence to affect any act or decision of a foreign Governmental Entity; or (iii) securing any improper advantage, in the case of (i), (ii) and (iii) above in order to assist the Company or any of its Affiliates in obtaining or retaining business for or with, or directing business to, any person. Neither the Company nor any of its current directors, officers, employees or agents have made or authorized any bribe, rebate, payoff, influence payment, kickback or other unlawful payment of funds or received or retained any funds in violation of any law, rule or regulation. The Company further represents that it has maintained and has caused each of its Subsidiaries and Affiliates to maintain, systems of internal controls (including, but not limited to, accounting systems, purchasing systems and billing systems) to ensure compliance with the FCPA or any other applicable anti-bribery or anti-corruption law. Neither the Company, or, to the Company's knowledge, any of its officers, directors or employees are the subject of any allegation, voluntary disclosure, investigation, prosecution or other enforcement action related to the FCPA or any other anti-corruption law.

Section 3.25 *Office of Foreign Assets Control*. Neither the Company nor any Subsidiary nor, to the Company's knowledge, any director, officer, agent, employee or affiliate of the Company or any Subsidiary is currently subject to any U.S. sanctions administered by the Office of Foreign Assets Control of the U.S. Treasury Department.

Section 3.26 *Money Laundering*. The operations of the Company and its Subsidiaries are and have been conducted at all times in compliance with applicable financial record-keeping and reporting requirements of the Currency and Foreign Transactions Reporting Act of 1970, as amended, applicable money laundering statutes and applicable rules and regulations thereunder (collectively, the "**Money Laundering Laws**"), and no Action, suit or proceeding by or before any court or governmental agency, authority or body or any arbitrator involving the Company or any Subsidiary with respect to the Money Laundering Laws is pending or, to the knowledge of the Company or any Subsidiary, threatened.

Section 3.27 *Data Privacy*. In connection with its collection, storage, transfer (including, without limitation, any transfer across national borders) and/or use of any personally identifiable information from any individuals, including, without limitation, any customers, prospective customers, employees and/or other third parties (collectively **"Personal Information"**), the Company is and has been in compliance with all Applicable Laws in all relevant jurisdictions, the Company's privacy policies and the requirements of any contract or codes of conduct to which the Company is a party. The Company has commercially reasonable physical, technical, organizational and administrative security measures and policies in place to protect all Personal Information collected by it or on its behalf from and against unauthorized access, use and/or disclosure. The Company is and has been in compliance in all material respects with all Laws relating to data loss, theft and breach of security notification obligations.

Section 3.28 *Acknowledgement Regarding Investor's Purchase of Subscription Securities*. The Company acknowledges and agrees that each Investor is acting solely in the capacity of an arm's length investor with respect to this Agreement and the transactions contemplated hereby. The Company further acknowledges that each Investor is not acting as a financial advisor or fiduciary of the Company (or in any similar capacity) with respect to this

Agreement and the transactions contemplated hereby and any advice given by each Investor or any of its representatives or agents in connection with this Agreement and the transactions contemplated hereby is merely incidental to each Investor's purchase of the Subscription Securities. The Company further represents to each Investor that the Company's decision to enter into this Agreement has been based solely on the independent evaluation of the transactions contemplated hereby by the Company and its representatives.

Section 3.29 *Acknowledgement Regarding Investor's Trading Activity*. Notwithstanding anything in this Agreement or elsewhere herein to the contrary, it is understood and acknowledged by the Company that: (i) as of the date of this Agreement, each Investor has not been asked by the Company to agree, nor has each Investor agreed, to desist from purchasing or selling, long and/or short, securities of the Company, or "derivative" securities based on securities issued by the Company or to hold the Subscription Securities for any specified term; (ii) past or future open market or other transactions by each Investor, specifically including, without limitation, Short Sales or "derivative" transactions, before or after the closing of this or future private placement transactions, may negatively impact the market price of the Company's publicly-traded securities; (iii) each Investor, and counter-parties in "derivative" transactions to which such Investor is a party, directly or indirectly, presently may have a "short" position in the Ordinary Shares: and (iv) each Investor shall not be deemed to have any affiliation with or control over any arm's length counter-party in any "derivative" transaction. The Company further understands and acknowledges that (y) each Investor may engage in hedging activities at various times during the period that the Subscription Securities, the Warrant Shares, the Conversion Shares or corresponding ADSs are outstanding in compliance with Applicable Laws, and (z) such hedging activities (if any) could reduce the value of the existing shareholders' equity interests in the Company at and after the time that the hedging activities as conducted in compliance with Applicable Laws, are being conducted. The Company acknowledges that such aforementioned hedging activities do not constitute a breach of this Agreement.

ARTICLE IV
REPRESENTATIONS AND WARRANTIES OF THE INVESTORS

Each Investor severally but not jointly represents and warrants, with respect to itself, to the Company that, as of the date hereof, the First Closing Date, the Second Closing Date (if applicable) and each Warrant Exercise Date (if applicable) (except for the representations and warranties that speak as of a specific date, which shall be made as of such date):

Section 4.01 *Existence.* Such Investor has been duly organized, is validly existing and is in good standing under the laws of its jurisdiction of organization.

Section 4.02 *Capacity.* Such Investor has the requisite power and authority to enter into and perform its respective obligations under this Agreement and consummate the transactions contemplated hereby.

Section 4.03 *Authorization And Enforceability.* This Agreement has been duly authorized, executed and delivered by such Investor, and assuming the due authorization, execution and delivery by each of the other Parties, this Agreement is a valid and binding agreement of such Investor, enforceable in accordance with its terms, subject to applicable

bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally and general principles of equity.

Section 4.04 *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 or other constitutional documents of such Investor; (ii) violate any constitution, statute, regulation, rule, injunction, judgment, order, decree, ruling, charge, or other restriction of any government, Governmental Entity or court to which such Investor 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 such Investor is a party or by which such Investor is bound or to which any assets of such Investor 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 such Investor, threatened against such Investor that questions the validity of this Agreement or the right of such Investor to enter into this Agreement to consummate the transactions contemplated hereby.

Section 4.05 *Consents and Approvals.* Neither the execution and delivery by such Investor of this Agreement, nor the consummation by such Investor of any of the transactions contemplated hereby, nor the performance by such Investor 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 applicable Closing.

Section 4.06 *Securities Law Matters*.

(a) Such Investor is acquiring the Subscription Securities for its own account without violation of applicable securities laws, provided, that, this representation and warranty does not obligate such Investor to hold any of the Subscription Securities for any minimum or other specific term, nor limit such Investor's right to sell the Subscription Securities pursuant to an effective registration statement under the Securities Act or otherwise in compliance with applicable federal and state securities laws.

(b) Such Investor acknowledges that the Subscription Securities are "restricted securities" within the meaning of Rule 144 under the Securities Act, and have not been registered under the Securities Act or any applicable state securities law, and any certificate representing the Subscription Securities shall be endorsed with the restrictive legend set forth in Section 2.06 of this Agreement. Such Investor further acknowledges that, absent an effective registration under the Securities Act, the Subscription Securities may only be offered, sold or otherwise transferred in compliance with Applicable Laws.

Section 4.07 *Investment Experience.* Such Investor is a sophisticated investor with knowledge and experience in financial and business matters such that each Investor is capable of evaluating the merits and risks of the investment in the Subscription Securities. Such Investor is able to bear the economic risks of an investment in the Subscription Securities.

Section 4.08 *Availability of Funds.* Such Investor will have at the First Closing cash available in an amount adequate to pay the Purchase Price payable by it at the First Closing pursuant to this Agreement.

Section 4.09 *No Additional Representations; Non-reliance.* Such Investor acknowledges and agrees that, except as expressly set forth in Article III, no Person is making or has made any other written or oral representation or warranty, express or implied, of any nature whatsoever, with respect to the Company or its Subsidiaries or the transactions contemplated hereby, and the *such Investor* disclaims that it is relying on or has relied on any such representation or warranty as an inducement to enter into this Agreement or otherwise.

ARTICLE V
COVENANTS

Section 5.01 *Furnishing of Information*. Until the time that the Investor no longer owns any of the Subscription Securities, Warrant Shares, Conversion Shares or corresponding ADSs purchased hereunder, the Company covenants to timely file (or obtain extensions in respect thereof and file within the applicable grace period) all reports required to be filed by the Company after the date hereof pursuant to the Exchange Act even if the Company is not then subject to the reporting requirements of the Exchange Act.

Section 5.02 *Reservation of Shares*. As of the date hereof, the Company has reserved and the Company shall continue to reserve and keep available at all times until Closing, free of preemptive rights, a sufficient number of shares for designating as Senior Preferred Shares for the purpose of enabling the Company to issue the Senior Preferred Shares pursuant to this Agreement.

Section 5.03 *Most Favored Investor.* The Company hereby acknowledges that it has not granted or made and will not grant or make available to any existing or future holders of equity interest, any rights, privileges, protections, waivers, exemptions, consents, terms or conditions that are more favorable than those granted or made available to the Investors under the Transaction Documents in any respect. Without prejudice to the foregoing, if the Company grants or makes available to, whether prior to, on or after the date hereof, any other existing or future holders of equity interest, any rights, privileges, protections, waivers, exemptions, consents, terms or conditions more favorable than those granted or made available to the Investors under the Transaction Documents, then each Investor shall be automatically entitled to such more favorable rights, privileges, protections, waivers, exemptions, consents, terms or conditions, as applicable, and shall have the right to require the Company to amend and restate the applicable Transaction Documents to reflect such more favorable rights, privileges, protections, waivers, exemptions, consents, terms or conditions, as applicable.

Section 5.04 *Form 20-F Filing*. The Company hereby undertakes that it will disclose in its annual report for its fiscal year ended March 31, 2021 with the SEC on Form 20-F that it is not following Nasdaq's 20% rule. The disclosure should also indicate that the Company is instead following its home country practice and describe such home country practice.

ARTICLE VI
ADDITIONAL AGREEMENTS

Section 6.01 *Efforts; Further Assurances.* Subject to the terms and conditions of this Agreement, the Parties will use their commercially reasonable efforts to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary or desirable under Applicable Laws to consummate the transactions contemplated by this Agreement, provided, however, that notwithstanding anything to the contrary, each Investor shall not be required to provide any non-public information with respect to itself or its Affiliates.

Section 6.02 *Antitrust Filing.* In furtherance and not in limitation of the foregoing, as promptly as practicable following the date of this Agreement, the Parties shall make all filings (or if required by any Antitrust Authority, a draft of such filing) required under any Antitrust Law (the "**Antitrust Filing**"), to the extent the transaction contemplated under this Agreement and other Transaction Documents is required to complete such Antitrust Filing under Applicable Laws. In such case, the Company and the Investors shall: (i) cooperate fully with each other and shall furnish to the other such necessary information and reasonable assistance as the other may reasonably request in connection with its preparation of any filings required under any Antitrust Law; (ii) keep the other Party reasonably informed of any communication received by such Party from, or given by such Party to any Antitrust Authority, and of any communication received or given in connection with any proceeding by a private party regarding the transaction contemplated hereunder; and (iii) to the extent permitted by Applicable Law and consistent with such Party's obligations under the Applicable Law, permit the other Party to review and incorporate the other Party's reasonable comments in any communication given by it to any Antitrust Authority or in connection with any proceeding by a private party related to Antitrust Laws; provided, however, that the Investors shall be responsible for the final content of any substantive written or oral communication with any Antitrust Authority other than any Investor communication that is compelled by Applicable Law.

Section 6.03 *Public Announcements.*

(a) The Company shall (a) prior to the start of the Trading Day immediately following the date hereof issue a press release in form and substance reasonably acceptable to each Investor disclosing the material terms of the transactions contemplated hereby (but not disclosing the identity of the Investors unless the Investors' prior written consent has been obtained); and (b) file a Current Report on Form 6-K in the form required by the Exchange Act and attaching the material Transaction Documents as exhibits thereto, with the SEC within the time required by the Exchange Act. The Company shall obtain prior written approval of each Investor and consider in good faith any comments each Investor may have on, the filling of Form 6-K or any press release related thereto.

(b) Without limiting the generality of the foregoing, from and after the date of this Agreement until the date on which the Investors cease to hold any Subscription Securities, the Company shall not, directly or indirectly, issue any press release or make any filing with the SEC, in each case, to the extent such press release or filing identifies the Investors or the transactions contemplated by this Agreement, unless the Company first consults with the Investors, and considers in good faith any comments that the Investors may have on, such materials; provided,

that the Company may make any subsequent press release or filings with the SEC that are substantially consistent in form with any such materials previously approved by the Investors in the manner provided for in this Section 6.03 without being required to first consult the Investors as otherwise required in this Section 6.03. Notwithstanding anything to the contrary herein, the Company shall not issue any press release or otherwise make any public statement that identifies the Investors without the Investors' prior written consent; provided that, for the avoidance of doubt the Company shall be permitted to (i) identify each Investor in any filing required to be made with the SEC but only to the extent that the identification of the Investors is expressly required, and subject to the consultation rights and right to comment contained in the immediately preceding sentence; and (ii) solely to the extent required by applicable securities laws, identify the Investors in the Company's annual report on Form 20-F in Item 7.A. (Major Shareholders) or in Item 19 (Exhibits) to the extent that the Investors' name are mentioned in Exhibits that have been included in such Form 20-F, without consultation with or seeking prior consent from the Investors.

Section 6.04 *Survival*.

(a) The Fundamental Company Representations and the Fundamental Investor Representations shall survive indefinitely or until the latest date permitted by law.

(b) The Tax Representations shall survive the First Closing until the expiration of seven (7) years from the First Closing (and, if the Second Closing occurs, from the Second Closing).

(c) All representations and warranties contained in this Agreement other than the Fundamental Company Representations and the Fundamental Investor Representations and Tax Representations shall survive the First Closing until the expiration of twenty-four (24) months from the First Closing (and, if the Second Closing occurs, from the Second Closing).

(d) Notwithstanding the foregoing sub-clauses (a) and (b), any breach of any representation, warranty, covenant or agreement in respect of which indemnity may be sought under this Agreement shall survive the time at which it would otherwise terminate pursuant to the sub-clause (a) and (b) above, if notice of the inaccuracy or breach thereof giving rise to such right of indemnity shall have been given to the party against whom such indemnity may be sought prior to such time.

Section 6.05 *Integration.* The Company shall not sell, offer for sale or solicit offers to buy or otherwise negotiate in respect of any security (as defined in Section 2 of the Securities Act) that would be integrated with the offer or sale of the Subscription Securities for purposes of the rules and regulations of any Trading Market such that it would require shareholder approval prior to the closing of such other transaction unless shareholder approval is obtained before the closing of such subsequent transaction.

Section 6.06 *Shareholder Rights Plan.* No claim will be made or enforced by the Company or, with the consent of the Company, any other Person, that each such Investor is an acquiring Person under any control share acquisition, business combination, poison pill (including any distribution under a rights agreement) or similar anti-takeover plan or arrangement in effect or hereafter adopted by the Company, or that such Investor could be deemed to trigger the provisions

of any such plan or arrangement, by virtue of purchasing Subscription Securities under this Agreement.

Section 6.07 *Use of Proceeds.*

(a) The Company shall use the net proceeds from the sale of the Subscription Securities hereunder and the sale of the Warrant Shares under the Warrants (if any) solely for the purposes of (i) development and operation of the New Business, (ii) the repayment of the 2019 Notes in accordance with the terms of the Supplementary Agreement, and (iii) fees and expenses of the Investors in connection with this Agreement payable by the Company pursuant to Section 9.10.

(b) The Company shall maintain a separate bank account to hold proceeds from the First Closing, the Second Closing and the exercise of the Warrants (the "**Designated Bank Account**"), and shall cause one (1) designee of the Joy Capital and one (1) designee of the Nio Capital (collectively, the "**Investor Designees**") and the chief executive officer of the Company, to become joint signatories of the Designated Bank Account. Any disbursement or withdrawal from such account shall require the signatures of one of the Investor Designees and the chief executive officer of the Company. Such disbursement or withdrawal, if any, shall be made at the beginning of each quarter in accordance with the Company's annual budget to be agreed by the Investors.

Section 6.08 *Listing of Ordinary Shares.* The Company hereby agrees to use reasonable best efforts to maintain the listing or quotation of the ADSs on the Trading Market on which it is currently listed.

Section 6.09 *Tax Filings.* The Company shall cooperate, and shall cause each Subsidiary to cooperate, with each Investor in providing such Investor with any information reasonably requested for it to timely make all filings, returns, reports, forms or calculations in order to assist the Investors with the preparation of its Tax Returns, obtaining any benefit pursuant to applicable Tax law, or complying with any other Tax law that such Investor is subject. The Company shall not make any elections or take any other actions to be treated as other than a corporation for U.S. federal income tax purposes. The Company shall also cause the Group Companies to meet all payment, withholding and all other tax compliance obligations in accordance with the Applicable Laws.

Section 6.10 *Compliance*. The Company shall and shall procure all of the other Group Companies to (i) conduct their businesses in compliance with all Applicable Laws, including but not limited to the laws in respect of data privacy protection and cyber security, and labor and employment; and (ii) duly pay social insurance contributions and housing funds for their employees in accordance with Applicable Laws (if applicable). The Company shall and shall procure all of the other Group Companies to maintain sound internal control and financial systems.

Section 6.11 *Other Covenants***.** The Company shall complete or cause to be completed such matters as set forth in SCHEDULE IV within the timeline specified therein, and shall provide with the Investors written evidence thereof to the satisfaction of the Investors.

Section 6.12 *2019 Notes Restructuring***.** The Company shall (i) subject to and concurrently at the First Closing, issue to each holder of the 2019 Notes such number of Class A Ordinary Shares converted from certain principal amount of the 2019 Notes in accordance with the Supplemental Agreement and provide with the Investors evidence thereof; and (ii) procure that the security release documentation in respect of the 2019 Share Mortgage and the documentation to remove the Purchaser Designee from joint signatory of the Joint Account (each as defined in the Supplementary Agreement) shall have been signed and delivered by the relevant parties to the Company and/or the Principal Holding Company in accordance with the Supplementary Agreement before the First Closing.

ARTICLE VII
CLOSING CONDITIONS

Section 7.01 *Conditions to Obligations of the Company and the Investors.* The obligations of the Company and each Investor to consummate the First Closing (or the Second Closing) are subject to the satisfaction of the following conditions:

(a) no provision of any Applicable Law shall prohibit the consummation of such Closing; and

(b) no proceeding challenging this Agreement or the transactions contemplated hereby, or seeking to prohibit, alter, prevent or materially delay such Closing, shall have been instituted before any Governmental Entity and shall be pending.

Section 7.02 *Conditions to Obligations of the Company.* The obligations of the Company to consummate the First Closing (or the Second Closing) are subject to the satisfaction or waiver by the Company, of the following conditions:

(a) the representations and warranties of each Investor in this Agreement shall be true and correct in all material respects as of the Closing Date as though made as of such Closing Date (except that those representations and warranties that address matters only as of a particular date shall have been true and correct in all material respects as of such date);

(b) the Fundamental Investor Representations shall be true and correct in all material respects as of the Closing Date as though made as of such Closing Date (except that those representations and warranties that address matters only as of a particular date shall have been true and correct as of such date); and

(c) the delivery by each Investor of each of the items set forth in Section 2.05(a) of this Agreement.

Section 7.03 *Conditions to Obligations of the Investors.* The obligation of each Investor to consummate the First Closing (or the Second Closing) is subject to the satisfaction or waiver by such Investor, of the following conditions:

(a) the representations and warranties of the Company (other than the Fundamental Company Representations) that are qualified by materiality or Material Adverse Effect shall be true and correct in all respects on and as of the date hereof and such Closing (except

that those representations and warranties that address matters only as of a particular date shall have been true and correct only on such date);

(b) the representations and warranties of the Company (other than the Fundamental Company Representations) that are not qualified by materiality or Material Adverse Effect shall be true and correct in all material respects on and as of the date hereof and such Closing (except that those representations and warranties that address matters only as of a particular date shall have been true and correct only on such date);

(c) the Fundamental Company Representations shall be true and correct in all respects on and as of the date hereof and such Closing except for de minimis inaccuracies (except that those representations and warranties that address matters only as of a particular date shall have been true and correct only on such date);

(d) the Company shall have performed or complied in all material respects with all obligations, covenants, agreements and conditions in this Agreement required to be performed or complied with by the Company on or prior to the such Closing;

(e) there shall have been no event, occurrence, development or state of circumstances or facts that constitutes a Material Adverse Effect;

(f) the Company shall have duly executed and delivered to each Investor each of the items set forth in Section 2.05(b) of this Agreement;

(g) all corporate and other proceedings required for transactions contemplated hereby on such Closing and all documents and instruments incidental to such transactions shall have been duly completed and satisfactory in substance and form to each Investor, and each Investor shall have received all such counterpart originals or certified or other copies of such documents as it may reasonably request;

(h) from the date hereof to such Closing, trading in the ADSs shall not have been suspended by the SEC or the Company's principal Trading Market (nor shall such suspension have been threatened);

(i) the sale and issuance of the Subscription Securities shall be legally permitted by all laws and regulations to which each Investor and the Company are subject;

(j) each Investor shall have received a certificate signed by an executive officer of the Company confirming the satisfaction of items (a) through (i) above; and

(k) the Designated Bank Account shall have been established and the signatories to the Designated Bank Account shall have been changed in accordance with Section 6.07(b).

Section 7.04 *Additional Conditions to Obligations of the Investors to the First Closing*. The obligation of each Investor to consummate the First Closing is also subject to the satisfaction or waiver by such Investor of the following additional conditions:

(a) the Company shall have entered into (i) the supplementary agreement in respect of the 2019 Notes in the form attached hereto as EXHIBIT H (the "**Supplementary Agreement**") and (ii) the termination agreement in respect of the 2019 Investors' Right Agreement in the form attached hereto as EXHIBIT I (the "**Termination Agreement**");

(b) the relevant Group Companies shall have achieved an aggregate Debt Restructuring Amount of not less than RMB 120,141,751 under the Debt Restructuring by entering into debt restructuring agreements with relevant creditors of such relevant Group Companies;

(c) the Company shall have promptly notified Nasdaq of its intention to utilize its home country practice by providing Nasdaq with a written statement from independent counsel in its home country, which state that the Company's home country does not have an equivalent to Nasdaq's 20% rule and that its current practice is both legal and an accepted business practice in the prospective Company's home country, and shall have obtained approval from Nasdaq;

(d) the Company shall have caused the relevant Group Companies to (i) enter into employment contracts (including standard non-completion, non-solicitation and intellectual property rights transfer terms) with such persons listed on Part A of SCHEDULE III; (ii) amend the employment contracts with such persons listed on Part B of SCHEDULE III to fix the non-competition period to two (2) years after termination of their respective employment agreement with the relevant Group Company; and (iii) supplement the employment contracts with such persons listed on Part C of SCHEDULE III to include standard intellectual property rights transfer terms, each to the satisfaction of the Investors;

(e) Cheng Cheung Lun Julian (程章伦), Qiang Chang Sun (孙强), Yong Zhong Huang (黄永忠), Shun Lam Steven Tang (邓顺林), Muyuan Wang (汪牧远) and Lin Cong (丛林) shall have resigned as a director of the Board from the Company with effect from the First Closing;

(f) the Board shall have duly approved and adopted the Certificate of Designation and have approved all necessary matters relating to the First Closing (including without limitation appointment of directors pursuant to the Voting Agreement) to the satisfaction of such Investor;

(g) the Major Noteholders shall have consented to the transactions contemplated under the Transaction Documents in writing;

(h) such Investor shall have received the documentary evidence confirming the completion of items (a) to (g) above to its reasonable satisfaction; and

(i) signature pages to the Transaction Documents other than those to be signed by the Investors shall have been sent to the counsel of the Investors for examination to the reasonable satisfaction of such counsel and to hold in escrow to release upon the First Closing.

Section 7.05 *Additional Conditions to Obligations of the Investors to the Second Closing*. The obligation of each Investor to consummate the Second Closing is also subject to the satisfaction or waiver by such Investor of the following additional conditions:

(a) such Investor shall have issued a written notice to the Company its intention to proceed with the Second Closing pursuant to Section 2.04, or, the Company shall be entitled to issue and have issued a written notice to such Investor to require such Investor to proceed with the Second Closing pursuant to Section 2.04; and

(b) the Board shall have duly approved all necessary matters relating to the Second Closing to the satisfaction of such Investor.

ARTICLE VIII
INDEMNIFICATION

Section 8.01 *Indemnification*.

(a) Subject to the other provisions of this Article VIII, the Company (the "**Indemnifying Party**") shall indemnify and hold each Investor and its Affiliates, and each of their respective directors, officers, employees, advisors and agents (each an "**Indemnified Party**", and collectively, the "**Indemnified Parties**") harmless from and against any losses, liabilities, obligations, claims, contingencies, damages, costs and expenses, including all judgments, amounts paid in settlements, court costs and reasonable attorney's fees and costs of investigation (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 the Transaction Documents; 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 or the Transaction Documents, (iii) any Action instituted against the Indemnified Parties in any capacity by (A) any current or former shareholder of the Company who is not an Affiliate of such Indemnified Party, with respect to any of the transactions contemplated by the Transaction Documents or (B) any other third party with respect to any of the transactions contemplated by the Transaction Documents (unless, in either case, such Action is based upon a breach of such Indemnified Party's representations, warranties or covenants under the Transaction Documents or any agreements or understandings such Indemnified Party may have with any such shareholder or any violations by such Indemnified Party of state or federal securities laws of the United States or any conduct by such Indemnified Party which constitutes fraud, gross negligence or willful misconduct).

(b) The Indemnifying Party shall indemnify any Indemnified Party and hold each Indemnified Party for any Losses suffered by such Indemnified Party resulting from or arising out of (i) any Group Company's failure to withhold or pay any Tax (including any non-payment or underpayment) in accordance with Applicable Laws for all tax periods ending on or before the Closing Date and the portion through the end of the Closing Date for any tax period that includes (but does not end on) the Closing Date; (ii) such matters as set forth in SCHEDULE V. The indemnification under this Section 8.01(b) shall not be prejudiced by or be otherwise subject to any disclosure in the SEC Documents or otherwise) and shall apply regardless of whether the Indemnifying Party has any actual or constructive knowledge with respect thereto.

(c) The Indemnifying Party shall not 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).

(d) Solely for the purpose of determining the amount of any Losses (and not for determining any breach) for which the Indemnified Parties may be entitled to indemnification pursuant to this Article VIII, any representation or warranty contained in this Agreement that is qualified by a term or terms such as "material," "materially," or "Material Adverse Effect" shall be deemed made or given without such qualification and without giving effect to such words.

(e) No Indemnified Party shall be entitled to recover any Losses under clause (i) of Section 8.01(a), other than with respect to breaches of Fundamental Company Representations or Fundamental Investor Representations (as applicable), until such time as the aggregate amount of all such Losses that have been suffered or incurred by any one or more of the Indemnified Parties under clause (i) of Section 8.01(a) exceeds $112,500 (the "**Loss Threshold**"), provided, however, that once the aggregate amount of all such Losses under clause (i) of Section 8.01(a) exceeds the Loss Threshold, the Indemnifying Party shall be liable for all such Losses under clause (i) of Section 8.01(a) (including the Loss Threshold).

(f) The maximum aggregate amount of Losses that each Indemnified Party will be entitled to recover under clause (i) of Section 8.01(a), other than with respect to breaches of any Fundamental Company Representations or Fundamental Investor Representations (as applicable), shall be limited to the aggregate amount of the Purchase Prices paid hereunder and the exercise price paid under the applicable Warrant (if any) by each Investor plus an amount accruing thereon at a compound annual rate of eight percent (8%) of the foregoing aggregate amount. 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 8.01) shall not apply to any claim based on fraud or willful misconduct of the Indemnifying Party or its Subsidiaries or Affiliates.

(g) The Indemnified Parties shall not be entitled to recover from the Indemnifying Party under this Agreement more than once in respect of the same Losses suffered.

(h) Notwithstanding any other provision contained herein, the remedies contained in this Article VIII 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 of the Indemnifying Party 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 VIII 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 applicable 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.

Section 8.02 *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 VIII, 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 materially 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 with counsel of its own choosing reasonably acceptable to the Indemnified Party, which right shall remain in effect if and for so long as the Indemnifying Party continues to diligently defend against such Action; provided, that in no event shall the Indemnifying Party be entitled to assume the defense of any Action if such Action (i) is with respect to a criminal proceeding, action, indictment, allegation or investigation or (ii) seeks an injunction or other equitable relief against any Indemnified Party. To the extent the Indemnifying Party is entitled to and elects to assume the defense of such Third Party Claim, the Indemnifying Party shall provide written notice of its intention to do so within thirty (30) days of its receipt of the Claim Notice. Upon delivery of such notice by the Indemnifying Party, the Indemnifying Party shall diligently defend such Action to a final non-appealable adjudication or settlement, 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 and to the extent practicable, 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. 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 8.02(b) above) of any Third Party Claim assumed by the Indemnifying Party pursuant to Section 8.02(b), provided, that the Indemnifying Party shall be responsible for the reasonable fees and expenses of a separate counsel where there is, in the reasonable opinion of counsel, a material conflict on any material issue between the position of the Indemnifying Party and the position of such Indemnified Party.

(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.

(e) The indemnification required by this Section 8.02 shall be made by periodic payments of the amount thereof during the course of the investigation or defense, as and when bills are received or are incurred.

Section 8.03 *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 materially 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.

ARTICLE IX
MISCELLANEOUS

Section 9.01 *Notices*. All notices, requests, demands and other communications that are required or may be given pursuant to the terms of this Agreement shall be in writing, and delivery shall be deemed sufficient in all respects and to have been duly given as follows: (a) on the actual date of service if delivered personally; (b) at the time of receipt if given by electronic mail to the e-mail addresses set forth in this Article IX; (c) on the third day after mailing if mailed by first-class mail return receipt requested, postage prepaid and properly addressed as set forth in this Article IX; or (d) on the day after delivery to a nationally recognized overnight courier service during its business hours for overnight delivery against receipt, and properly addressed as set forth in this Article IX:

If to the Investors:
Joy Capital

Astral Success Limited
****
With copy to: *********
Attn: *********

Nio Capital	**Abundant Grace Investment Limited** ********* With copy to: ********* Attn: *********
If to the Company:	**Uxin Limited** 1-3/F, No. 12 Beitucheng East Road Chaoyang District, Beijing, 100029 People's Republic of China E-mail: ********* Attn: *********

Any party may change its address or other contact information for notice by giving notice to each other party in accordance with the terms of this Article IX. In no event will delivery to a copied Person alone constitute delivery to the party represented by such copied Person.

Section 9.02 *Severability.* If any term, provision, covenant or restriction of this Agreement is held by a court of competent jurisdiction or other Governmental Entity to be invalid, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions of this Agreement shall remain in full force and effect and shall in no way be affected, impaired or invalidated so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any party. Upon such a determination, the parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in an acceptable manner in order that the transactions contemplated hereby be consummated as originally contemplated to the fullest extent possible.

Section 9.03 *Entire Agreement.* This Agreement and the other Transaction Documents constitute the entire agreement and understanding among the parties hereto and thereto with respect to the subject matters hereof and thereof and supersede any prior understandings, agreements or representations by or among the parties, written or oral, related to the subject matter hereof and thereof.

Section 9.04 *Counterparts.* This Agreement may be executed in separate counterparts, each of which shall be an original and all of which taken together shall constitute one and the same agreement. Signatures in the form of facsimile or electronically imaged "PDF" shall be deemed to be original signatures for all purposes hereunder. The parties irrevocably and unreservedly agree that this Agreement may be executed by way of electronic signatures and the parties agree that this Agreement, or any part thereof, shall not be challenged or denied any legal effect, validity and/or enforceability solely on the ground that it is in the form of an electronic record.

Section 9.05 *Assignments.* This Agreement is personal to each of the Parties. Neither party may assign or delegate any rights or obligations hereunder without first obtaining the written consent of the other party, except for assignment by an Investor to its Affiliates.

Section 9.06 *Descriptive Headings; Construction*. The descriptive headings of this Agreement are inserted for convenience only and do not constitute a part of this Agreement.

The Parties agree that this Agreement is the product of negotiation between sophisticated parties and individuals, all of whom were represented by counsel, and each of whom had an opportunity to participate in and did participate in the drafting of each provision hereof. Accordingly, ambiguities in this Agreement, if any, shall not be construed strictly or in favor of or against any party but rather shall be given a fair and reasonable construction without regard to the rule of *contra proferentem*.

Section 9.07 *Amendment.* This Agreement may be amended only by a written instrument executed by each of the Parties.

Section 9.08 *Governing Law.* This Agreement shall be governed by and construed in accordance with the laws of Hong Kong, without regard to its principles of conflicts of laws.

Section 9.09 *Dispute Resolution.* Each of the Parties hereto irrevocably (i) agrees that any dispute or controversy arising out of, relating to, or concerning any interpretation, construction, performance or breach of this Agreement, shall be settled by arbitration to be held in Hong Kong and administered by the Hong Kong International Arbitration Centre ("**HKIAC**") in accordance with the Hong Kong International Arbitration Centre Administered Arbitration Rules in force at the time of the commencement of the arbitration, (ii) waives, to the fullest extent it may effectively do so, any objection which it may now or hereafter have to the laying of venue of any such arbitration, and (iii) submits to the exclusive jurisdiction of Hong Kong in any such arbitration. There shall be three (3) arbitrators. The claimant shall appoint one (1) arbitrator, and the respondent shall appoint one (1) arbitrator no more than ten (10) days following the official appointment of the arbitrator appointed by the claimant, failing which such arbitrator shall be appointed by HKIAC; the third arbitrator shall be the presiding arbitrator and shall be appointed jointly by the arbitrators ap-pointed by the claimant and respondent within ten (10) days of the later of the appointment of the arbitrators appointed by the said Parties, failing which such arbitrator shall be appointed by HKIAC.

(b) The arbitration shall be conducted in English.

(c) The Parties acknowledge and agree that, in addition to contract damages, the arbitrator may award provisional and final equitable relief, including injunctions, specific performance and lost profits.

(d) The decision of the arbitration tribunal shall be final, conclusive and binding on the Parties to the arbitration. Judgment may be entered on the arbitration tribunal's decision in any court having jurisdiction.

(e) When any dispute occurs and when any dispute is under arbitration, except for the matters in dispute, the Parties shall continue to fulfil their respective obligations and shall be entitled to exercise their rights under this Agreement.

(f) The Parties understand and agree that this provision regarding arbitration shall not prevent any Party from pursuing preliminary, equitable or injunctive relief in a judicial forum pending arbitration in order to compel another Party to comply with this provision, to preserve the status quo prior to the invocation of arbitration under this provision, or to prevent

or halt actions that may result in irreparable harm. A request for such equitable or injunctive relief shall not waive this arbitration provision.

(g) The Parties expressly consent to the joinder of additional part(ies) in connection with the other Transaction Documents to the arbitration proceedings commenced hereunder and/or the consolidation of arbitration proceedings commenced hereunder with arbitration proceedings commenced pursuant to the arbitration agreements contained in the other Transaction Documents. In addition, the Parties expressly agree that any disputes arising out of or in connection with this Agreement and the other Transaction Documents concern the same transaction or series of transactions.

(h) If any action at law or in equity is necessary to enforce or interpret the terms of this Agreement, the prevailing party shall be entitled to reasonable attorney's fees, costs and necessary disbursements in addition to any other relief to which such party may be entitled.

Section 9.10 *Expenses.* The Company shall pay the Investors' fees and expenses, including legal, accounting and out-of-pocket costs incurred by the Investors in connection with the transactions contemplated hereby (including for purposes of the Antitrust Filing, if applicable), provided that such fees and expenses shall not exceed $1,000,000, regardless of whether any Closing has occurred. With respect to professional fees and related expenses payable by the Investors, the Company has received copies of the engagement letters between the Investors and their counsel and/or accountants (the "**Professional Advisors**"), and the Company agrees to the terms including without limitation fee estimates, assumptions and payment schedule included therein, and shall pay such amounts at such times directly to the Professional Advisors according to such terms. The Company hereby agrees and acknowledges that such Professional Advisors may enforce their rights to receive such fees and expenses under this Section 9.10 against the Company. With respect to other fees and expenses, the Company agrees to pay amounts owing to the Investors within fifteen (15) Business Days of having notified the Investors in writing. The Company further agrees and acknowledges that each Investor may deduct any amounts owed pursuant to this Section 9.10 from the amount of Purchase Price at the First Closing.

Section 9.11 *Independent Nature of Investors' Obligations.* Each Investor's respective obligations, undertaking, representations, warranties and liabilities under this Agreement shall be several and not joint and several, and no Investor is responsible in any way for the performance or conduct of any other Investor in connection with the transactions contemplated hereby. Nothing contained herein or in any other Transaction Documents, and no action taken by any Investor pursuant hereto or thereto, shall be or shall be deemed constitute a partnership, association, joint venture or joint group with respect to the Investors. Each Investor agrees that no other Investor has acted as an agent for such Investor in connection with the transactions contemplated hereby. In the event that an Investor fails to or decides not to pay its respective Purchase Price for the Subscription Securities contemplated hereunder, it shall not impact other Investors' obligation to proceed with the Closing and payment of relevant Purchase Price, provided that if any Investor elects not to proceed with the Closing and pay its relevant Purchase Price, the relevant provisions under the Transaction Documents shall be deemed to be adjusted accordingly as appropriate.

Section 9.12 *Third Party Beneficiaries.* Except as otherwise expressly set forth in this Agreement (which shall include without limitation Article VIII and Section 9.10), there are no third party beneficiaries of this Agreement and nothing in this Agreement, express or implied, is intended to confer on any Person any rights, remedies or obligations.

Section 9.13 *Specific Performance.* The Parties agree that irreparable damage would occur if any provision of this Agreement were not performed in accordance with the terms hereof and that the parties shall be entitled to an injunction or injunctions to prevent breaches of this Agreement or to enforce specifically the performance of the terms and provisions hereof in any court of competent jurisdiction, in addition to any other remedy to which they are entitled at law or in equity.

Section 9.14 *No Waiver; Cumulative Remedies*. 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 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, in whole or in part, by a waiver or renunciation of the claim or right unless in writing signed by the other party; (b) no waiver that may be given by a party will be applicable except in the specific instance for which it is given; and (c) no notice to or demand on one party will be deemed to be a waiver of any obligation of that party or of the right of the party giving such notice or demand to take further action without notice or demand as provided in this Agreement.

Section 9.15 *Non-recourse*. All actions, obligations, losses or causes of action (whether in contract, in tort, in law or in equity, or granted by statute whether by or through attempted piercing of the corporate, limited partnership or limited liability company veil) that may be based upon, in respect of, arise under, out or by reason of, be connected with, or relate in any manner to (i) this Agreement, (ii) the negotiation, execution or performance of this Agreement (including any representation or warranty made in connection with, or as inducement to, this Agreement), (iii) any breach or violation of this Agreement, and (iv) any failure of the transactions contemplated hereby or thereby to be consummated, in each case, may be made only against (and are those solely of) the Persons that are expressly identified as Parties to this Agreement subject to the terms and conditions hereof, and for avoidance of doubt, in respect of the Company, shall not be made against the holders of the 2019 Notes.

Section 9.16 *Replacement of Shares*. If any certificate or instrument evidencing the Subscription Securities is mutilated, lost, stolen or destroyed, the Company shall issue or cause to be issued in exchange and substitution for and upon cancellation thereof (in the case of mutilation), or in lieu of and substitution therefor, a new certificate or instrument, but only upon receipt of evidence reasonably satisfactory to the Company of such loss, theft or destruction. The Investor applying for a new certificate or instrument under such circumstances shall also pay any reasonable third-party costs (including customary indemnity) associated with the issuance of such replacement certificate or instrument.

Section 9.17 *Termination*.

This Agreement may be terminated with respect to any Investor, (i) by mutual written consent of the Company and such Investor, (ii) by the Company or such Investor, if the First Closing has not been consummated by the sixtieth (60^{th}) calendar day following the date of this Agreement, due to the reason not attributable to the Company or such Investor (as applicable), (iii) by such Investor, by written notice to the Company if there has been a material misrepresentation or material breach of a covenant or agreement contained in this Agreement on the part of the Company, or (iv) by such Investor if, due to any change of the Applicable Laws, the consummation of the transactions contemplated hereunder would become prohibited under Applicable Laws.

In the event of termination by the Company and/or any Investor pursuant to *Section 9.17* hereof, written notice thereof shall forthwith be given to the other Parties and this Agreement shall terminate with respect to such Investor, without further action by the Parties hereto. If this Agreement is so terminated as provided, this Agreement will be of no further force or effect between such Investor and the other Parties, except for provisions of *Article VIII*, *Section 9.01*, *Section 9.02*, *Section 9.08*, *Section 9.09*, *Section 9.10*, *Section 9.12* and *Section 9.13*, provided that the termination will not relieve any Party from any liability for any breach or violation of this Agreement. Any termination of this Agreement as between the Company on the one hand and any Investor on the other hand shall not impact the continuing validity of this Agreement being in full force and effect as between the Company on the one hand and any other Investor on the other hand.

[Signature Pages Follow]

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement on the date first set forth above.

UXIN LIMITED

By: /s/ Kun DAI
Name: Kun DAI
Title: Director

[Signature page to Share Subscription Agreement]

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement on the date first set forth above.

Astral Success Limited

By: /s/ Erhai Liu
Name: Erhai Liu
Title: Authorized Signatory

[Signature page to Share Subscription Agreement]

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement on the date first set forth above.

Abundant Grace Investment Limited

By: /s/ Mao Wei
Name: Mao Wei
Title: Director

[Signature page to Share Subscription Agreement]

EXHIBIT A

Form of Warrant

Exhibit A

EXHIBIT B

Form of Investors' Rights Agreement

Exhibit B

EXHIBIT C

Form of Registration Rights Agreement

Exhibit C

EXHIBIT D

Form of Certificate of Designation

Exhibit D

EXHIBIT E

Form of Lock-Up Letter

CONSENT LETTER FOR LOCK-UP

From,
[Name of Investor]
****

Date: July 12, 2021

To:
Uxin Limited
1-3/F, No. 12 Beitucheng East Road
Chaoyang District, Beijing 100029
The People's Republic of China

Subject: Consent Letter for Lock-up

The undersigned, [Astral Success Limited/Abundant Grace Investment Limited] (collectively, the "**Investors**", and each an "**Investor**") and Uxin Limited (the "**Company**"), an exempted company duly incorporated and validly existing under the Laws of the Cayman Islands listed on the NASDAQ Global Select Market, have entered into a share subscription agreement on June 14, 2021 (the "**Share Subscription Agreement**"), pursuant to which, each Investor agrees to purchase from the Company certain senior preferred convertible shares of the Company and certain warrant. The undersigned acknowledges that, certain Major Shareholders, the Company and certain other parties thereof have executed/or will execute certain lockup letters (the "**Lock-Up Letters**"), pursuant to which, the Major Shareholders and their respective affiliates (as applicable) agrees to be restricted and subject to certain lock-up provisions thereof, and the execution and delivery of such Lock-Up Letters is a closing delivery under the Share Subscription Agreement. The undersigned further acknowledges that the execution and delivery of this letter (this "**Consent Letter**") by it is a closing delivery under the Share Subscription Agreement. Capitalized terms used herein but not otherwise defined herein shall have the meanings ascribed to such terms in the Share Subscription Agreement. For the benefit of the Company and the Noteholders (as defined below), the undersigned hereby agrees as follows:

1. Lock-Up Provisions.

(a) The undersigned and its affiliates (which means any other person and/or entity directly or indirectly controlling or controlled by or under direct or indirect common control with the undersigned), during the period commencing from the First Closing Date until nine (9) months from the First Closing Date (the "**Lock-Up Period**"), shall not: (i) lend, offer, pledge, hypothecate, encumber, donate, assign, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to

purchase, or otherwise transfer or dispose of, directly or indirectly, any Restricted Securities (as defined below) owned or to be owned by the undersigned and its affiliates, (ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the Restricted Securities, or (iii) publicly disclose the intention to do any of the foregoing (any of the foregoing described in clauses (i), (ii) or (iii), a "**Prohibited Transfer**"). The foregoing sentence shall not apply to (i) transactions relating to the Equity Securities of the Company acquired in open market transactions after the First Closing Date, (ii) transfers of the Restricted Securities as a bona fide gift or through will, testamentary document or intestacy, or by operation of law, such as in connection with a divorce settlement, (iii) distributions of the Restricted Securities to affiliates, subsidiaries, members, limited partners or stockholders of the undersigned or any investment fund or other entity controlling, controlled by, managing, or managed by or under common control with the undersigned or affiliates of the undersigned (including, for the avoidance of doubt, where the undersigned is a partnership, to its general partner or a successor partnership or fund, or any other funds managed by such partnership), provided that in the case of any transfer or distribution pursuant to clause (ii) or (iii), each donee or distributee shall sign and deliver to the Company a lock-up consent letter substantially in the form of this Consent Letter, (iv) to a nominee or custodian of the undersigned or of a person or entity to whom a disposition or transfer would be permissible under clauses (i) through (iii), (v) the establishment of any contract, instruction or plan that satisfies all of the requirements of Rule 10b5-1 under the Securities Exchange Act of 1934, as amended ("**Rule 10b5-1 Plan**") for the transfer of the Restricted Securities, provided that such Rule 10b5-1 Plan does not provide for the transfer of the Restricted Securities during the Lock-up Period, (vi) transfer of the Restricted Securities to any trust for the direct or indirect benefit of the undersigned, or any entity 100% beneficially owned and controlled by the undersigned, provided that (x) the trustee of the trust of the transferred agrees to be bound in writing by the restrictions set forth herein, and (y) any such transfer shall not involve a disposition for value, (vii) any security interest or encumbrance over any Equity Securities in connection with a bona fide debt financing made to the undersigned by banks or other financial institutions, provided that no enforcement of, or foreclosure with respect to such Equity Securities shall take place during the Lock-up Period, (viii) the sale of Restricted Securities to the Company by the undersigned, (ix) transfers of Equity Securities pursuant to a bona fide third-party tender offer made to all holders of the Company's capital stock or other transaction, including, without limitation, any merger, consolidation or other similar transaction involving a change of control of the Company (including, without limitation, entering into any lock-up, voting or similar agreement pursuant to which the undersigned may agree to transfer, sell, tender or otherwise dispose of the undersigned's Equity Securities in connection with any such transaction, or vote any of the undersigned's Equity Securities in favor of any such transaction), provided that in the event that such tender offer, merger, consolidation or other such transaction is not completed, the undersigned's Equity Securities shall remain subject to the provisions of this Consent Letter, and (x) conversion of Senior Preferred Shares into Class A Ordinary Shares or ADSs, provided that such Class A Ordinary Shares or ADSs shall remain subject to the provisions of this Consent Letter.

(b) The undersigned acknowledges that if any Prohibited Transfer is made or

attempted contrary to the provisions of this Consent Letter, such purported Prohibited Transfer shall be null and void *ab initio*, and the Company will refuse to recognize any such purported transferee of the Restricted Securities as one of its equity holders for any purpose. The undersigned further acknowledges that in order to enforce this Section 1, the Company may impose stop-transfer instructions with respect to the Restricted Securities of the undersigned (and permitted transferees and assigns thereof) until the end of the Lock-Up Period. The undersigned hereby also agrees and consents to the entry of stop transfer instructions with the Company's transfer agent and registrar against the transfer of the undersigned's Restricted Securities unless such transfer is in compliance with the foregoing restrictions.

(c) For purpose of this Consent Letter, the "**Restricted Securities**" means (i) the Senior Preferred Shares issued to the undersigned upon the First Closing, the Second Closing (if any) and each exercise of the Warrant (if any), (ii) the Class A Ordinary Shares and/or ADSs issued upon conversion of such Senior Preferred Shares, and (iii) the Warrant held by the undersigned.

2. Binding Obligation; Termination. This Consent Letter has been duly authorized by the undersigned and constitutes valid and binding obligations of the undersigned. This Consent Letter shall be in effect until the earlier of (i) the undersigned (and permitted transferees and assigns thereof) ceases to hold any Restricted Securities of the Company without breach of this Consent Letter, (ii) the Share Subscription Agreement is terminated in accordance with its terms; (iii) any Noteholder has materially breached section 1 of its respective Lock-Up Letter; (iv) any Noteholder's Lock-Up Letter is terminated for whatever reason (other than the undersigned has materially breached Section 1 of this Consent Letter or the other Investor has materially breached section 1 of its consent letter which shall be in the form substantially same as this Consent Letter), and (v) the Company or any Principal Party has materially breached any provisions of the Transaction Documents.

3. Third-Party Beneficiaries. Notwithstanding anything to the contrary in this Consent Letter or in Applicable Laws, upon the Effective Time (as defined in the Supplementary Agreement) and delivery of a duly executed Lock-Up Letter by a Noteholder, such Noteholder shall become an intended third-party beneficiary of this Consent Letter, and may enforce this Consent Letter as a third-party beneficiary as if it is a named party herein. For purpose of this Consent Letter, "**Noteholders**" (and, each a "**Noteholder**") means holders of the 2019 Notes (as amended and supplemented by the Supplementary Agreement and from time to time).

4. Consent Letter Prevail. In the event of any conflict or inconsistency between any of the terms of this Consent Letter and other agreements among the Company and the undersigned, the terms of this Consent Letter shall prevail, and the undersigned agrees to take all actions necessary, as promptly as practicable after the discovery of such inconsistency, to adopt amendments and restatements to the other agreements to give effect to the provisions of this Consent Letter.

5. Severability. In the event that any provision of this Consent Letter, or the application thereof, becomes or is declared by a court of competent jurisdiction to be illegal, void or

unenforceable, the remainder of this Consent Letter will continue in full force and effect and the application of such provision to other persons or circumstances will be interpreted so as reasonably to effect the intent of the undersigned. The undersigned further agrees to replace such void or unenforceable provision of this Consent Letter with a valid and enforceable provision that will achieve, to the extent possible, the economic, business and other purposes of such void or unenforceable provision.

6. Governing Law. This Consent Letter shall be governed by and construed in accordance with the laws of Hong Kong, without regard to its principles of conflicts of laws.

7. Dispute Resolution. The undersigned and the Company irrevocably (i) agree that any dispute or controversy arising out of, relating to, or concerning any interpretation, construction, performance or breach of this Consent Letter, shall be settled by arbitration to be held in Hong Kong and administered by the Hong Kong International Arbitration Centre ("**HKIAC**") in accordance with the Hong Kong International Arbitration Centre Administered Arbitration Rules in force at the time of the commencement of the arbitration, (ii) waive, to the fullest extent it may effectively do so, any objection which it may now or hereafter have to the laying of venue of any such arbitration, and (iii) submit to the exclusive jurisdiction of Hong Kong in any such arbitration. There shall be three (3) arbitrators. The claimant shall appoint one (1) arbitrator, and the respondent shall appoint one (1) arbitrator no more than ten (10) days following the official appointment of the arbitrator appointed by the claimant, failing which such arbitrator shall be appointed by HKIAC; the third arbitrator shall be the presiding arbitrator and shall be appointed jointly by the arbitrators ap-pointed by the claimant and respondent within ten (10) days of the later of the appointment of the arbitrators appointed by the said parties, failing which such arbitrator shall be appointed by HKIAC. The arbitration shall be conducted in English. The undersigned acknowledges and agrees that, in addition to contract damages, the arbitrator may award provisional and final equitable relief, including injunctions, specific performance and lost profits. The decision of the arbitration tribunal shall be final, conclusive and binding on the undersigned and other parties to the arbitration. Judgment may be entered on the arbitration tribunal's decision in any court having jurisdiction. When any dispute occurs and when any dispute is under arbitration, except for the matters in dispute, the parties shall continue to fulfil their respective obligations and shall be entitled to exercise their rights under this Consent Letter. The undersigned understands and agrees that this provision regarding arbitration shall not prevent the undersigned or any other person from pursuing preliminary, equitable or injunctive relief in a judicial forum pending arbitration in order to compel another party to comply with this provision, to preserve the status quo prior to the invocation of arbitration under this provision, or to prevent or halt actions that may result in irreparable harm. A request for such equitable or injunctive relief shall not waive this arbitration provision. If any action at law or in equity is necessary to enforce or interpret the terms of this Consent Letter, the prevailing party shall be entitled to reasonable attorneys' fees, costs and necessary disbursements in addition to any other relief to which such party may be entitled.

8. Assignment. The undersigned agrees not to assign either this Consent Letter or any of its rights, interests, or obligations hereunder to any person other than transferees permitted

under Section 1(a) above without the prior written approval of the Company and the third-party beneficiaries.

9. Amendment/Waiver. The undersigned agrees that this Consent Letter shall not be amended without the prior written consent of the Company and the third-party beneficiaries. The Company agrees that in the event any comparable lock-up agreement with any other investor in the Company is amended, or a provision of any such agreement is waived, in each case in a manner that is favorable to such other investor, then the terms of this Consent Letter shall be deemed automatically amended or waived such that the undersigned shall have the benefit of the terms of such amendment or waiver.

10. Further Assurances. From time to time, at any of the Company or any of the third-party beneficiaries' request and without further consideration, the undersigned agrees to execute and deliver such additional documents and take all such further actions as may be reasonably necessary to give further effect of the matters contemplated by this Consent Letter.

11. Notices. All notices and other communications between the undersigned on the one hand and the Company on the other hand, shall be in writing and shall be deemed to have been duly given (i) when delivered in person, (ii) when delivered after posting in the United States mail having been sent registered or certified mail return receipt requested, postage prepaid, (iii) when delivered by FedEx or other nationally recognized overnight delivery service or (iv) when e-mailed during normal business hours (and otherwise as of the immediately following Business Day) to the address provided by relevant parties.

12. Electronic Signatures. The parties irrevocably and unreservedly agree that this Consent Letter may be executed by way of electronic signatures and the parties agree that this Consent Letter, or any part thereof, shall not be challenged or denied any legal effect, validity and/or enforceability solely on the ground that it is in the form of an electronic record.

Very truly yours,

[Name of Investor]

By: _____
Name:
Title:

[Signature Page to Lock-Up Consent Letter]

Agreed and Accepted by:

Uxin Limited

By: _____
Name: Dai Kun
Title: CEO

[Signature Page to Lock-Up Consent Letter]

EXHIBIT F

Form of Voting Agreement

Exhibit F

EXHIBIT G

Form of Cayman Legal Opinion

Exhibit G

EXHIBIT H

Form of Supplementary Agreement

Exhibit H

EXHIBIT I

Form of Termination Agreement

EXHIBIT J

Designated Bank Account

Exhibit J

EXHIBIT K

Incumbency Certificate

Exhibit K

SCHEDULE I

List of Investors

Part A: First Closing

Name	Number of Senior Preferred Shares to be Purchased at the First Closing	Number of Warrant Shares entitled to be exercised under the applicable Warrant	Purchase Price Payable
Astral Success Limited ("**Joy Capital**")	145,645,208	Up to 240,314,593	$ 50,000,000
Abundant Grace Investment Limited ("**Nio Capital**")	145,645,208	Up to 240,314,593	$ 50,000,000

Part B: Second Closing

Name	Number of Senior Preferred Shares to be Purchased at the Second Closing	Purchase Price Payable
Joy Capital	72,822,604	$ 25,000,000
Nio Capital	72,822,604	$ 25,000,000

SCHEDULE II

Existing Registration Right Holders

Schedule II

SCHEDULE III

Key Employees

Schedule III

SCHEDULE IV

Other Covenants (Section 6.11)

Schedule IV

SCHEDULE V

Special Indemnification (Section 8.01(b))

SCHEDULE V

Exhibit 4.42

Execution Version

INVESTORS' RIGHTS AGREEMENT

by and among

UXIN LIMITED

MR. KUN DAI

XIN GAO GROUP LIMITED

ASTRAL SUCCESS LIMITED

and

ABUNDANT GRACE INVESTMENT LIMITED

Dated July 12, 2021

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INVESTORS' RIGHTS AGREEMENT

THIS INVESTORS' RIGHTS AGREEMENT (this "**Agreement**") is entered into on July 12, 2021 by and among:

1. Uxin Limited, an exempted company organized under the Laws of the Cayman Islands (the "**Company**"),

2. Mr. Kun Dai (戴琨) (PRC identity card no. *********) (the "**Principal**"),

3. Xin Gao Group Limited, a company organized under the Laws of the British Virgin Islands ("**Xin Gao**" or the "**Principal Holding Company**", collectively with the Principal, the "**Principal Parties**", and each a "**Principal Party**"),

4. Astral Success Limited, a company limited by shares incorporated under the Laws of the British Virgin Islands with its registered office at ********* (the "**Joy Capital**"), and

5. Abundant Grace Investment Limited, a company limited by shares incorporated under the Laws of British Virgin Islands with its registered office at ********* (the "**Nio Capital**", together with the Joy Capital, the "**Investors**" and each an "**Investor**").

Each of the parties to this Agreement is referred to herein individually as a "**Party**" and collectively as the "Parties".

RECITALS

A The Company and the Investors have entered into that certain Share Subscription Agreement, dated June 14, 2021 (the "**Subscription Agreement**"), pursuant to which, among other things, each Investor, severally but not jointly, has agreed to purchase (a) certain Senior Preferred Shares (as defined in the Subscription Agreement) from the Company, and (b) a warrant (collectively, the "**Warrants**") to purchase certain Senior Preferred Shares.

B The Subscription Agreement provides that the execution and delivery of this Agreement shall be a condition precedent to the consummation of the transactions contemplated under the Subscription Agreement.

C The Parties desire to enter into this Agreement to regulate their relationship with each other and certain aspects of the affairs, and their dealings, with the Company.

WITNESSETH

NOW, THEREFORE, in consideration of the foregoing recitals, the mutual promises hereinafter set forth, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties intending to be legally bound hereto hereby agree as follows:

ARTICLE I
DEFINITIONS AND INTERPRETATION

Section 1.01 **Definitions.** Unless the context otherwise requires, the following terms shall have the meanings ascribed to them below:

"**ADSs**" means the American Depositary Shares of the Company, each representing three (3) Class A Ordinary Shares.

"**Affiliate**" has the meaning given to such term in the Subscription Agreement.

"**Agreement**" has the meaning assigned to such term in the preamble.

"**Annual Budget**" means an annual budget in respect of a fiscal year of the Group, setting forth, among other things, the projected balance sheets, income statements and statements of cash flows for such period; the projected budget for operation of each major business segment; any dividend or distribution to be declared or paid; the projected incurrence, assumption or refinancing of indebtedness; projected revenue and profit during such period; any proposed merger, consolidation, reorganization, or amalgamation of any Group Member with or into any other Person, or any scheme of arrangement or other business combination with or into any other Person; and payments projected to be made not in the ordinary course of business of the Group.

"**Applicable Laws**", "**Law**" or "**Laws**" means, with respect to any Person, any transnational, domestic or foreign federal, national, state, provincial, local or municipal law (statutory, common or otherwise), constitution, treaty, convention, ordinance, code, rule, regulation, executive order, injunction, judgment, decree, ruling or other similar requirement enacted, adopted, promulgated or applied by a Governmental Entity that is binding upon or applicable to such Person or any of such Person's assets, rights or properties.

"**Beneficial Owner**" has the meaning given such term in Rule 13d-3 under the Exchange Act, provided that Beneficial Ownership under Rule 13d-3(1)(i) shall be determined based on whether a Person has a right to acquire Beneficial Ownership irrespective of whether such right is exercisable within 60 days of the time of determination, and "Beneficially Own", "Beneficially Owned" and "Beneficial Ownership" have meanings correlative to that of Beneficial Owner.

"**Board**" means the board of directors of the Company.

"**BOCOM**" means BOCOM International Supreme Investment Limited, a business company duly incorporated and validly existing under the Laws of the British Virgin Islands.

"**Business Day**" means any day except any Saturday, any Sunday, any day which is a federal legal holiday in the United States or any day on which banking institutions in the Cayman Islands, the People's Republic of China (which for the purpose of this Agreement shall exclude Hong Kong SAR, Macau SAR and Taiwan) or the State of New York are authorized or required by law or other governmental action to close.

"**Charter Documents**" means, with respect to any Person that is not a natural person, such Person's articles of incorporation, certificate of incorporation, by-laws, memorandum of associations, articles of association and other similar organizational documents. Unless the

context otherwise requires, any reference to "Charter Documents" refers to the Charter Documents of the Company.

"**Class A Ordinary Shares**" means the Company's Class A ordinary shares, par value $0.0001 per share.

"**Class B Ordinary Shares**" means the Company's Class B ordinary shares, par value $0.0001 per share.

"**Closing**" has the meaning set forth in the Subscription Agreement.

"**Code**" means the Inland Revenue Code of 1986, as amended.

"**Company**" has the meaning assigned to such term in the preamble.

"**Company Securities**" the Equity Securities of the Company.

"**Confidential Information**" has the meaning assigned to such term in Section 6.01.

"**Control**" of a given Person means 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**" means Class A Ordinary Shares issued or issuable upon conversion of the Subscription Shares.

"**Co-Sale Holder**" has the meaning assigned to such term in Section 5.04.

"**Co-Sale Pro Rata Portion**" has the meaning assigned to such term in Section 5.04.

"**Director**" means a director serving on the Board.

"**Equity Securities**" means, with respect to any Person that is a legal entity, any and all shares of capital stock, membership interests, units, depositary shares, profits interests, ownership interests, equity interests, registered capital, and other equity securities or ownership interests of such Person, and any right, warrant, option, call, commitment, conversion privilege, preemptive right or other right to acquire any of the foregoing, or security convertible into, exchangeable or exercisable for any of the foregoing. Unless the context otherwise requires, any reference to "Equity Securities" refers to the Equity Securities of the Company.

"**Encumbrance**" means any mortgage, lien, pledge, charge, security interest, title defect, right of first refusal, claim, easement, right-of-way, option, preemptive or similar right or other restriction of any kind or nature.

"**Existing Share Incentive Scheme**" means the Company's 2018 Second Amended and Restated Share Incentive Plan.

"**Exchange Act**" means the U.S. Securities Exchange Act of 1934, as amended, and any rules and regulations promulgated thereunder.

"**Extension Period**" has the meaning assigned to such term in Section 5.03(iii).

"**First Closing**" has the meaning set forth in the Subscription Agreement.

"**First Participation Notice**" or "**First Participation Period**" has the meaning assigned to such term in Section 3.02.

"**First Refusal Expiration Notice**" has the meaning assigned to such term in Section 5.03(viii).

"**Fully Participating Investors**" has the meaning assigned to such term in Section 3.03.

"**Governmental Entity**" means 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.

"**Group**" means the Company and its direct and indirect Subsidiaries, and "**Group Member**" means any of them.

"**Hong Kong**" means the Hong Kong Special Administrative Region of the People's Republic of China.

"**Investor**" has the meaning assigned to such term in the preamble.

"**Investor Directors"** means the Director nominated by the Joy Capital and the Director nominated by the Nio Capital, and each an "**Investor Director**".

"**Investor ROFR Period**" has the meaning assigned to such term in Section 5.03(i).

"**Jeneration Capital**" mens JenCap UX, an exempted company incorporated and validly existing under the Laws of the Cayman Islands.

"**Memorandum and Articles**" means the amended and restated memorandum and articles of association of the Company currently in effect, as may be amended or restated from time to time.

"**NASDAQ**" means the NASDAQ Global Select Market.

"**New Securities"** means any Equity Securities issued and allotted by the Company on or after the date of this Agreement, other than such allotments and issuances of Equity Securities expressly excluded under Section 3.05.

"**Nio Competitors**" means Tesla, Inc., Xpeng Inc., Li Auto Inc., 威马智慧出行科技（上海）股份有限公司 or any other companies which operate electronic vehicle brands, and any controlled Affiliate or holding company of each of the foregoing, and the list of the above entities may be supplemented or updated by Nio Capital once a year.

"**Non- Selling Shareholders"** has the meaning assigned to such term in Section 5.03(i).

"**OFAC**" means the Office of Foreign Assets Control of the U.S. Treasury Department.

"**Offered Shares"** has the meaning assigned to such term in Section 5.03(i).

"**Ordinary Share Equivalents**" means (a) any rights, options or warrants to acquire Ordinary Shares and (b) any depositary shares (including, without limitation, the ADSs), notes, debentures, preference shares or other Equity Securities or rights, which are ultimately convertible or exercisable into, or exchangeable for, Ordinary Shares.

"**Ordinary Shares**" means Class A Ordinary Shares and Class B Ordinary Shares.

"**Person**" means an individual, corporation, partnership, limited liability company, association, trust or other entity or organization, including a Governmental Entity.

"**PFIC**" means a "passive foreign investment company" within the meaning of Section 1297(a) of the Code.

"**PRC**" means the People's Republic of China.

"**Participation Rights Holder**" has the meaning assigned to such term in Section 3.02.

"**Party**" has the meaning assigned to such term in the preamble.

"**Permitted Transferee**" has the meaning assigned to such term in Section 5.02(ii).

"**Principal Holding Company**" or "**Principal Party**" has the meaning assigned to such term in the preamble.

"**Principal Lock-up Period"** means the period commencing on the date hereof and continuing until the date of July 31, 2024.

"**Principal Securities"** has the meaning assigned to such term in Section 8.01(i).

"**Registration Right Agreement**" has the meaning set forth in the Subscription Agreement.

"**Restricted Business**" has the meaning set forth in Section 9.01(i).

"**Representatives**" means, with respect to any Person, the directors, officers, legal representatives, employees, counsel, accountants, agents, consultants, advisors and other representatives of such Person and its Subsidiaries and any other Person acting on behalf of the foregoing.

"**Related Party**" means (i) any shareholder of the Company or any Subsidiary, (ii) any director of the Company or any Subsidiary, (iii) any officer of the Company or any Subsidiary, (iv) any employee of the Company or any Subsidiary, (v) any Relative of a shareholder, director, officer or employee of the Company or any Subsidiary, (vi) any Person in which any shareholder or any director or officer of the Company or any Subsidiary has any interest, other than a passive shareholding of less than 5% in a publicly listed company, and (vii) any other Affiliate of the Company or any Subsidiary.

"**Relative**" of a natural person means the spouse of such person and any parent,

grandparent, child, grandchild, sibling, cousin, in-law, uncle, aunt, nephew or niece of such person or spouse.

"**Rule 144**" means Rule 144 promulgated by the SEC pursuant to the Securities Act, as such Rule may be amended or interpreted from time to time, or any similar rule or regulation hereafter adopted by the SEC having substantially the same purpose and effect as such Rule.

"**SEC**" means the U.S. Securities and Exchange Commission.

"**Second Participation Notice**" or "**Second Participation Period**" has the meaning assigned to such term in Section 3.03.

"**Securities Act**" means the U.S. Securities Act of 1933, as amended, and any rules and regulations promulgated thereunder.

"**Selling Shareholders**" has the meaning assigned to such term in Section 5.03(i).

"**Senior Preferred Share**" has the meaning set forth in the Subscription Agreement.

"**Shares**" means Ordinary Shares and Senior Preferred Shares.

"**Subscription Agreement**" has the meaning set forth in the recitals.

"**Subscription Shares**" means, collectively, the Senior Preferred Shares issued or issuable to each Investor at or prior to the relevant Closing pursuant to the Subscription Agreement (including 58,258,083 Senior Preferred Shares issued to Joy Capital prior to the First Closing, which shall form part of the Senior Preferred Shares subscribed by Joy Captial at the First Closing under the Subscription Agreement), and the Senior Preferred Shares issued or issuable upon exercise of the Warrants.

"**Subsidiary**" means any entity of which a majority of the outstanding equity securities or other ownership interests representing a majority of the outstanding equity interests or otherwise having ordinary voting power to elect a majority of the board of directors or other Persons performing similar functions are at the time directly or indirectly owned or controlled by the Company, and includes any entity which is directly or indirectly controlled by the Company (including, for the avoidance of doubt, any variable interest entities that are consolidated into the financial statements of the Company).

"**Tax**" means (a) all U.S. federal, state, local, non-U.S., and other net income, gross income, gross receipts, sales, use, ad valorem, transfer, franchise, profits, license, lease, service, service use, withholding, payroll, employment, excise, severance, stamp, occupation, premium, property, windfall profits, alternative or add-on minimum taxes, customs, unclaimed property or escheat, duties or other taxes, fees, assessments, or charges of any kind whatsoever, together with any interest and any penalties, additions to tax, or additional amounts with respect thereto and (b) any liability for the payment of any amount of the type described in the immediately preceding clause (a) as a result of (1) being a "transferee" (within the meaning of Section 6901 of the Code, or any other Applicable Law) of another Person, (2) being a member of an affiliated, combined, consolidated or unitary group or (3) any contractual liability.

"**Transaction Documents**" has the meaning set forth in the Subscription Agreement.

"**Transfer**" (or any correlative term) means, in respect of any Equity Securities, a direct

or indirect sale, assignment, pledge, charge, mortgage, hypothecation, gift, placement in trust (voting or otherwise) or transfer by operation of Law of such Equity Securities (including through the Transfer of shares or ownership interest in any person that directly or indirectly Controls any person that holds such Equity Securities), or the creation of a security interest in, or lien on, or any other encumbrance or disposal (directly or indirectly and whether or not voluntary) on such Equity Securities, and shall include any transfer by will or intestate succession or entry into any swap or other derivatives transaction that transfers to any person, in whole or in part, any of the economic benefits or risks of ownership of such Equity Securities, whether any such transaction is to be settled by delivery of such Equity Securities or other Equity Securities, in cash or otherwise.

"**Transfer Notice**" has the meaning assigned to such term in Section 5.03(i).

"**Trust"** has the meaning assigned to such term in Section 8.01(iv)

"**U.S**." means the United States of America.

"**U.S. GAAP**" means the generally accepted accounting principles as applied in the United States.

"**U.S. Investor**" means any Investor who is or is deemed a United States person or one or more owners of such Investor is or is deemed as United States persons under the Code, or subject to Tax reporting obligation under the Code.

"**Voting Agreement**" mean the Voting Agreement dated as the date hereof entered into by and among the Company, the Principal Parties, the Investors, Redrock Holding Investments Limited, TPG Growth III SF Pte. Ltd. and 58.com Holdings Inc., as may be supplemented, amended or restated from time to time.

"**Warrant**" has the meaning set forth in the recitals.

"**2019 Investors' Right Agreement**" means the Investors' rights agreement dated June 10, 2019 entered into by and among the Company, Redrock Holding Investments Limited, TPG Growth III SF Pte. Ltd., 58.com Holdings Inc. and certain other parties thereto in connection with the issuance of the 2019 Notes.

"**2019 Notes**" means the Convertible Notes in the aggregate principal amount of $230,000,000 issued by the Company pursuant to the Convertible Note Purchase Agreement dated May 29, 2019 entered into by and among the Company, Redrock Holding Investments Limited, TPG Growth III SF Pte. Ltd., 58.com Holdings Inc. and certain other parties thereto, as supplemented, amended or restated from time to time.

Section 1.02 **Interpretation.** For all purposes of this Agreement, except as otherwise expressly herein provided, (i) the terms defined in this Article I shall have the meanings assigned to them in this Article I and include the plural as well as the singular, (ii) all accounting terms not otherwise defined herein have the meanings assigned under U.S. GAAP, (iii) all references in this Agreement to designated "Sections" and other subdivisions are to the designated Sections and other subdivisions of the body of this Agreement, (iv) pronouns of either gender or neuter shall include, as appropriate, the other pronoun forms, (v) the words "herein," "hereof" and "hereunder" and other words of similar import refer to this Agreement as a whole and not to any particular Section or other subdivision, (vi) references to

this Agreement and any other document shall be construed as references to such document as the same may be amended, supplemented or novated from time to time, (vii) the term "including" will be deemed to be followed by ", but not limited to," (viii) the terms "shall," "will," and "agrees" are mandatory, and the term "may" is permissive, (ix) the phrase "directly or indirectly" means directly, or indirectly through one or more intermediate Persons or through contractual or other arrangements, and "direct or indirect" has the correlative meaning, (x) the term "voting power" refers to the number of votes attributable to the Ordinary Shares in accordance with the terms of the Memorandum and Articles, (xi) the headings used in this Agreement are used for convenience only and are not to be considered in construing or interpreting this Agreement, (xii) references to Laws include any such Law modifying, re-enacting, extending or made pursuant to the same or which is modified, re-enacted, or extended by the same or pursuant to which the same is made, and (xiii) all references to dollars or to "$" are to currency of the United States of America and all references to RMB are to currency of the PRC (and each shall be deemed to include reference to the equivalent amount in other currencies).

ARTICLE II

INFORMATION RIGHTS

Section 2.01 **Financial Information.**

1. Except to the extent such materials are available to the public through the SEC's Electronic Data Gathering, Analysis, and Retrieval system (also known as "**EDGAR**") or its Interactive Data Electronic Applications information portal (also known as "**IDEA**") or through Bloomberg (or other similar financial information service provider) at the relevant time, the Company agrees to provide to the Investors:

(i) as soon as practicable, but in any event within one hundred and twenty (120) days after the end of each fiscal year of the Company, consolidated and consolidating income statements and statements of cash flows for the Company and its Subsidiaries for such fiscal year and consolidated and consolidating balance sheets and accounts receivable aging reports for the Company and its Subsidiaries as of the end of the fiscal year, setting forth in each case comparisons to the Annual Budget and to the preceding fiscal year, all prepared in accordance with U.S. GAAP, consistently applied, and audited and certified by the Company's auditors and accompanied by a copy of such auditing firm's annual management letter to the Board;

(ii) as soon as practicable, but in any event within forty-five (45) days after the end of each fiscal quarter, unaudited financial statements of the Company and its Subsidiaries for such fiscal quarter, including unaudited consolidated and consolidating balance sheets of the Company and its Subsidiaries as at the end of such fiscal quarter and the related consolidated and consolidating statements of income and cash flows for such fiscal quarter and for the period from the beginning of the then-current fiscal year to the end of such fiscal quarter, setting forth in each case comparisons to the Annual Budget and to the corresponding period in the preceding fiscal year, all prepared in accordance with U.S. GAAP, consistently applied, subject to changes resulting from audit and normal year-end adjustments made in accordance with U.S. GAAP, consistently applied;

(iii) as soon as practicable, but in any event within fourteen (14) days after the end of each monthly accounting period in each fiscal year, unaudited financial statements of the Company and its Subsidiaries for such monthly period, including unaudited consolidated and consolidating required balance sheet items of the Company and its Subsidiaries as at the end of such monthly period and the related consolidated and consolidating management

accounts, required cash flow items and statements of income for such monthly period and for the period from the beginning of the then-current fiscal year to the end of such monthly period, setting forth in each case comparisons to the Annual Budget and to the corresponding period in the preceding fiscal year, all prepared in accordance with U.S. GAAP, consistently applied, subject to changes resulting from audit and normal year-end adjustments made in accordance with U.S. GAAP, consistently applied;

(iv) within thirty (30) days prior to the beginning of each fiscal year of the Company, an Annual Budget in respect of such upcoming fiscal year, to be approved by the Board;

(v) promptly upon receipt thereof, any additional reports, management letters or other detailed information concerning significant aspects of the Company's or its Subsidiaries' operations or financial affairs given to the Company by its independent accountants (and not otherwise contained in other materials provided hereunder);

(vi) as soon as available, copies of any communications, or reports or statements furnished to or filed by the Company (other than such information covered under sub clauses (i), (ii) and (iii) above), with the SEC or any securities exchange on which any class of Equity Securities of the Company may be listed;

(vii) promptly (but in any event within five Business Days) after the discovery or receipt of notice of any Event of Default (as such term is defined in the respective 2019 Note), any default under any material agreement to which it or any of its Subsidiaries is a party, any condition or event which is reasonably likely to result in any material adverse effect affecting the Company or any Subsidiary (including, without limitation, the filing of any material litigation against the Company or any Subsidiary or the existence of any dispute with any Person which involves a reasonable likelihood of such litigation being commenced), a certificate from an officer of the Company specifying the nature and period of existence thereof and what actions the Company and its Subsidiaries have taken and propose to take with respect thereto; and

(viii) as soon as practicable, such other information and financial data concerning the Company and its Subsidiaries as the Investors may reasonably request.

Section 2.02 **Exchange Act Filings; Rule 144 Information.** As long as any of the Investors holds any Subscription Shares or Conversion Shares or ADSs, the Company covenants to timely file (or obtain extensions in respect thereof and file within the applicable grace period) all reports required to be filed by the Company after the date hereof pursuant to the Exchange Act. As long as the Subscription Shares or Conversion Shares are "restricted securities" as defined in Rule 144 (or any successor rule thereto), if the Company is not required to file reports pursuant to the Exchange Act, it will prepare and make publicly available in accordance with Rule 144(c), and furnish to the Investors such information, as is required to sell such Subscription Shares or Conversion Shares under Rule 144 (or any successor rule thereto), to the extent Rule 144 is available to the Investors for the public resale of restricted securities. In addition, the Company shall maintain its eligibility to register the Subscription

Shares or Conversion Shares for resale by the Investors on Form F-3 or any similar short form registration statement hereafter adopted by the SEC.

Section 2.03 **Books, Records and Internal Controls.**

(i) The Company shall, and shall cause each Subsidiary to, (A) make and keep books, records and accounts which, in reasonable detail, accurately and fairly (x) reflect their transactions and dispositions of assets and (y) present their financial instruments and Equity Securities; and (B) prepare its financial statements and disclosure documents accurately, in accordance with U.S. GAAP, and ensure the completeness and timeliness of such financial statement and disclosure documents in all material respects.

(ii) The Company shall, and shall cause each Subsidiary to, devise and maintain a system of internal accounting controls sufficient to provide reasonable assurance that:

(a) transactions are executed and access to assets is permitted only in accordance with management's general or specific authorization;

(b) transactions are recorded as necessary to permit preparation of periodic financial statements in conformity with U.S. GAAP or any other criteria applicable to such statements and to maintain accountability for assets;

(c) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences; and

(d) any transaction by and between the Company, its Subsidiaries and any Related Party is properly monitored, recorded and disclosed.

(iii) The Company shall, and shall cause each Subsidiary to, install and have in operation an accounting and control system, management information system and books of account and other records, which together will adequately give a fair and true view of the financial condition of the Company and its Subsidiaries and the results of their operations in conformation with U.S. GAAP, as applicable.

Section 2.04 **Inspection Rights.** . Notwithstanding any additional rights the Investors may have under the Memorandum and Articles or under Applicable Law, the Company will, and will cause each of its Subsidiaries to, upon reasonable prior written notice of any of the Investors, permit such Investor and its Representatives to have reasonable access at all reasonable times during regular working hours (and at the Investor's sole cost and expense), and in a manner so as not to interfere with the normal business operations of the Company and each of its Subsidiaries or otherwise result in any significant interference with the prompt and timely discharge by the employees of the Company or its Subsidiaries of their normal duties, to the officers and senior management, premises, employees, agents, contractors, accountants, customers, books, records, contracts, financial and operating data and other information with respect to the business, properties and personnel of or pertaining to the Company and any of its Subsidiaries, as such Investors may reasonably request in writing. Notwithstanding anything to the contrary in this Section 2.04, nothing in this Agreement shall require the Company or any of its Subsidiaries or Representatives to provide the Investors or any of its Representatives with access to any contracts, books, records, documents or other

information (i) to the extent the disclosure of such contracts, books, records, documents or other information is prohibited by Law, or (ii) to the extent disclosure of such contracts, books, records, documents or other information, as reasonably determined by the Company's counsel, would be reasonably likely to result in a breach of any confidentiality obligation to which the Company or any of its Subsidiaries are bound.

Section 2.05 **Confidentiality.** For the avoidance of doubt, any Confidential Information obtained by the Investors pursuant to this Article II shall be subject to Article VI.

Section 2.06 **Listing.** The Company shall maintain the ADSs' authorization for listing on the NASDAQ. Neither the Company nor any other Group Member shall take any action which would be reasonably expected to result in the delisting or suspension of trading of the ADSs on the NASDAQ.

Section 2.07 **United States Tax Information.** As long as any U.S. Investor or its Affiliates hold any Subscription Shares, Conversions Shares or ADSs, the Company shall use its best efforts to (and shall cause each of its Subsidiaries to) provide such U.S. Investor with such information and records and make such of its officers, directors, employees and agents available during usual business hours as may reasonably be requested by such U.S. Investor at any time or from time to time relating to:

(i) the income Tax classification of any distributions (whether cash, stock, in kind, or otherwise) made by the Company to the U.S. Investor, including the U.S. federal income Tax classification;

(ii) the extent to which a distribution made by the Company to the U.S. Investor is entitled to the benefits of any applicable income Tax treaty; and

(iii) all such other information that is reasonably necessary for the U.S. Investor, or any direct or indirect owner of the U.S. Investor, to duly complete and file its Tax Returns (as defined in the Subscription Agreement), or may be reasonably necessary in connection with any Tax audit or controversy.

ARTICLE III
PARTICIPATION RIGHT.

Section 3.01 **General.** In the event the Company proposes to undertake an allotment and issuance of New Securities, the Company hereby undertakes to the Investors that it shall not undertake such allotment and issuance of New Securities unless it first delivers to the Investors a Participation Notice and complies with the provisions set forth in this Article III.

Section 3.02 **First Participation Notice.** In the event that the Company proposes to undertake an issuance of any New Securities (in a single transaction or a series of related transactions), it shall give to each Investor (the "**Participation Rights Holder**") written notice of its intention to issue such New Securities (the "**First Participation Notice**"), describing the amount and class of the New Securities, the price and the general terms upon which the Company proposes to issue such New Securities. Each Participation Rights Holder shall have fifteen (15) days from the date of receipt of any such First Participation Notice (the "**First Participation Period**") to agree on behalf of itself or its Affiliates in writing to purchase such Participation Rights Holder's Pro Rata Share of such New Securities for the price and

upon the terms and conditions specified in the First Participation Notice by giving written notice to the Company and stating therein the quantity of the New Securities to be purchased (not to exceed such Participation Rights Holder's Pro Rata Share). If any Participation Rights Holder fails to so agree in writing within the First Participation Period to purchase such Participation Rights Holder's full Pro Rata Share of an offering of such New Securities, then such Participation Rights Holder shall forfeit the right hereunder to purchase that part of its Pro Rata Share of such New Securities that it did not agree to purchase. A Participation Rights Holder's "Pro Rata Share" for purposes of the right of participation in this Article III is the ratio of (a) the number of Ordinary Shares into which the then outstanding Senior Preferred Shares held by such Participation Rights Holder are convertible (calculated on an as-converted basis), to (b) the total number of the Ordinary Shares into which the then outstanding Senior Preferred Shares held by all Participation Rights Holders are convertible (calculated on an as-converted basis) immediately prior to the issuance of the New Securities giving rise to the Right of Participation.

Section 3.03 **Second Participation Notice; Oversubscription**. If any Participation Rights Holder fails or declines to fully exercise its Right of Participation in accordance with Section 3.02 above, the Company shall promptly (but no later than three (3) Business Days after the expiration of the First Participation Period) give notice (the "**Second Participation Notice**") to other Participation Rights Holders who have fully exercised their Right of Participation (the "**Fully Participating Investors**") in accordance with Section 3.02 above, which notice shall set forth the number of the New Securities not purchased by the other Participation Rights Holders pursuant to Section 3.02 above (such shares, the "**Overallotment New Securities**"). Each Fully Participating Investor shall have fifteen (15) days from the date of receipt of the Second Participation Notice (the "**Second Participation Period**") to notify the Company of its desire to purchase more than its Pro Rata Share of the New Securities, stating the number of the additional New Securities it proposes to buy (the "**Additional Number**"). Such notice may be made by telephone if confirmed in writing within two (2) Business Days thereafter. If, as a result thereof, the total number of additional New Securities the Fully Participating Investors (the "**Oversubscribing Fully Participating Investors**") propose to buy exceeds the total number of the Overallotment New Securities, the number each such Oversubscribing Fully Participating Investor is entitled to subscribe will equal to the lesser of (x) its Additional Number and (y) the product obtained by multiplying (i) the number of the Overallotment New Securities available for subscription by (ii) a fraction, the numerator of which is the number of the Ordinary Shares into which the then outstanding Senior Preferred Shares held by such Oversubscribing Fully Participating Investor are convertible (calculated on an as-converted basis) and the denominator of which is the total number of the Ordinary Shares into which the then outstanding Senior Preferred Shares held by all the Oversubscribing Fully Participating Investors are convertible (calculated on an as-converted basis).

Section 3.04 **Sale by the Company.** If Participation Rights Holders fail or decline to exercise their rights or purchase all New Securities included in the First Participation Notice within the First Participation Period or the Second Participation Period under Section 3.02 or Section 3.03 (as the case may be), the Company shall have one hundred and twenty (120) days after the date of the First Participation Notice or Second Participation Notice, as the case may be, to sell the New Securities described in the First Participation Notice (with respect to which the Right of Participation hereunder were not exercised) at the same or higher price and upon non-price terms no more favorable to the purchasers thereof than specified in the First Participation Notice. At the request of any Investor, the purchaser (which is not a party to this Agreement) shall be subject to all the terms and conditions of this Agreement by executing

a deed of adherence. In the event that the Company has not issued and sold such New Securities within such one hundred and twenty (120)-day period, then the Company shall not thereafter issue or sell any New Securities without offering such New Securities to the Participation Rights Holders pursuant to this Article III again.

Section 3.05 **New Securities**. Notwithstanding anything to the contrary in this Article III, the Investor's participation right under this Article III shall not apply to, and "New Securities" shall not include, the following allotments and issuances of Equity Securities:

(i) options, grants, awards, restricted shares or any other Ordinary Shares or Ordinary Share Equivalents issued under the Existing Share Incentive Scheme or any other employee share incentive scheme(s) approved pursuant to Section 2.04 of the Voting Agreement (collectively, "**Company Options**"), and Equity Securities upon the exercise or conversion of any Company Options;

(ii) Ordinary Shares issued upon the termination of the Company's American Depositary Receipts program or the termination, cancelation or exchange of any ADSs by the holders thereof;

(iii) Senior Preferred Shares issued pursuant to the Subscription Agreement and Senior Preferred Shares upon exercise of the Warrants;

(iv) Conversion Shares issued upon conversion of Senior Preferred Shares;

(v) Equity Securities of the Company issued in connection with any share split, share dividend, reclassification or other similar event that has been approved in accordance with Section 2.04 of the Voting Agreement; and

(vi) other than to the extent covered above in sub-clauses (i) and (ii), Ordinary Shares or ADSs issued upon the conversion or exercise of any Ordinary Share Equivalents outstanding as of the date of this Agreement or issued subsequent to the date of this Agreement in compliance with the participation rights set forth in this Article III (in each case, pursuant to the terms of the relevant Ordinary Share Equivalents as unmodified).

ARTICLE IV
COMPLIANCE WITH LAWS.

Section 4.01 **Compliance with Laws.**

(i) The Company shall not, and the Company shall cause each of its Subsidiaries and Representatives not to, directly or indirectly, make or authorize any offer, gift, payment, or transfer, or promise of, any money or anything else of value, or provide any benefit, to any government official, Governmental Entity or Person that would result in a breach of any anti-corruption law.

(ii) The Company shall not, and the Company shall cause each of its Subsidiaries not to, permit any government official to serve in any capacity within the Company or any of its Subsidiaries, including as a board member, employee or consultant.

(iii) The Company shall, and the Company shall cause each of its Subsidiaries to, maintain complete and accurate books and records, including records of

payments to any government official or Governmental Entity, in accordance with anti-corruption laws and applicable generally accepted accounting principles.

(iv) The Company shall cooperate with any compliance audit or investigation by the Investors and provide all reasonable information and assistance requested upon an investigation or inquiry by a Governmental Entity directed to the Company or any shareholder of the Company.

(v) The Company shall, and shall cause each of its Subsidiaries to, comply in all material respects with all Applicable Laws, including the requirements of (a) the Sarbanes-Oxley Act of 2002, as amended, (b) any and all applicable rules and regulations promulgated by the SEC thereunder that are effective with the force of Law and (c) all applicable provisions of the sanction programs administered by OFAC.

Section 4.02 **PFIC.** The Company shall use its reasonable efforts to conduct its business activities and operations in a manner that avoids the Company or any of its Subsidiaries being considered a PFIC. The Company shall determine whether it or any of its Subsidiaries constituted a PFIC not later than seventy-five (75) days after the end of any fiscal year. The Company shall use its reasonable best efforts, in the event it is determined that it or any of its Subsidiaries is a PFIC, and at the request of any U.S. Investor, to furnish to such U.S. Investor: (i) all information necessary to permit the U.S. Investor (or any direct or indirect owner of the U.S. Investor) to complete United States Internal Revenue Service Form 8621 with respect to its interest in the Company or any of its Subsidiaries that are or may be PFICs, (ii) a PFIC Annual Information Statement described in United States Treasury Regulation Section 1.1295-1(g)(1) with respect to the Company and such of its Subsidiaries that are or may be PFICs, and shall attempt to provide such information within ninety (90) days of the end of the Company's fiscal year.

Section 4.03 **United States Tax Classification.** The Company shall not take any action that would cause it to cease to be classified as a corporation for United States federal income Tax purposes (including, without limitation, filing any United States Internal Revenue Service Form 8832 that would cause the Company to be taxed other than as a corporation for United States federal income Tax purposes).

ARTICLE V
TRANSFER RESTRICTIONS.

Section 5.01 **Principal Lock-up.** Subject to Section 5.02, during the Principal Lock-up Period, no Principal Party shall Transfer, or publicly announce an intention to Transfer, any Equity Securities in the Company directly or indirectly held by the Principal Party as of the date hereof, without the prior written consent of the Investors. The Principal irrevocably agrees to cause and guarantee the performance by the Principal Holding Company of all of its covenants and obligations under this Section 5.01. Any purported Transfer by any Principal Party in violation of this Section 5.01 shall be null and void and of no force and effect and the Company shall refuse to recognize any such Transfer and shall not register or otherwise reflect on its records any change in ownership of such Equity Securities in the Company purported to have been Transferred.

Section 5.02 **Permitted Transfers.**

(i) Regardless of anything else contained herein, Section 5.01 shall not apply to Transfers of Equity Securities of the Company by the Principal Holding Company (i) to the Principal, a Relative of the Principal, a trust formed for the exclusive benefit of the Principal or his Relatives, or an entity 100% Controlled exclusively by the Principal, or (ii) through will or intestacy, in each case where the transferee shall have executed and delivered to each of the Parties (other than the transferor) an instrument, reasonably acceptable to the other Parties, agreeing to be bound by the terms and conditions of this agreement as if such transferee were the transferor.

(ii) Any transferee of Equity Securities expressly contemplated under Section 5.02 is hereinafter referred to as a "Permitted Transferee". If any Permitted Transferee to which Equity Securities of the Company are Transferred ceases to be a Permitted Transferee of the Party from which or whom it acquired such Equity Securities of the Company pursuant to such provision, such Person shall reconvey such Equity Securities of the Company to such transferring Party (or another Permitted Transferee of such Party) immediately before such Person ceases to be a Permitted Transferee of such transferring Party so long as such Person knows of its upcoming change of status immediately prior thereto. If such change of status is not known until after its occurrence, the former Permitted Transferee shall make such transfer to such transferring Party (or another Permitted Transferee of such Party) as soon as practicable after the former Permitted Transferee receives notice thereof.

Section 5.03 **Right of First Refusal.**

(i) **Transfer Notice**. Subject to Section 5.01 and Section 5.02, if any of the Principal Parties, any of his/its Permitted Transferee (the "**Selling Shareholder**") proposes to Transfer all or any Equity Securities of the Company directly or indirectly held by it/him, then the Selling Shareholder shall promptly give written notice (the "**Transfer Notice**") to each of the Investors (collectively, the "**Non-Selling Shareholders**") and the Company prior to such Transfer. The Transfer Notice shall describe in reasonable detail the proposed Transfer including, without limitation, the number of Equity Securities to be Transferred (the "**Offered Shares**"), the nature of such Transfer, the consideration to be paid, and the name and address of each prospective purchaser or transferee or acquirer. The Transfer Notice shall also include a copy of any written proposal, term sheet or letter of intent or other agreement relating to the proposed Transfer (if any).

(ii) Each Non-Selling Shareholder shall have the right for a period of fifteen (15) Business Days following the Non-Selling Shareholder's receipt of the Transfer Notice (the "**Investor ROFR Period**") to elect to purchase up to its respective pro rata share of the Offered Shares at the same price and subject to the same material terms and conditions as described in the Transfer Notice. Each Non-Selling Shareholder may exercise such right of first refusal and, thereby, purchase all or any portion of its pro rata share of the Offered Shares, by notifying the Selling Shareholder and the Company in writing, before expiration of the Investor ROFR Period as to the number of such Offered Shares that it wishes to purchase. Each Non-Selling Shareholder's pro rata share of the Offered Shares shall be a fraction, the numerator of which shall be the total number of the Ordinary Shares into which the then outstanding Senior Preferred Shares held by such Non-Selling Shareholder on the date of the Transfer Notice are convertible (calculated on an as-converted basis) and the denominator of which shall be the total number of the Ordinary Shares into which the then outstanding Senior Preferred Shares held by all the Non-Selling Shareholders on such date are convertible (calculated on an as-converted basis).

(iii) If any Non-Selling Shareholder elects not to exercise or fully exercise or fails to fully exercise such right of first refusal pursuant to Section 5.03(ii), the Selling Shareholder shall, within three (3) Business Days after the expiration of the Investor ROFR Period, give notice of such election or failure (the "**Re-allotment Notice**") to each other Non-Selling Shareholder that elected to purchase its entire pro rata share of the Offered Shares (the "**Purchasing Holders**"), which notice shall set forth the number of the Offered Shares not purchased by the other Non-Selling Shareholders pursuant to Section 5.03(ii) (such shares, the "**Remaining Offered Shares**"). Such Re-allotment Notice may be made by telephone if confirmed in writing within five (5) Business Days. The Purchasing Holders shall have a right of re-allotment such that they shall have ten (10) Business Days from the date of such Re-allotment Notice was given (the "**Extension Period**") to elect to increase the number of the Offered Shares they agreed to purchase under Section 5.03(ii). Such right of re-allotment shall be subject to the following conditions: Each Purchasing Holder shall first, within the Extension Period, notify the Selling Shareholder of its desire to increase the number of the Offered Shares it agreed to purchase under Section 5.03(ii), stating the number of the additional Offered Shares it proposes to buy (the "**Additional Offered Shares**"). Such notice may be made by telephone if confirmed in writing within two (2) Business Days. If, as a result thereof, the total number of Additional Offered Shares the Purchasing Holders propose to buy exceeds the total number of the Remaining Offered Shares, each such Purchasing Holder (an "**Over-Purchasing Holder**") shall be entitle to buy such number of Remaining Offered Shares equal to the lesser of (x) its Additional Offered Shares and (y) the product obtained by multiplying (i) the number of the Remaining Offered Shares available to the Over-Purchasing Holders for over-purchase by (ii) a fraction, the numerator of which is the number of the Ordinary Shares into which the then outstanding Senior Preferred Shares held by such Over-Purchasing Holder are convertible (calculated on an as-converted basis) and the denominator of which is the total number of the Ordinary Shares into which the then outstanding Senior Preferred Share held by all the Over-Purchasing Holders are convertible (calculated on an as-converted basis), calculated as at the date of Transfer Notice.

(iv) Subject to applicable securities laws and other Applicable Laws, the Non-Selling Shareholders shall be entitled to apportion the Offered Shares to be purchased among its partners and Affiliates upon written notice to the Company and the Selling Shareholder; provided that such partners and Affiliates (which are not parties to this Agreement) shall be subject to all the terms and conditions of this Agreement by executing the deed of adherence.

(v) If a Non-Selling Shareholder gives the Selling Shareholder notice that it desires to purchase the Offered Shares, then payment for the Offered Shares to be purchased shall be made by check or wire transfer in immediately available funds of the appropriate currency, against delivery of such Offered Shares to be purchased and the delivery of updated register of members of the Company reflecting the purchase of such Offered Shares by such Non-Selling Shareholder, at a place agreed by the Selling Shareholder and all the participating Non-Selling Shareholders and at the time of the scheduled closing therefor, which shall be no later than forty-five (45) Business Days after the Non-Selling Shareholder's receipt of the Transfer Notice, unless such notice contemplated a later closing with the prospective third party transferee or unless the value of the purchase price has not yet been established pursuant to Section 5.03(ii).

(vi) **Purchase Price.** The purchase price for the Offered Shares to be purchased by the Company or the Non-Selling Shareholders exercising their right of first

refusal will be the price set forth in the Transfer Notice. If the purchase price in the Transfer Notice includes consideration other than cash, the cash equivalent value of the non-cash consideration will be as previously determined by the Board in good faith, which determination will be binding upon the Company and the Non-Selling Shareholder, absent fraud or error.

(vii) **Rights of Selling Shareholder.** If any Non-Selling Shareholder exercises its right of first refusal to purchase the Offered Shares, then, upon the date the notice of such exercise is given by such Non-Selling Shareholder, the Selling Shareholder will have no further rights as a holder of such Offered Shares except the right to receive payment for such Offered Shares from the Non-Selling Shareholder in accordance with the terms of this Agreement, and the Selling Shareholder will forthwith cause all certificate(s) evidencing such Offered Shares to be surrendered to the Non-Selling Shareholder for transfer to the Non-Selling Shareholder.

(viii) Application of Co-Sale Right. Within seven (7) Business Days after expiration of the Extension Period (or if no Extension Period, the Investor ROFR Period), the Selling Shareholder shall give each Non-Selling Shareholder a written notice (the "**First Refusal Expiration Notice**") specifying either (i) that all of the Offered Shares have been purchased by the Non-Selling Shareholders exercising rights of first refusal, or (ii) that the Non-Selling Shareholders have not purchased for all of the Offered Shares. If the Non-Selling Shareholders have not purchased for all of the Offered Shares, then the sale of the remaining Offered Shares will become subject to the co-sale right set forth in Section 5.04 below.

Section 5.04 **Co-Sale Right.**

Each of the Non-Selling Shareholders that has not exercised its right of first refusal with respect to any Offered Share proposed to be Transferred by the Selling Shareholder (the "**Co-Sale Holder**") shall have the right, exercisable upon written notice to the Selling Shareholder and the Company (the "**Co-Sale Notice**") within twenty (20) Business Days after receipt of the First Refusal Expiration Notice (the "**Co-Sale Right Period**"), to participate in the sale of the Offered Shares at the same price and subject to the same terms and conditions as set forth in the Transfer Notice. The Co-Sale Notice shall set forth the number of Shares (on an as-converted basis) that such Co-Sale Holder wishes to include in such Transfer, which amount shall not exceed the Co-Sale Pro Rata Portion (as defined below) of such Co-Sale Holder. To the extent any Co-Sale Holder exercises such right of co-sale in accordance with the terms and conditions set forth below, the number of the Offered Shares that the Selling Shareholder may sell in the transaction shall be correspondingly reduced. The co-sale right of each Co-Sale Holder shall be subject to the following terms and conditions:

(i) **Co-Sale Pro Rata Portion**. A Co-Sale Holder may sell all or any part of that number of Ordinary Shares held by or issuable to it (on an as-converted basis) that is equal to the product obtained by multiplying (x) the aggregate number of the Offered Shares subject to the co-sale right hereunder by (y) a fraction, the numerator of which is the number of Ordinary Shares into which the then outstanding Senior Preferred Shares held by such Co-Sale Holder are convertible (calculated on an as-converted basis) at the time of the date of First Refusal Expiration Notice and the denominator of which is the combined number of Ordinary Shares held by the Selling Shareholder and Ordinary Shares into which the then outstanding Senior Preferred Shares held by all the Co-Sale Holders exercising the co-sale right hereunder are convertible (calculated on an as-converted basis) at the time of the date of First Refusal Expiration Notice(the "**Co-Sale Pro Rata Portion**"). The co-sale right under this Section 5.04

shall not apply with respect to any Shares sold or to be sold to the Non-Selling Shareholders under the right of first refusal under Section 5.03.

(ii) **Transferred Shares**. A Co-Sale Holder shall effect its participation in the co-sale by promptly delivering to the Selling Shareholder for transfer to the prospective purchaser instrument(s) of transfer executed by such Co-Sale Holder and one or more certificates, properly endorsed for transfer, which represent:

(a) the number of the Ordinary Shares which such Co-Sale Holder elects to sell;

(b) Senior Preferred Shares, in the event that the Co-Sale Holder delivers certificates for that number of Senior Preferred Shares which is at such time convertible into the number of Ordinary Shares that the Co-Sale Holder elects to sell (on an as-converted basis); provided in such case that, if the prospective purchaser objects to the Transfer of the Senior Preferred Shares in lieu of the Ordinary Shares, the Co-Sale Holder shall convert such Senior Preferred Shares into Ordinary Shares and deliver certificates for Ordinary Shares as provided in Section 5.04(ii)(a) above. The Company agrees to make any such conversion concurrent with the actual Transfer of such shares to the prospective purchaser; or

(c) a combination of the above.

provided however, if the Selling Shareholder proposes to transfer any ADSs to the prospective purchaser, or if the prospective purchaser objects to the Transfer of the Ordinary Shares and/or Senior Preferred Shares in lieu of the ADSs, upon written request of such Co-sale Holder, the Company shall, and the Principal Parties shall cause the Company to, use its best efforts to convert such Ordinary Shares and/or Senior Preferred Shares into ADSs pursuant to the Registration Right Agreement.

(iii) **Payment to Co-Sale Holders; Registration of Transfer**. The share certificate or certificates that a Co-Sale Holder delivers to the Selling Shareholder pursuant to Section 5.04(ii) above shall be transferred to the prospective purchaser in consummation of the Transfer of the Offered Shares pursuant to the terms and conditions specified in the Transfer Notice, and the Selling Shareholder shall concurrently therewith remit to the Co-Sale Holder exercising the co-sale right that portion of the sale proceeds to which the Co-Sale Holder is entitled by reason of its participation in such Transfer. To the extent that any prospective purchaser or purchasers prohibits such assignment or otherwise refuses to purchase Shares or other securities from the Co-Sale Holders exercising the co-sale right hereunder, the Selling Shareholder shall not Transfer to such prospective purchaser or purchasers any Offered Shares unless and until, simultaneously with such Transfer, the Selling Shareholder shall purchase such Shares or other securities from the Co-Sale Holders exercising the co-sale right. The Company shall, upon surrendering by the Co-Sale Holder or the Selling Shareholder of the certificates for the Shares or other securities being Transferred from the Co-Sale Holders as provided above, make proper entries in the register of members of the Company and cancel the surrendered certificates and issue any new certificates in the name of the prospective purchase or the Selling Shareholder, as the case may be, as necessary to consummate the transactions in connection with the exercise by the Co-Sale Holder of its co-sale rights under this Section 5.04.

Section 5.05 **Conversion of Class B Ordinary Shares.**

(i) During the Principal Lock-up Period, with respect to the 40,809,861 Class B Ordinary Shares held by the Principal Holding Company, in addition to the restrictions set forth in the Memorandum and Articles, the Company and the Principal Parties agree that all the number of Class B Ordinary Shares held by the Principal Holding Company will be automatically and immediately converted into an equal number of Class A Ordinary Shares upon the occurrence of any of the following:

(a) the Principal ceases to be the ultimate Beneficial Owner of the entire equity interests of the Principal Holding Company;

(b) any direct or indirect sale, transfer, assignment or disposition of the equity interest in the Principal Holding Company by the Principal to any Person; or

(c) any direct or indirect transfer or assignment of the voting power attached to the equity interest in the Principal Holding Company through voting proxy or otherwise to any Person.

(ii) During the Principal Lock-up Period, other than as required by the Memorandum and Articles or Section 5.05(i) above, the Principal shall not, and shall cause the Principal Holding Company not to, convert or cause or permit the conversion of, any Class B Ordinary Share into Class A Ordinary Share.

(iii) Notwithstanding any provisions to the contrary under the Memorandum and Articles, the Company may effect any conversion of Class B Ordinary Shares required pursuant to Section 5.05(i) above in any manner available under Applicable Law, including redeeming or repurchasing the relevant Class B Ordinary Shares with proceeds from the issuance of new Class A Ordinary Shares. Any Class B Ordinary Shares converted pursuant to Section 5.05(i) above shall be cancelled. For purposes of such redemption or repurchase, the Company may, subject to the Company being able to pay its debts as they fall due in the ordinary course of business, make payments out of its capital.

ARTICLE VI
CONFIDENTIALITY

Section 6.01 **General Obligations.** Each Party undertakes to the other Party that it shall not reveal, and that it shall use its commercially reasonable efforts to procure that its respective Representatives who are in receipt of any Confidential Information do not reveal, to any third party any Confidential Information without the prior written consent of the concerned Party. The term "Confidential Information" as used in this Article VI means: (a) any non-public information concerning the organization, structure, business or financial results or condition of any Party, including but not limited to any non-public information that the Investors may have or acquire in relation to any Group Members or its customers, business, assets or affairs pursuant to Article II; (b) the terms of this Agreement and the terms of any of the other Transaction Documents, and the identities of the Parties and their respective Affiliates; and (c) any other information or material prepared by a Party or its Representatives to the extent it contains or otherwise reflects, or is generated from, Confidential Information (collectively, the "**Confidential Information**"); provided that "Confidential Information" shall not include information that is (i) or becomes generally available to the public other than as a result of disclosure by or at the direction of a Party or any of its Representatives in breach of this

Agreement, (ii) or becomes available to a Party from a source other than the Company, (iii) already in the possession of the Party on the date hereof (other than information furnished by or on behalf of a Party) or (iv) independently developed by the Party without violating any of the confidentiality terms herein.

Section 6.02 **Exceptions.** The provisions of Section 6.01 shall not apply to:

(i) disclosure by a Party to a Representative or an Affiliate if such Representative or Affiliate (a) is under a similar obligation of confidentiality or (b) is otherwise under a binding professional obligation of confidentiality;

(ii) disclosure, after giving prior notice to the other Parties to the extent practicable under the circumstances and subject to any practicable arrangements to protect confidentiality, to the extent requested or required under the rules of any stock exchange on which the Equity Securities of a Party or any of its Affiliates are listed or by Laws or governmental regulations or judicial or regulatory process or in connection with any proceeding arising out of or relating to this Agreement; provided that no prior notice to any Party shall be required to be given under this Section 6.02 with respect to any Proceeding commenced or brought by a Party in pursuit of its rights or in the exercise of its remedies arising out of this Agreement or any other Transaction Document;

(iii) disclosure by the Investors to a financing source in connection with a bona fide loan or financing arrangement, if the recipient agrees in writing prior to any such disclosure to be subject to confidentiality obligations substantially similar to those set forth in this Article VI;

(iv) following notification in writing to the Company on a no names basis, disclosure by any Investor to a bona fide potential purchaser of any portion or all of the Equity Securities of the Company held by such Investor to the extent necessary for such potential purchaser to evaluate such a proposed transaction or for other similar business purposes, if the recipient agrees in writing prior to any such disclosure to be subject to confidentiality obligations substantially similar to those set forth in this Article VI, of which the Company is a third-party beneficiary; or

(v) disclosure by the Investors or its Affiliates of Confidential Information that is reasonably necessary in connection with its reporting requirements to its shareholders, limited partners and/or director or indirect investors in the ordinary course of business in each case, so long as the Persons being disclosed such information have been advised of the confidential nature of such information

Section 6.03 **Press Release.** Notwithstanding the foregoing, without the prior written consent of the Investors, the Company shall not disclose any Confidential Information or make any press releases that contains any Confidential Information, even if such disclosure or press release is required by Applicable Laws, regulations or stock exchange rules. The final form of any such disclosure or press release shall be approved in advance in writing by each Party.

Section 6.04 **Use of Investors' Name or Logo.**

(i) Without the prior written consent of Joy Capital, none of the other Parties shall use, publish, reproduce, or refer to the name of Joy Capital or its Affiliate,

including the name of “Joy Capital” and “愉悦资本”, or any similar name, trademark or logo in any discussion, documents or materials, including without limitation for marketing or other purposes.

(ii) The Company acknowledges that the name, brand and/or logo of Nio Capital and its Affiliates (including but not limited to “蔚来” and “Nio”) are important properties with high valuation and reputation. Abuse of which may lead to Nio Capital and/or its Affiliates unmeasurable damage. Without the prior written consent of Nio Capital, the Company, its shareholders (other than Nio Capital), its Subsidiaries and Affiliates shall not use name, brand and/or logo of Nio Capital and/or its Affiliate (including but not limited to “蔚来” and “Nio”), claim itself as a partner of Nio Capital or its Affiliate, use the name “William Li” or “李斌” for publicity, or make any similar representations. If the Company, its shareholders (other than Nio Capital), its Subsidiaries and Affiliates would like to make, or cause to be made, any press release, public announcement or any other disclosure to the public or through any third party to the public, in respect of the Transaction Documents with Nio Capital, or Nio Capital’s subscription of share interest of the Company or any other kind of information relating to, or in connection with Nio Capital, or “William Li”/ “李斌”, they shall consult with Nio Capital first, and only release such press release, public announcement or disclosure upon written consent of Nio Capital.

Section 6.05 **Overriding Provision.** The provisions of this Article VI shall supersede the provisions of any separate nondisclosure agreements executed by any of the Parties with respect to the transactions contemplated hereby, and all such other nondisclosure agreements shall be terminated and null and void as between the Parties, including without limitation, any term sheet, letter of intent, memorandum of understanding or other similar agreement entered into by two or more of the Parties in respect of the transactions contemplated hereby.

ARTICLE VII
REPRESENTATION AND WARRANTIES

Each Party severally but not jointly represents and warrants, with respect to itself, to the other Party that:

Section 7.01 **Existence.** Such Party (other than the Principal) has been duly organized, is validly existing and is in good standing under the laws of its jurisdiction of organization.

Section 7.02 **Capacity.** Such Party has the requisite power and authority to enter into and perform its or his respective obligations under this Agreement and consummate the transactions contemplated hereby.

Section 7.03 **Authorization And Enforceability.** This Agreement has been duly authorized, executed and delivered by such Party, and assuming the due authorization, execution and delivery by each of the other Parties, this Agreement is a valid and binding agreement of such Party, enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors’ rights generally and general principles of equity.

Section 7.04 **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 or other constitutional documents of such Party (other than the Principal); (ii) violate any constitution, statute, regulation, rule, injunction, judgment, order, decree, ruling, charge, or other restriction of any government, Governmental Entity or court to which such Party 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 such Party is a party or by which such Party is bound or to which any assets of such Party 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 such Party, threatened against such Party that questions the validity of this Agreement or the right of such Party to enter into this Agreement to consummate the transactions contemplated hereby.

ARTICLE VIII
REPRESENTATION AND WARRANTIES OF PRINCIPAL PARITIES

Section 8.01 **Ownership of Company Securities.**

(i). The Principal Parties, jointly and severally, represent and warrant to each Investor on the date hereof that:

(i) SCHEDULE hereto sets forth a true, correct and complete list of (a) the Company Securities directly and indirectly owned, whether beneficially or of record, by the Principal or any of his Affiliates as of the date of this Agreement (collectively, the "**Principal Securities**"), and (b) the Encumbrances the Principal Securities or any direct or indirect interest in the Principal Securities is subject to;

(ii) other than the Principal Securities, as of the date of this Agreement, the Principal and the Principal Entities do not directly or indirectly own, beneficially or of record, any Company Securities or any interest in any Company Securities (including without limitation through any direct or indirect interest in any other Person that owns, beneficially or of record, any Company Securities);

(iii) other than as specifically set forth on SCHEDULE hereto, the Principal and/or the Principal Entities are the sole owner(s) of all right, title and interest (including voting power and power of disposition) in the Principal Securities, free and clear of any Encumbrance (including without limitation any Encumbrance on any direct or indirect interest in any other Person that owns, beneficially or of record, any Principal Securities);

(iv) (a) the Principal and a trust established under the laws of Hong Kong (the "**Trust**") collectively indirectly own, beneficially and of record, 100% of all of the share capital and other securities of and all other right, title and interest (whether economic, voting or otherwise) in the Principal Holding Company, in each case free and clear of any Encumbrance; (b) all of the beneficiaries of the Trust are the Principal or his children, parents, spouse or other direct relatives; (c) the Principal is (A) the sole director of the Trust and (B) the only Person that Controls the Trust; (d) the Principal Holding Company is the sole record and Beneficial Owner of 40,809,861 Class B Ordinary Shares and all right, title and interest therein, free and clear of any Encumbrance except as specified in on SCHEDULE ; and (e) the Principal does not have any indebtedness, liabilities or obligations of any kind whatsoever, whether accrued, contingent, absolute, determined, determinable or otherwise, arising out of or related to any indebtedness, liabilities or obligations of BOCOM, and there is no existing

condition, situation or set of circumstances which could reasonably be expected to result in such indebtedness, liability or obligation;

(v) except as set forth on SCHEDULE hereto, the Principal Securities are not subject to any voting trust or other agreement, arrangement or understanding restricting or otherwise related to the voting or Transfer of such Principal Securities (other than this Agreement), and the Principal and the Principal Entities have not appointed or granted any proxy, power-of-attorney or other authorization or consent that is still in effect with respect to any Principal Securities (other than this Agreement); and

(vi) except as set forth on SCHEDULE hereto, the Principal and the Principal Entities are not subject to any agreement, contract, instrument or other contractual obligations that may cause the change of Beneficial Ownership of the Principal Securities.

ARTICLE IX
OTHER UNDERTAKINGS

Section 9.01 **Non-Competion.**

(i) Without prejudce to any non-completion and non-solication agreement of the Principal with the Company or any other Group Company, each of the Principal Parties undertakes to the Investors that, for so long as he/it beneficially holds any Company Securities and two years thereafter or such other shorter, but longgest period permitted by Applicable Laws, he/it will not, without the prior written consent of the Investors, either on his/its own account or through any of his/its Affiliates, or in conjunction with or on behalf of any other Person: (a) carry out, be engaged, concerned or interested directly or indirectly whether as shareholder, director, employee, partner, agent in any business in competition with the businesses as engaged by any Group Company from time to time (the "**Restricted Business**"), provided that the foregoing restriction shall not apply to being a passive owner, directly or indirectly, of less than 1% of the outstanding share capital of any publicly traded company engaged in any Restricted Business; or (b) solicit or entice away or attempt to solicit or entice away from any Group Company, any Person who is a customer, client, representative, agent or correspondent of such Group Company or in the habit of dealing with such Group Company.

(ii) In the event any entity directly or indirectly established or managed by any Principal Party, engages or will engage in any Restricted Business, the Principal Parties shall cause such entity (a) to disclose any relevant information to the Investors upon request, and (b) transfer such lawful business to the Company or any Subsidiary designated by the Company immediately.

ARTICLE X
TERMINATION

Section 10.01 **General.** Save for the provisions which Section 10.03 provides shall continue in full force following termination for any reason whatsoever, this Agreement shall terminate immediately upon the mutual written consent of the Parties (or their respective lawful successors and assigns).

Section 10.02 **Termination with Respect to a Shareholder.** Subject to Article V, upon the Transfer by any of the Investors or the Principal Holding Company of all of the Equity Securities of the Company registered in its name to a Permitted Transferee in

accordance with the terms and conditions of this Agreement, such Party (and with respect to the Principal Holding Company, the Principal Parties) shall automatically cease to be a party to this Agreement and shall have no further rights or obligations hereunder.

Section 10.03 **Survival.** If this Agreement terminates, the Parties shall be released from their obligations under this Agreement, except that (i) Article I, Article VI, this Section 10.03, Section 11.15 and Section 11.16 shall continue to exist after the termination of this Agreement in accordance with their terms, and (ii) termination of this Agreement shall not affect any rights or liabilities that the Parties have accrued under this Agreement prior to such termination.

ARTICLE XI
MISCELLANEOUS.

Section 11.01 **Notices.** All notices, requests, demands and other communications that are required or may be given pursuant to the terms of this Agreement shall be in writing, and delivery shall be deemed sufficient in all respects and to have been duly given as follows: (a) on the actual date of service if delivered personally; (b) at the time of receipt if given by electronic mail to the e-mail addresses set forth in this Section 11.01; (c) on the third day after mailing if mailed by first-class mail return receipt requested, postage prepaid and properly addressed as set forth in this Section 11.01; or (d) on the day after delivery to a nationally recognized overnight courier service during its business hours for overnight delivery against receipt, and properly addressed as set forth in this Section 11.01:

If to the Investors:

Joy Capital

Astral Success Limited
****
With copy to: **********
Attn: **********

Nio Capital

Abundant Grace Investment Limited
****
E-mail: **********
With copy to: **********
Attn: **********

If to the Company:

Uxin Limited
****
E-mail: **********
Attn: **********

If to Principal Parties

Principal

****
E-mail: **********
Attn: **********

Principal Holding Company **Xin Gao Group Limited**
****
E-mail: **********
Attn: **********

Any party may change its address or other contact information for notice by giving notice to each other party in accordance with the terms of this Section 11.01. In no event will delivery to a copied Person alone constitute delivery to the party represented by such copied Person.

Section 11.02 **Further Assurances.** Upon the terms and subject to the conditions herein, each of the Parties agrees to use its reasonable best efforts to take or cause to be taken all action, to do or cause to be done, to execute such further instruments, and to assist and cooperate with the other Parties in doing, all things necessary, proper or advisable under Applicable Laws or otherwise to consummate and make effective, in the most expeditious manner practicable, the transactions contemplated by this Agreement and the other Transaction Documents.

Section 11.03 **Assignments and Transfers.** This Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and permitted assigns. No Party may assign either this Agreement or any of its rights, interests, or obligations hereunder without the prior written approval of the other Parties; provided, however, that each Investor may assign this Agreement to (i) any Affiliate of such Investor without the prior consent of the other Parties, (ii) to any transferee with a transfer of the Subscription Shares, the Conversion Shares or ADSs to such third party, and (iii) for collateral security purposes, to any lender of the Investor or any of its Affiliates in connection with a bona fide loan or financing arrangement secured by the Subscription Shares, the Conversion Shares or ADSs; provided, further, that the Principal Holding Company may assign this Agreement to any Permitted Transferee of the Principal Holding Company with a transfer of Equity Securities of the Company to such Permitted Transferee in accordance with Section 5.02.

Section 11.04 **Rights Cumulative; Specific Performance.** Except as specifically set forth herein, the rights and remedies of the parties to this Agreement are cumulative and not alternative. To the maximum extent permitted by Applicable Laws, (a) no claim or right arising out of this Agreement can be discharged by one party, in whole or in part, by a waiver or renunciation of the claim or right unless in writing signed by the other party; (b) no waiver that may be given by a party will be applicable except in the specific instance for which it is given; and (c) no notice to or demand on one party will be deemed to be a waiver of any obligation of that party or of the right of the party giving such notice or demand to take further action without notice or demand as provided in this Agreement. The Parties agree that irreparable damage would occur if any provision of this Agreement were not performed in accordance with the terms hereof and that the parties shall be entitled to an injunction or injunctions to prevent breaches of this Agreement or to enforce specifically the performance of the terms and provisions hereof in any court of competent jurisdiction, in addition to any other remedy to which they are entitled at law or in equity.

Section 11.05 **Amendment.** This Agreement may be amended only by a written instrument executed by each of the Parties.

Section 11.06 **Waiver.** No waiver of any provision of this Agreement shall be effective unless set forth in a written instrument signed by the Party waiving such provision. No failure or delay by a Party in exercising any right, power or remedy under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of the same preclude any further exercise thereof or the exercise of any other right, power or remedy. Without limiting the foregoing, no waiver by a Party of any breach by any other Party of any provision hereof shall be deemed to be a waiver of any subsequent breach of that or any other provision hereof.

Section 11.07 **No Presumption.** The Parties acknowledge that any Applicable Law that would require interpretation of any claimed ambiguities in this Agreement against the Party that drafted it has no application and is expressly waived. If any claim is made by a Party relating to any conflict, omission or ambiguity in the provisions of this Agreement, no presumption or burden of proof or persuasion will be implied because this Agreement was prepared by or at the request of any Party or its counsel.

Section 11.08 **Severability.** If any term, provision, covenant or restriction of this Agreement is held by a court of competent jurisdiction or other Governmental Entity to be invalid, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions of this Agreement shall remain in full force and effect and shall in no way be affected, impaired or invalidated so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any party. Upon such a determination, the Parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in an acceptable manner in order that the transactions contemplated hereby be consummated as originally contemplated to the fullest extent possible.

Section 11.09 **Entire Agreement.** This Agreement and the other Transaction Documents constitute the entire agreement and understanding among the parties hereto and thereto with respect to the subject matters hereof and thereof and supersede any prior understandings, agreements or representations by or among the parties, written or oral, related to the subject matter hereof and thereof.

Section 11.10 **Counterparts.** This Agreement may be executed in separate counterparts, each of which shall be an original and all of which taken together shall constitute one and the same agreement. Signatures in the form of facsimile or electronically imaged "PDF" shall be deemed to be original signatures for all purposes hereunder. The parties irrevocably and unreservedly agree that this Agreement may be executed by way of electronic signatures and the parties agree that this Agreement, or any part thereof, shall not be challenged or denied any legal effect, validity and/or enforceability solely on the ground that it is in the form of an electronic record.

Section 11.11 **Descriptive Headings; Construction.** The descriptive headings of this Agreement are inserted for convenience only and do not constitute a part of this Agreement. The Parties agree that this Agreement is the product of negotiation between sophisticated parties and individuals, all of whom were represented by counsel, and each of whom had an opportunity to participate in and did participate in the drafting of each provision hereof. Accordingly, ambiguities in this Agreement, if any, shall not be construed strictly or in favor of or against any party but rather shall be given a fair and reasonable construction without regard to the rule of *contra proferentem*.

Section 11.12 **Control.** In the event of any conflict or inconsistency between any of the terms of this Agreement and any of the terms of any of the Charter Documents for any of the Group Members, or in the event of any dispute related to any such Charter Document, the terms of this Agreement shall prevail in all respects among the Parties, the Parties shall give full effect to and act in accordance with the provisions of this Agreement over the provisions of the Charter Documents.

Section 11.13 **Adjustments for Share Splits, Etc.** Wherever in this Agreement there is a reference to a specific number of Ordinary Shares, then, upon the occurrence of any subdivision, combination or share dividend of the Ordinary Shares, the specific number of shares so referenced in this Agreement shall automatically be proportionally adjusted, as appropriate, to reflect the effect on the outstanding Ordinary Shares by such subdivision, combination or share dividend.

Section 11.14 **Use of English Language.** This Agreement has been executed and delivered in the English language. Any translation of this Agreement into another language shall have no interpretive effect. All documents or notices to be delivered pursuant to or in connection with this Agreement shall be in the English language or, if any such document or notice is not in the English language, accompanied by an English translation thereof, and the English language version of any such document or notice shall control for purposes thereof.

Section 11.15 **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of Hong Kong, without regard to its principles of conflicts of laws.

Section 11.16 **Dispute Resolution.**

(i) Each of the Parties hereto irrevocably (i) agrees that any dispute or controversy arising out of, relating to, or concerning any interpretation, construction, performance or breach of this Agreement, shall be settled by arbitration to be held in Hong Kong and administered by the Hong Kong International Arbitration Centre ("**HKIAC**") in accordance with the Hong Kong International Arbitration Centre Administered Arbitration Rules in force at the time of the commencement of the arbitration, (ii) waives, to the fullest extent it may effectively do so, any objection which it may now or hereafter have to the laying of venue of any such arbitration, and (iii) submits to the exclusive jurisdiction of Hong Kong in any such arbitration. There shall be three (3) arbitrators. The claimant shall appoint one (1) arbitrator, and the respondent shall appoint one (1) arbitrator no more than ten (10) days following the official appointment of the arbitrator appointed by the claimant, failing which such arbitrator shall be appointed by HKIAC; the third arbitrator shall be the presiding arbitrator and shall be appointed jointly by the arbitrators ap-pointed by the claimant and respondent within ten (10) days of the later of the appointment of the arbitrators appointed by the said Parties, failing which such arbitrator shall be appointed by HKIAC.

(ii) The arbitration shall be conducted in English.

(iii) The Parties acknowledge and agree that, in addition to contract damages, the arbitrator may award provisional and final equitable relief, including injunctions, specific performance and lost profits.

(iv) The decision of the arbitration tribunal shall be final, conclusive and binding on the Parties to the arbitration. Judgment may be entered on the arbitration tribunal's decision in any court having jurisdiction.

(v) When any dispute occurs and when any dispute is under arbitration, except for the matters in dispute, the Parties shall continue to fulfil their respective obligations and shall be entitled to exercise their rights under this Agreement.

(vi) The Parties understand and agree that this provision regarding arbitration shall not prevent any Party from pursuing preliminary, equitable or injunctive relief in a judicial forum pending arbitration in order to compel another Party to comply with this provision, to preserve the status quo prior to the invocation of arbitration under this provision, or to prevent or halt actions that may result in irreparable harm. A request for such equitable or injunctive relief shall not waive this arbitration provision.

(vii) The Parties expressly consent to the joinder of additional part(ies) in connection with the Transaction Documents to the arbitration proceedings commenced hereunder and/or the consolidation of arbitration proceedings commenced hereunder with arbitration proceedings commenced pursuant to the arbitration agreements contained in the Transaction Documents. In addition, the Parties expressly agree that any disputes arising out of or in connection with this Agreement and the Transaction Documents concern the same transaction or series of transactions.

(viii) If any action at law or in equity is necessary to enforce or interpret the terms of this Agreement, the prevailing party shall be entitled to reasonable attorney's fees, costs and necessary disbursements in addition to any other relief to which such party may be entitled.

[The remainder of this page has been intentionally left blank.]

IN WITNESS WHEREOF, the Parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

COMPANY:

UXIN LIMITED

By /s/ Kun DAI
Print Name: Kun DAI
Title: Director

[Signature Page to Investors' Right Agreement]

IN WITNESS WHEREOF, the Parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

PRINCIPAL:

/s/ Kun DAI

Kun DAI (戴琨)

PRINCIPAL HOLDING COMPANY:

XIN GAO GROUP LIMITED

By /s/ Kun DAI
Print Name: Kun DAI
Title: Director

[Signature Page to Investors' Right Agreement]

IN WITNESS WHEREOF, the Parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

INVESTOR:

JOY CAPITAL

Astral Success Limited

By /s/ Erhai Liu
Print Name: Erhai Liu
Title: Authorized Signatory

[Signature Page to Investors' Right Agreement]

IN WITNESS WHEREOF, the Parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

INVESTOR:

NIO CAPITAL

ABUNDANT GRACE INVESTMENT LIMITED

By /s/ Mao Wei
Print Name: Mao Wei
Title: Director

[Signature Page to Investors' Right Agreement]

SCHEDULE A

PRINCIPAL SECURITIES

Schedule A to Investors' Right Agreement

Exhibit 4.43

Execution Version

VOTING AGREEMENT

by and among

UXIN LIMITED

MR. KUN DAI

XIN GAO GROUP LIMITED

ASTRAL SUCCESS LIMITED

ABUNDANT GRACE INVESTMENT LIMITED

REDROCK HOLDING INVESTMENTS LIMITED

TPG GROWTH III SF PTE. LTD.

and

58.COM HOLDINGS INC.

Dated July 12, 2021

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VOTING AGREEMENT

THIS VOTING AGREEMENT (this "**Agreement**") is entered into on July 12, 2021 by and among:

1. Uxin Limited, an exempted company organized under the Laws of the Cayman Islands (the "**Company**"),

2. Mr. Kun Dai (戴琨) (PRC identity card no. *********) (the "**Principal**"),

3. Xin Gao Group Limited, a company organized under the Laws of the British Virgin Islands ("**Xin Gao**" or the "**Principal Holding Company**", collectively with the Principal, the "**Principal Parties**", and each a "**Principal Party**"),

4. Astral Success Limited, a company limited by shares incorporated under the Laws of the British Virgin Islands with its registered office at ********* (the "**Joy Capital**"),

5. Abundant Grace Investment Limited, a company limited by shares incorporated under the Laws of British Virgin Islands with its registered office at ********* (the "**Nio Capital**", together with the Joy Capital, the "**Investors**" and each an "**Investor**"),

6 Redrock Holding Investments Limited, a business company incorporated under the Laws of British Virgin Islands with its registered office at********* (the "**WP**"),

7 TPG Growth III SF Pte. Ltd., a private company limited by shares incorporated and under the Laws of Singapore with its registered office at ********* (the "**TPG**"), and

8 58.com Holdings Inc., a business company incorporated under the Laws of British Virgin Islands with its registered office at ********* (the "**58**", together with the the WP and the TPG, the "**Major Noteholders**" and each a "**Major Noteholder**")

Each of the parties to this Agreement is referred to herein individually as a "**Party**" and collectively as the "Parties".

RECITALS

A The Company and the Investors have entered into that certain Share Subscription Agreement, dated June 14, 2021 (the "**Subscription Agreement**"), pursuant to which, among other things, each Investor, severally but not jointly, has agreed to purchase (a) certain Senior Preferred Shares (as defined in the Subscription Agreement) from the Company, and (b) a warrant (collectively, the "**Warrants**") to purchase certain Senior Preferred Shares.

B The Subscription Agreement provides that the execution and delivery of this Agreement shall be a condition precedent to the consummation of the transactions contemplated under the Subscription Agreement.

C The Parties desire to enter into this Agreement to regulate their relationship with each other and certain aspects of the affairs, and their dealings, with the Company.

WITNESSETH

NOW, THEREFORE, in consideration of the foregoing recitals, the mutual promises hereinafter set forth, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties intending to be legally bound hereto hereby agree as follows:

ARTICLE I
DEFINITIONS AND INTERPRETATION

Section 1.01 **Definitions.** Unless the context otherwise requires, the following terms shall have the meanings ascribed to them below:

"**ADSs**" means the American Depositary Shares of the Company, each representing three (3) Class A Ordinary Shares.

"**Adverse Person**" means any Person identified in SCHEDULE B hereto, any additional Persons to be mutually agreed in writing by the Company and the Investors from time to time, and any controlled Affiliates of any of the foregoing.

"**Affiliate**" has the meaning given to such term in the Subscription Agreement.

"**Agreement**" has the meaning assigned to such term in the preamble.

"**Annual Budget**" means an annual budget in respect of a fiscal year of the Group, setting forth, among other things, the projected balance sheets, income statements and statements of cash flows for such period; the projected budget for operation of each major business segment; any dividend or distribution to be declared or paid; the projected incurrence, assumption or refinancing of indebtedness; projected revenue and profit during such period; any proposed merger, consolidation, reorganization, or amalgamation of any Group Member with or into any other Person, or any scheme of arrangement or other business combination with or into any other Person; and payments projected to be made not in the ordinary course of business of the Group.

"**Applicable Laws**", "**Law**" or "**Laws**" means, with respect to any Person, any transnational, domestic or foreign federal, national, state, provincial, local or municipal law (statutory, common or otherwise), constitution, treaty, convention, ordinance, code, rule, regulation, executive order, injunction, judgment, decree, ruling or other similar requirement enacted, adopted, promulgated or applied by a Governmental Entity that is binding upon or applicable to such Person or any of such Person's assets, rights or properties.

"**Beneficial Owner**" has the meaning given such term in Rule 13d-3 under the Exchange Act, provided that Beneficial Ownership under Rule 13d-3(1)(i) shall be determined based on whether a Person has a right to acquire Beneficial Ownership irrespective of whether such right is exercisable within 60 days of the time of determination, and "Beneficially Own", "Beneficially Owned" and "Beneficial Ownership" have meanings correlative to that of Beneficial Owner.

"**Board**" means the board of directors of the Company.

"**BOCOM**" means BOCOM International Supreme Investment Limited, a business company duly incorporated and validly existing under the Laws of the British Virgin Islands.

"**Charter Documents**" means, with respect to any Person that is not a natural person, such Person's articles of incorporation, certificate of incorporation, by-laws, memorandum of associations, articles of association and other similar organizational documents. Unless the context otherwise requires, any reference to "Charter Documents" refers to the Charter Documents of the Company.

"**Class A Ordinary Shares**" means the Company's Class A ordinary shares, par value $0.0001 per share.

"**Class B Ordinary Shares**" means the Company's Class B ordinary shares, par value $0.0001 per share.

"**Closing**" has the meaning set forth in the Subscription Agreement.

"**Code**" means the Inland Revenue Code of 1986, as amended.

"**Company**" has the meaning assigned to such term in the preamble.

"**Company Securities**" the Equity Securities of the Company.

"**Confidential Information**" has the meaning assigned to such term in Section 4.01.

"**Control**" of a given Person means 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**" means Class A Ordinary Shares issued or issuable upon conversion of the Subscription Shares.

"**Director**" means a director serving on the Board.

"**Equity Securities**" means, with respect to any Person that is a legal entity, any and all shares of capital stock, membership interests, units, depositary shares, profits interests, ownership interests, equity interests, registered capital, and other equity securities or ownership interests of such Person, and any right, warrant, option, call, commitment, conversion privilege, preemptive right or other right to acquire any of the foregoing, or security convertible into, exchangeable or exercisable for any of the foregoing. Unless the context otherwise requires, any reference to "Equity Securities" refers to the Equity Securities of the Company.

"**Encumbrance**" means any mortgage, lien, pledge, charge, security interest, title defect, right of first refusal, claim, easement, right-of-way, option, preemptive or similar right or other restriction of any kind or nature.

"**Existing Share Incentive Scheme**" means the Company's 2018 Second Amended and Restated Share Incentive Plan.

"**Exchange Act**" means the U.S. Securities Exchange Act of 1934, as amended, and any rules and regulations promulgated thereunder.

"**First Closing**" has the meaning assigned to such term in the Subscription Agreement.

"**Governmental Entity**" means 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.

"**Group**" means the Company and its direct and indirect Subsidiaries, and "Group Member" means any of them.

"**Hong Kong**" means the Hong Kong Special Administrative Region of the People's Republic of China.

"**Investor**" has the meaning assigned to such term in the preamble.

"**Investor Director"** has the meaning assigned to such term in Section 2.01.

"**Investors' Rights Agreement**" means the Investors' Rights Agreement entered into by and among the Company, the Principal Parties and Investors dated as the date hereof, as may be supplemented, amended or restated from time to time.

"**Major Noteholder**" has the meaning assigned to such term in the preamble.

"**Memorandum and Articles**" means the amended and restated memorandum and articles of association of the Company currently in effect, as may be amended or restated from time to time.

"**NASDAQ**" means the NASDAQ Global Select Market.

"**New Securities"** means any Equity Securities issued and allotted by the Company on or after the date of this Agreement. "New Securities" shall not include, the following allotments and issuances of Equity Securities: (i) options, grants, awards, restricted shares or any other Ordinary Shares or Ordinary Share Equivalents issued under the Existing Share Incentive Scheme or any other employee share incentive scheme(s) approved pursuant to Section 2.04 (collectively, "**Company Options**"), and Equity Securities upon the exercise or conversion of any Company Options; (ii) Ordinary Shares issued upon the termination of the Company's American Depositary Receipts program or the termination, cancelation or exchange of any ADSs by the holders thereof; (iii) Senior Preferred Shares issued pursuant to the Subscription Agreement and Senior Preferred Shares upon exercise of the Warrants; (iv) Conversion Shares issued upon conversion of Senior Preferred Shares; (v) Equity Securities of the Company issued in connection with any share split, share dividend, reclassification or other similar event that has been approved in accordance with Section 2.04; and other than to the extent covered above in (i) and (ii), Ordinary Shares or ADSs issued upon the conversion or exercise of any Ordinary Share Equivalents outstanding as of the date of this Agreement or issued subsequent to the date of this Agreement in compliance with the participation rights (in each case, pursuant to the terms of the relevant Ordinary Share Equivalents as unmodified).

"**Nio Competitors**" means Tesla, Inc., Xpeng Inc., Li Auto Inc., 威马智慧出行科技（上海）股份有限公司 or any other companies which operate electronic vehicle brands, and any controlled Affiliate or holding company of each of the foregoing, and the list of the above entities may be supplemented or updated by Nio Capital once a year.

"**Ordinary Share Equivalents**" means (a) any rights, options or warrants to acquire Ordinary Shares and (b) any depositary shares (including, without limitation, the ADSs), notes, debentures, preference shares or other Equity Securities or rights, which are ultimately convertible or exercisable into, or exchangeable for, Ordinary Shares.

"**Ordinary Shares**" means Class A Ordinary Shares and Class B Ordinary Shares.

"**Person**" means an individual, corporation, partnership, limited liability company, association, trust or other entity or organization, including a Governmental Entity.

"**PRC**" means the People's Republic of China.

"**Party**" has the meaning assigned to such term in the preamble.

"**Permitted Transferee**" has the meaning assigned to such term in Section 3.02(ii).

"**Principal Holding Company**" or "**Principal Party**" has the meaning assigned to such term in the preamble.

"**Principal Lock-up Period"** means the period commencing on the date hereof and continuing until July 31, 2024.

"**Quarter Budget**" means a budget in respect of a quarter of the Group, setting forth,

among other things, the projected budget for operation of each major business segment and payments projected to be made in connection thereto, including without limitation transactions set forth in paragraphs 14 to 18 of of SCHEDULE A hereto.

"**Replacement Director**" has the meaning assigned to such term in Section 2.02(ii).

"**Representatives**" means, with respect to any Person, the directors, officers, legal representatives, employees, counsel, accountants, agents, consultants, advisors and other representatives of such Person and its Subsidiaries and any other Person acting on behalf of the foregoing.

"**Related Party**" means (i) any shareholder of the Company or any Subsidiary, (ii) any director of the Company or any Subsidiary, (iii) any officer of the Company or any Subsidiary, (iv) any employee of the Company or any Subsidiary, (v) any Relative of a shareholder, director, officer or employee of the Company or any Subsidiary, (vi) any Person in which any shareholder or any director or officer of the Company or any Subsidiary has any interest, other than a passive shareholding of less than 5% in a publicly listed company, and (vii) any other Affiliate of the Company or any Subsidiary.

"**Relative**" of a natural person means the spouse of such person and any parent, grandparent, child, grandchild, sibling, cousin, in-law, uncle, aunt, nephew or niece of such person or spouse.

"**Restructuring Effective Time**" has the meaning given to the term "Effective Time" in the Supplementary Agreeement.

"**Senior Preferred Share**" has the meaning set forth in the Subscription Agreement.

"**Shares**" means Ordinary Shares and Senior Preferred Shares.

"**Shareholders**" means the shareholders of the Company.

"**Subscription Shares**" means, collectively, the Senior Preferred Shares issued or issuable to each Investor at or prior to the relevant Closing pursuant to the Subscription Agreement (including 58,258,083 Senior Preferred Shares issued to Joy Capital prior to the First Closing, which shall form part of the Senior Preferred Shares subscribed by Joy Captial at the First Closing under the Subscription Agreement), and the Senior Preferred Shares issued or issuable upon exercise of the Warrants.

"**Subsidiary**" means any entity of which a majority of the outstanding equity securities or other ownership interests representing a majority of the outstanding equity interests or otherwise having ordinary voting power to elect a majority of the board of directors or other Persons performing similar functions are at the time directly or indirectly owned or controlled by the Company, and includes any entity which is directly or indirectly controlled by the Company (including, for the avoidance of doubt, any variable interest entities that are consolidated into the financial statements of the Company).

"**Subscription Agreement**" has the meaning set forth in the recitals.

"**Supplementary Agreement**" means the supplementary agreement dated June 17, 2021 which amends and supplements the 2019 Notes and is entered into between the Company, the Principal and the original purchasers of the 2019 Notes.

"**Transaction Documents**" has the meaning set forth in the Subscription Agreement.

"**Transfer**" (or any correlative term) means, in respect of any Equity Securities, a direct or indirect sale, assignment, pledge, charge, mortgage, hypothecation, gift, placement in trust (voting or otherwise) or transfer by operation of Law of such Equity Securities (including

through the Transfer of shares or ownership interest in any person that directly or indirectly Controls any person that holds such Equity Securities), or the creation of a security interest in, or lien on, or any other encumbrance or disposal (directly or indirectly and whether or not voluntary) on such Equity Securities, and shall include any transfer by will or intestate succession or entry into any swap or other derivatives transaction that transfers to any person, in whole or in part, any of the economic benefits or risks of ownership of such Equity Securities, whether any such transaction is to be settled by delivery of such Equity Securities or other Equity Securities, in cash or otherwise.

"**U.S**." means the United States of America.

"**U.S. GAAP**" means the generally accepted accounting principles as applied in the United States.

"**Warrant**" has the meaning set forth in the recitals.

"**2019 Notes**" means the Convertible Notes in the aggregate principal amount of $230,000,000 issued by the Company pursuant to the Convertible Note Purchase Agreement dated May 29, 2019 entered into by and among the Company, Redrock Holding Investments Limited, TPG Growth III SF Pte. Ltd., 58.com Holdings Inc. and certain other parties, as may be supplemented, amended, restated, assigned and/or transferred from time to time (including as supplemented and amended by the Supplementary Agreement).

Section 1.02 **Interpretation.** For all purposes of this Agreement, except as otherwise expressly herein provided, (i) the terms defined in this Article I shall have the meanings assigned to them in this Article I and include the plural as well as the singular, (ii) all accounting terms not otherwise defined herein have the meanings assigned under U.S. GAAP, (iii) all references in this Agreement to designated "Sections" and other subdivisions are to the designated Sections and other subdivisions of the body of this Agreement, (iv) pronouns of either gender or neuter shall include, as appropriate, the other pronoun forms, (v) the words "herein," "hereof" and "hereunder" and other words of similar import refer to this Agreement as a whole and not to any particular Section or other subdivision, (vi) references to this Agreement and any other document shall be construed as references to such document as the same may be amended, supplemented or novated from time to time, (vii) the term "including" will be deemed to be followed by ", but not limited to," (viii) the terms "shall," "will," and "agrees" are mandatory, and the term "may" is permissive, (ix) the phrase "directly or indirectly" means directly, or indirectly through one or more intermediate Persons or through contractual or other arrangements, and "direct or indirect" has the correlative meaning, (x) the term "voting power" refers to the number of votes attributable to the Ordinary Shares in accordance with the terms of the Memorandum and Articles, (xi) the headings used in this Agreement are used for convenience only and are not to be considered in construing or interpreting this Agreement, (xii) references to Laws include any such Law modifying, re-enacting, extending or made pursuant to the same or which is modified, re-enacted, or extended by the same or pursuant to which the same is made, and (xiii) all references to dollars or to "$" are to currency of the United States of America and all references to RMB are to currency of the PRC (and each shall be deemed to include reference to the equivalent amount in other currencies).

ARTICLE II
CORPORATE GOVERNANCE.

Section 2.01 **Board of Director.**

(i) The Board shall consist of seven (7) Directors, which shall be:

(a) one (1) Director nominated by the Joy Capital (the "**Joy Director**"), as long as Joy Capital and its Affiliates hold no less than such number of Senior Preferred Shares (including any Class A Ordinary Shares and/or ADSs (taking into account the ratio between Ordinary Share and ADS) converted from such Senior Preferred Shares) equal to 50% of the Senior Preferred Shares it holds as of the First Closing;

(b) one (1) Director nominated by the Nio Capital (collectively with the Joy Director, the "**Investor Directors**" and each an "**Investor Director**"), as long as Nio Capital and its Affiliates hold no less than such number of Senior Preferred Shares (including any Class A Ordinary Shares and/or ADSs (taking into account the ratio between Ordinary Share and ADS) converted from such Senior Preferred Shares) equal to 50% of the Senior Preferred Shares it holds as of the First Closing;

(c) one (1) Director jointly nominated by the Major Noteholders, as long as the aggregate outstanding principal amount of the 2019 Notes held by the Major Noteholders is no less than 50% of the aggregate principal amount of the 2019 Notes they hold immediately following the Restructuring Effective Time;

(d) one (1) Director nominated by the Principal, who shall be the chairman of the Board, as long as the Principal beneficially owns Shares representing no less than 10% voting right of the Equity Securities of the Company;

(e) two (2) independent Directors jointly nominated by the Investors, who shall both (x) meet the independence requirements of NASDAQ and (y) not be Affiliated with, or employed by, any Adverse Person; and

(f) one (1) independent Director nominated (x) by the Principal for so long as the Principal beneficially owns Shares representing no less than 10% voting right of the Equity Securities of the Company, or (y) by the Board, if the Principal beneficially owns Shares representing less than 10% voting right of the Equity Securities of the Company, who shall, in each case, (A) meet the independence requirements of NASDAQ and (B) not be Affiliated with, or employed by, any Adverse Person,

provided that, for the avoidance of doubt, (1) if the number of Senior Preferred Shares (including any Class A Ordinary Shares and/or ADSs (taking into account the ratio between Ordinary Share and ADS) converted from such Senior Preferred Shares) beneficially owned by Joy Capital and its Affiliates is less than 50% of the Senior Preferred Shares it holds as of the First Closing, Joy Capital shall immediately cease to have the right to nominate one (1) Director pursuant to Section 2.01(i)(a), (2) if the number of Senior Preferred Shares (including any Class A Ordinary Shares and/or ADSs (taking into account the ratio between Ordinary Share and ADS) converted from such Senior Preferred Shares) beneficially owned by Nio Capital and its Affiliates is less than 50% of the Senior Preferred Shares it holds as of the First Closing, Nio Capital shall immediately cease to have the right to nominate one (1) Director pursuant to Section 2.01(i)(b), (3) if the aggregate outstanding principal amount of the 2019 Notes held by Major Noteholders is less than 50% of the aggregate principal amount of the 2019 Notes they hold on the date of this Agreement, the Major Noteholders shall immediately cease to have the right to nominate one (1) Director pursuant to Section 2.01(i)(c), (4) if the Principal beneficially owns Shares representing less than 10% voting right of the Equity Securities of the Company, the Principal shall immediately cease to have the right to nominate one (1) Director pursuant to Section 2.01(i)(d), and (5) if the Principal Shares representing less than 10% voting right of the Equity Securities of the Company, the Principal shall immediately cease to have the right to nominate one (1) independent Director pursuant to

Section 2.01(i)(f), and in the case of each of (4) and (5), the Principal shall cause such Director nominated by him to immediately resign from the Board, and if applicable, the board of directors of each Subsidiary of the Company.

(ii) Each of the Parties other than the Company agrees that (i) he or it shall, to the extent in compliance with Applicable Laws, cause the Director(s) nominated by him or it to vote at any meeting of the Board or execute any written resolution or consent of Directors and take all other necessary actions in order to ensure that the composition of the Board is as set forth in this Section 2.01; and (ii) it shall vote (and, in the case of any Principal Party, cause any Affiliate Controlled by such Principal Party to vote) all of his or its Equity Securities of the Company at any general meeting of Shareholders or execute any written resolution or consent of Shareholders or proxy and take all other necessary actions, in order to ensure that the composition of the Board is as set forth in this Section 2.01. The Company further agrees to take any and all necessary actions within its control in order to ensure that the composition of the Board is as set forth in this Section 2.01.

Section 2.02 **Removal and Replacement of Directors.**

(i) Notwithstanding anything to the contrary provided in the Memorandum and Articles, the Person(s) entitled to nominate a Director under Section 2.01(i) shall have the right to remove such Director nominated by it or them. Each of the Parties other than the Company shall vote its Equity Securities of the Company at any general meeting of Shareholders or execute any written consent or resolution of Shareholders or proxy and take all other necessary action so as to effectuate the foregoing removal rights. Each Party other than the Company agrees that, if at any time it is then entitled to vote for or execute any written consent or resolution of Shareholders or proxy for the removal of Directors from the Board, it shall not vote any of its Equity Securities of the Company or execute proxies or written consents, as the case may be, in favor of the removal of any Director who shall have been nominated pursuant to Section 2.01, unless the Person or Persons entitled to nominate such Director pursuant to Section 2.01 shall have consented to such removal in writing.

(ii) If, as a result of death, disability, retirement, resignation or removal pursuant to Section 2.01(ii) of a Director by the Person(s) entitled under Section 2.01(i) to nominate such Director, the Person(s) entitled under Section 2.01(i) to nominate the Director whose death, disability, retirement, resignation or removal resulted in such vacancy shall have the absolute and exclusive right to nominate another individual (each such another individual, the "**Replacement Director**") to serve in place of such Director. Each of the Parties other than the Company agrees that (i) he or it shall, to the extent in compliance with Applicable Laws, cause the Director(s) nominated by him or it to vote at any meeting of the Board or execute any written resolution or consent of Directors and take all other necessary actions in order to elect the Replacement Director to serve as a Director to fill such vacancy; and (ii) he or it shall vote (and, in the case of any Principal Party, cause any Affiliate Controlled by such Principal Party to vote) all of his or its Equity Securities of the Company at any general meeting of Shareholders or execute any written resolution or consent of Shareholders or proxy and take all other necessary action, in order to elect the Replacement Director to serve as a Director to fill such vacancy. The Company further agrees to take any and all necessary actions within its control in order to ensure the election of the Replacement Director to serve as a Director as set forth in this Section 2.02.

(iii) Prior to his or her appointment as a replacement Investor Director, any individual nominated by the Investors after the date of this Agreement to serve on the Board pursuant to this Section 2.02 shall first provide to the Company and the Board a duly executed and appropriately responsive customary "D&O Questionnaire."

(iv) So long as an Investor Director is then serving on the Board, the Company shall, upon the reasonable request of the Investors, designate and appoint the Investor Director to each committee of the Board so requested by the Investors, subject always to (a) any restriction on such Investor Director (or any nominee of the Investors) from serving on such committee, (b) the satisfaction of any qualifications (including "independence") required of such Investor Director to serve on such committee, in each case, as may be imposed or promulgated under Applicable Laws (including limitations under the Sarbanes–Oxley Act of 2002, as amended) and the rules and regulations of any securities exchange where the Company's Equity Securities are then listed.

(v) The Company shall maintain customary D&O insurance for all members of the Board. The Company shall procure, to the extent permitted by Applicable Law, that any Investor Director shall enjoy the same indemnification rights and D&O insurance coverage as any other members of the Board.

(vi) The Company shall procure, to the extent permitted by Applicable Law, that the Subsidiaries implement the resolutions adopted by the Board and shall not take any actions that contravene the resolutions adopted by the Board.

Section 2.03 **Investor Agreements.** Each Investor undertakes to the Company that:

(i) with respect to each election of Directors by resolution of shareholders of the Company, to exercise all voting rights attaching to the Equity Securities of the Company it holds at all times and from time to time at any shareholder meeting, adjournment, postponement or continuation thereof, or consent of shareholders, in order to (i) to cause the election or re-election as members of the Board of each of the individuals designated by the Company, and (ii) against any nominees not designated by the Company; and

(ii) with respect to each appointment of a Director by resolution of the Board, whether to fill a casual vacancy, upon any increase in the size of the Board or otherwise, it shall cause any Investor Director then serving to vote at each meeting of the Directors, or in lieu of any such meeting, to give his or her written consent as may be necessary (i) to cause the appointment as a member of the Board each of the individuals designated by a majority of the Directors then serving (other than the Investor Director), and (ii) against any nominees not designated by a majority of the Directors then serving (other than the Investor Director).

Section 2.04 **Board Approval Matters.**

In addition to any requirements imposed by Applicable Law, this Agreement, the Memorandum and Articles and any other constitutional documents of the Company, the Company shall not, and shall cause its Subsidiaries not to, take any action with respect to any of the matters set forth on SCHEDULE A hereto without approval of the Board, provided, matters set forth in paragraph 18 on SCHEDULE A shall be further subject to the written concent of at least two out of the three Major Noteholders (to the extent they still hold the 2019 Notes) or the remaining Major Noteholder (if olny one Major Noteholder still holds the 2019 Note).

ARTICLE III
PRINCIPAL LOCK-UP.

Section 3.01 **Principal Lock-up.** Subject to Section 3.02, during the Principal Lock-up Period, no Principal Party shall Transfer, or publicly announce an intention to Transfer, any Equity Securities in the Company directly or indirectly held by the Principal Party as of the date hereof, without the prior written consent of the Investors and the Major

Noteholders. The Principal irrevocably agrees to cause and guarantee the performance by the Principal Holding Company of all of its covenants and obligations under this Section 3.01. Any purported Transfer by any Principal Party in violation of this Section 3.01 shall be null and void and of no force and effect and the Company shall refuse to recognize any such Transfer and shall not register or otherwise reflect on its records any change in ownership of such Equity Securities in the Company purported to have been Transferred.

Section 3.02 **Permitted Transfers.**

(i) Regardless of anything else contained herein, Section 3.01 shall not apply to Transfers of Equity Securities of the Company by the Principal Holding Company (i) to the Principal, a Relative of the Principal, a trust formed for the exclusive benefit of the Principal or his Relatives, or an entity 100% Controlled exclusively by the Principal, or (ii) through will or intestacy, in each case where the transferee shall have executed and delivered to each of the Parties (other than the transferor) an instrument, reasonably acceptable to the other Parties, agreeing to be bound by the terms and conditions of this agreement as if such transferee were the transferor.

(ii) Any transferee of Equity Securities expressly contemplated under Section 3.02 is hereinafter referred to as a "**Permitted Transferee**". If any Permitted Transferee to which Equity Securities of the Company are Transferred ceases to be a Permitted Transferee of the Party from which or whom it acquired such Equity Securities of the Company pursuant to such provision, such Person shall reconvey such Equity Securities of the Company to such transferring Party (or another Permitted Transferee of such Party) immediately before such Person ceases to be a Permitted Transferee of such transferring Party so long as such Person knows of its upcoming change of status immediately prior thereto. If such change of status is not known until after its occurrence, the former Permitted Transferee shall make such transfer to such transferring Party (or another Permitted Transferee of such Party) as soon as practicable after the former Permitted Transferee receives notice thereof.

ARTICLE IV
CONFIDENTIALITY

Section 4.01 **General Obligations.** Each Party undertakes to the other Party that it shall not reveal, and that it shall use its commercially reasonable efforts to procure that its respective Representatives who are in receipt of any Confidential Information do not reveal, to any third party any Confidential Information without the prior written consent of the concerned Party. The term "Confidential Information" as used in this Article IV means: (a) any non-public information concerning the organization, structure, business or financial results or condition of any Party, including but not limited to any non-public information that the Investors may have or acquire in relation to any Group Members or its customers, business, assets or affairs; (b) the terms of this Agreement and the terms of any of the other Transaction Documents, and the identities of the Parties and their respective Affiliates; and (c) any other information or material prepared by a Party or its Representatives to the extent it contains or otherwise reflects, or is generated from, Confidential Information (collectively, the "**Confidential Information**"); provided that "Confidential Information" shall not include information that is (i) or becomes generally available to the public other than as a result of disclosure by or at the direction of a Party or any of its Representatives in breach of this Agreement, (ii) or becomes available to a Party from a source other than the Company, (iii) already in the possession of the Party on the date hereof (other than information furnished by

or on behalf of a Party) or (iv) independently developed by the Party without violating any of the confidentiality terms herein.

Section 4.02 **Exceptions.** The provisions of Section 4.01 shall not apply to:

(i) disclosure by a Party to a Representative or an Affiliate if such Representative or Affiliate (a) is under a similar obligation of confidentiality or (b) is otherwise under a binding professional obligation of confidentiality;

(ii) disclosure, after giving prior notice to the other Parties to the extent practicable under the circumstances and subject to any practicable arrangements to protect confidentiality, to the extent requested or required under the rules of any stock exchange on which the Equity Securities of a Party or any of its Affiliates are listed or by Laws or governmental regulations or judicial or regulatory process or in connection with any proceeding arising out of or relating to this Agreement; provided that no prior notice to any Party shall be required to be given under this Section 4.02 with respect to any proceeding commenced or brought by a Party in pursuit of its rights or in the exercise of its remedies arising out of this Agreement or any other Transaction Document;

(iii) disclosure by the Investors to a financing source in connection with a bona fide loan or financing arrangement, if the recipient agrees in writing prior to any such disclosure to be subject to confidentiality obligations substantially similar to those set forth in this Article IV;

(iv) following notification in writing to the Company on a no names basis, disclosure by any Investor to a bona fide potential purchaser of any portion or all of the Equity Securities of the Company held by such Investor to the extent necessary for such potential purchaser to evaluate such a proposed transaction or for other similar business purposes, if the recipient agrees in writing prior to any such disclosure to be subject to confidentiality obligations substantially similar to those set forth in this Article IV, of which the Company is a third-party beneficiary; or

(v) disclosure by the Investors or its Affiliates of Confidential Information that is reasonably necessary in connection with its reporting requirements to its shareholders, limited partners and/or director or indirect investors in the ordinary course of business in each case, so long as the Persons being disclosed such information have been advised of the confidential nature of such information

Section 4.03 **Press Release.** Notwithstanding the foregoing, without the prior written consent of the Investors, the Company shall not disclose any Confidential Information or make any press releases that contains any Confidential Information, even if such disclosure or press release is required by Applicable Laws, regulations or stock exchange rules. The final form of any such disclosure or press release shall be approved in advance in writing by each Party.

Section 4.04 **Overriding Provision.** The provisions of this Article IV shall supersede the provisions of any separate nondisclosure agreements executed by any of the Parties with respect to the transactions contemplated hereby, and all such other nondisclosure agreements shall be terminated and null and void as between the Parties, including without limitation, any term sheet, letter of intent, memorandum of understanding or other similar

agreement entered into by two or more of the Parties in respect of the transactions contemplated hereby.

ARTICLE V
REPRESENTATION AND WARRANTIES

Each Party severally but not jointly represents and warrants, with respect to itself, to the other Party that:

Section 5.01 **Existence.** Such Party (other than the Principal) has been duly organized, is validly existing and is in good standing under the laws of its jurisdiction of organization.

Section 5.02 **Capacity.** Such Party has the requisite power and authority to enter into and perform its or his respective obligations under this Agreement and consummate the transactions contemplated hereby.

Section 5.03 **Authorization And Enforceability.** This Agreement has been duly authorized, executed and delivered by such Party, and assuming the due authorization, execution and delivery by each of the other Parties, this Agreement is a valid and binding agreement of such Party, enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally and general principles of equity.

Section 5.04 **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 or other constitutional documents of such Party (other than the Principal); (ii) violate any constitution, statute, regulation, rule, injunction, judgment, order, decree, ruling, charge, or other restriction of any government, Governmental Entity or court to which such Party 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 such Party is a party or by which such Party is bound or to which any assets of such Party 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 such Party, threatened against such Party that questions the validity of this Agreement or the right of such Party to enter into this Agreement to consummate the transactions contemplated hereby.

ARTICLE VI
TERMINATION

Section 6.01 **General.** Save for the provisions which Section 6.04 provides shall continue in full force following termination for any reason whatsoever, this Agreement shall terminate immediately upon the mutual written consent of the Parties hereof (or their respective lawful successors and assigns).

Section 6.02 **Termination with Respect to a Shareholder.** Subject to the transfer resstricitons set forth in the Investors' Rights Agreement, upon the Transfer by any of the Investors or the Principal Holding Company of all of the Equity Securities of the Company registered in its name to a Permitted Transferee in accordance with the terms and conditions of the Investors' Rights Agreement, such Party (and with respect to the Principal Holding

Company, the Principal Parties) shall automatically cease to be a party to this Agreement and shall have no further rights or obligations hereunder.

Section 6.03 **Termination with Respect to a Major Noteholder.** A Major Noteholder shall automatically cease to be a party to this Agreement and shall have no further rights or obligations hereunder upon the earlier of (i) such Major Noteholder ceasing to hold its 2019 Note; and (ii) the later of (x) the Major Noteholders ceasing to be entitled to nominate a Director pursuant to Section 2.01(i)(c) and (y) July 31, 2024.

Section 6.04 **Survival.** If this Agreement terminates, the Parties shall be released from their obligations under this Agreement, except that (i) Article I, Article IV, this Section 6.04, Section 7.15 and Section 7.16 shall continue to exist after the termination of this Agreement in accordance with their terms, and (ii) termination of this Agreement shall not affect any rights or liabilities that the Parties have accrued under this Agreement prior to such termination.

ARTICLE VII
MISCELLANEOUS.

Section 7.01 **Notices.** All notices, requests, demands and other communications that are required or may be given pursuant to the terms of this Agreement shall be in writing, and delivery shall be deemed sufficient in all respects and to have been duly given as follows: (a) on the actual date of service if delivered personally; (b) at the time of receipt if given by electronic mail to the e-mail addresses set forth in this Section 7.01; (c) on the third day after mailing if mailed by first-class mail return receipt requested, postage prepaid and properly addressed as set forth in this Section 7.01; or (d) on the day after delivery to a nationally recognized overnight courier service during its business hours for overnight delivery against receipt, and properly addressed as set forth in this Section 7.01:

If to the Investors:

Joy Capital

Astral Success Limited
****
With copy to: *********
Attn: *********

Nio Capital

Abundant Grace Investment Limited
****
With copy to: *********
Attn: *********

If to the Major Noteholders:

WP

Redrock Holding Investments Limited
****
Email: *********
Attn: *********

TPG	**TPG Growth III SF Pte. Ltd.** ********** E-mail: ********** Fax: ********** Attn: ********** With a copy to: ********** Attn: **********
58	**58.com Holdings Inc.** ********** E-mail: ********** Attn: **********
If to the Company:	**Uxin Limited** ********** E-mail: ********** Attn: **********
If to Principal Parties *Principal*	********** E-mail: ********** Attn: **********
Principal Holding Company	**Xin Gao Group Limited** ********** E-mail: ********** Attn: **********

Any party may change its address or other contact information for notice by giving notice to each other party in accordance with the terms of this Section 7.01. In no event will delivery to a copied Person alone constitute delivery to the party represented by such copied Person.

Section 7.02 **Further Assurances.** Upon the terms and subject to the conditions herein, each of the Parties agrees to use its reasonable best efforts to take or cause to be taken all action, to do or cause to be done, to execute such further instruments, and to assist and cooperate with the other Parties in doing, all things necessary, proper or advisable under Applicable Laws or otherwise to consummate and make effective, in the most expeditious manner practicable, the transactions contemplated by this Agreement and the other Transaction Documents.

Section 7.03 **Assignments and Transfers.** This Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and permitted assigns. No Party may assign either this Agreement or any of its rights, interests, or obligations hereunder without the prior written approval of the other Parties; provided, however, that (a) each Investor may assign this Agreement to (i) any Affiliate of such Investor without the prior consent of the other Parties, (ii) to any transferee with a transfer of the Subscription Shares, the

Conversion Shares or ADSs to such third party, and (iii) for collateral security purposes, to any lender of the Investor or any of its Affiliates in connection with a bona fide loan or financing arrangement secured by the Subscription Shares, the Conversion Shares or ADSs; (b) the Principal Holding Company may assign this Agreement to any Permitted Transferee of the Principal Holding Company with a transfer of Equity Securities of the Company to such Permitted Transferee; and (c) each Major Noteholder may assign any of its rights under this Agreement without the prior consent of the other Parties to (i) any Affiliate of such Major Noteholder, and (ii) any Person to whom such Major Noteholder transfers any of the 2019 Notes.

Section 7.04 **Rights Cumulative; Specific Performance.** Except as specifically set forth herein, the rights and remedies of the parties to this Agreement are cumulative and not alternative. To the maximum extent permitted by Applicable Laws, (a) no claim or right arising out of this Agreement can be discharged by one party, in whole or in part, by a waiver or renunciation of the claim or right unless in writing signed by the other party; (b) no waiver that may be given by a party will be applicable except in the specific instance for which it is given; and (c) no notice to or demand on one party will be deemed to be a waiver of any obligation of that party or of the right of the party giving such notice or demand to take further action without notice or demand as provided in this Agreement. The Parties agree that irreparable damage would occur if any provision of this Agreement were not performed in accordance with the terms hereof and that the parties shall be entitled to an injunction or injunctions to prevent breaches of this Agreement or to enforce specifically the performance of the terms and provisions hereof in any court of competent jurisdiction, in addition to any other remedy to which they are entitled at law or in equity.

Section 7.05 **Amendment.** This Agreement may be amended only by a written instrument executed by each of the Parties, provided, any amendment with respect to SCHEDULE A requires no consent from any of the Major Noteholders.

Section 7.06 **Waiver.** No waiver of any provision of this Agreement shall be effective unless set forth in a written instrument signed by the Party waiving such provision. No failure or delay by a Party in exercising any right, power or remedy under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of the same preclude any further exercise thereof or the exercise of any other right, power or remedy. Without limiting the foregoing, no waiver by a Party of any breach by any other Party of any provision hereof shall be deemed to be a waiver of any subsequent breach of that or any other provision hereof.

Section 7.07 **No Presumption.** The Parties acknowledge that any Applicable Law that would require interpretation of any claimed ambiguities in this Agreement against the Party that drafted it has no application and is expressly waived. If any claim is made by a Party relating to any conflict, omission or ambiguity in the provisions of this Agreement, no presumption or burden of proof or persuasion will be implied because this Agreement was prepared by or at the request of any Party or its counsel.

Section 7.08 **Severability.** If any term, provision, covenant or restriction of this Agreement is held by a court of competent jurisdiction or other Governmental Entity to be invalid, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions of this Agreement shall remain in full force and effect and shall in no way be affected, impaired or invalidated so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any party. Upon such a determination, the Parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in an acceptable manner in order

that the transactions contemplated hereby be consummated as originally contemplated to the fullest extent possible.

Section 7.09 **Entire Agreement.** This Agreement and the other Transaction Documents constitute the entire agreement and understanding among the parties hereto and thereto with respect to the subject matters hereof and thereof and supersede any prior understandings, agreements or representations by or among the parties, written or oral, related to the subject matters hereof and thereof.

Section 7.10 **Counterparts.** This Agreement may be executed in separate counterparts, each of which shall be an original and all of which taken together shall constitute one and the same agreement. Signatures in the form of facsimile or electronically imaged "PDF" shall be deemed to be original signatures for all purposes hereunder. The parties irrevocably and unreservedly agree that this Agreement may be executed by way of electronic signatures and the parties agree that this Agreement, or any part thereof, shall not be challenged or denied any legal effect, validity and/or enforceability solely on the ground that it is in the form of an electronic record.

Section 7.11 **Descriptive Headings; Construction.** The descriptive headings of this Agreement are inserted for convenience only and do not constitute a part of this Agreement. The Parties agree that this Agreement is the product of negotiation between sophisticated parties and individuals, all of whom were represented by counsel, and each of whom had an opportunity to participate in and did participate in the drafting of each provision hereof. Accordingly, ambiguities in this Agreement, if any, shall not be construed strictly or in favor of or against any party but rather shall be given a fair and reasonable construction without regard to the rule of *contra proferentem*.

Section 7.12 **Control.** In the event of any conflict or inconsistency between any of the terms of this Agreement and any of the terms of any of the Charter Documents for any of the Group Members, or in the event of any dispute related to any such Charter Document, the terms of this Agreement shall prevail in all respects among the Parties, the Parties shall give full effect to and act in accordance with the provisions of this Agreement over the provisions of the Charter Documents.

Section 7.13 **Adjustments for Share Splits, Etc.** Wherever in this Agreement there is a reference to a specific number of Ordinary Shares, then, upon the occurrence of any subdivision, combination or share dividend of the Ordinary Shares, the specific number of shares so referenced in this Agreement shall automatically be proportionally adjusted, as appropriate, to reflect the effect on the outstanding Ordinary Shares by such subdivision, combination or share dividend.

Section 7.14 **Use of English Language.** This Agreement has been executed and delivered in the English language. Any translation of this Agreement into another language shall have no interpretive effect. All documents or notices to be delivered pursuant to or in connection with this Agreement shall be in the English language or, if any such document or

notice is not in the English language, accompanied by an English translation thereof, and the English language version of any such document or notice shall control for purposes thereof.

Section 7.15 **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of Hong Kong, without regard to its principles of conflicts of laws.

Section 7.16 **Dispute Resolution.**

(i) Each of the Parties hereto irrevocably (i) agrees that any dispute or controversy arising out of, relating to, or concerning any interpretation, construction, performance or breach of this Agreement, shall be settled by arbitration to be held in Hong Kong and administered by the Hong Kong International Arbitration Centre ("**HKIAC**") in accordance with the Hong Kong International Arbitration Centre Administered Arbitration Rules in force at the time of the commencement of the arbitration, (ii) waives, to the fullest extent it may effectively do so, any objection which it may now or hereafter have to the laying of venue of any such arbitration, and (iii) submits to the exclusive jurisdiction of Hong Kong in any such arbitration. There shall be three (3) arbitrators. The claimant shall appoint one (1) arbitrator, and the respondent shall appoint one (1) arbitrator no more than ten (10) days following the official appointment of the arbitrator appointed by the claimant, failing which such arbitrator shall be appointed by HKIAC; the third arbitrator shall be the presiding arbitrator and shall be appointed jointly by the arbitrators ap-pointed by the claimant and respondent within ten (10) days of the later of the appointment of the arbitrators appointed by the said Parties, failing which such arbitrator shall be appointed by HKIAC.

(ii) The arbitration shall be conducted in English.

(iii) The Parties acknowledge and agree that, in addition to contract damages, the arbitrator may award provisional and final equitable relief, including injunctions, specific performance and lost profits.

(iv) The decision of the arbitration tribunal shall be final, conclusive and binding on the Parties to the arbitration. Judgment may be entered on the arbitration tribunal's decision in any court having jurisdiction.

(v) When any dispute occurs and when any dispute is under arbitration, except for the matters in dispute, the Parties shall continue to fulfil their respective obligations and shall be entitled to exercise their rights under this Agreement.

(vi) The Parties understand and agree that this provision regarding arbitration shall not prevent any Party from pursuing preliminary, equitable or injunctive relief in a judicial forum pending arbitration in order to compel another Party to comply with this provision, to preserve the status quo prior to the invocation of arbitration under this provision, or to prevent or halt actions that may result in irreparable harm. A request for such equitable or injunctive relief shall not waive this arbitration provision.

(vii) The Parties expressly consent to the joinder of additional part(ies) in connection with the Transaction Documents to the arbitration proceedings commenced hereunder and/or the consolidation of arbitration proceedings commenced hereunder with arbitration proceedings commenced pursuant to the arbitration agreements contained in the Transaction Documents. In addition, the Parties expressly agree that any disputes arising out of or in connection with this Agreement and the Transaction Documents concern the same transaction or series of transactions.

(viii) If any action at law or in equity is necessary to enforce or interpret the terms of this Agreement, the prevailing party shall be entitled to reasonable attorney's fees, costs and necessary disbursements in addition to any other relief to which such party may be entitled.

[The remainder of this page has been intentionally left blank.]

IN WITNESS WHEREOF, the Parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

COMPANY:

UXIN LIMITED

By /s/ Kun DAI
Print Name: Kun DAI
Title: Director

[Signature page to Voting Agreement]

IN WITNESS WHEREOF, the Parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

PRINCIPAL:

/s/ Kun DAI
Kun DAI (戴琨)

PRINCIPAL HOLDING COMPANY:

XIN GAO GROUP LIMITED

By /s/ Kun DAI
Print Name: Kun DAI
Title: Director

[Signature page to Voting Agreement]

IN WITNESS WHEREOF, the Parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

INVESTOR:

JOY CAPITAL

ASTRAL SUCCESS LIMITED

By /s/ Erhai Liu
Print Name: Erhai Liu
Title: Authorized Signatory

[Signature page to Voting Agreement]

IN WITNESS WHEREOF, the Parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

INVESTOR:

NIO CAPITAL

ABUNDANT GRACE INVESTMENT LIMITED

By /s/ Mao Wei
Print Name: Mao Wei
Title: Director

[Signature page to Voting Agreement]

IN WITNESS WHEREOF, the Parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

MAJOR NOTEHOLDER:

WP

Redrock Holding Investments Limited

By /s/ Steven G. Glenn
Print Name: Steven G. Glenn
Title: Director

[Signature page to Voting Agreement]

IN WITNESS WHEREOF, the Parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

MAJOR NOTEHOLDER:

TPG

TPG Growth III SF Pte. Ltd.

By /s/ Michael LaGatta
Print Name: Michael LaGatta
Title: Vice President

[Signature page to Voting Agreement]

IN WITNESS WHEREOF, the Parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

MAJOR NOTEHOLDER:

58

58.com Holdings Inc.

By /s/ Jinbo Yao
Print Name: Jinbo Yao
Title: Authorized Signatory

[Signature page to Voting Agreement]

SCHEDULE A

BOARD APPROVAL MATTERS

1. Adoption, change or waiver of any provision of the Company's memorandum and articles of association or other Charter Documents of any Group Member.

2. Delisting of the ADSs from NASDAQ.

3. Any authorization, creation or issuance by any Group Member of any New Securities or any instruments that are convertible into securities, excluding (x) any issuance of Ordinary Shares upon conversion of the Senior Preferred Shares and/or the exercise of the Warrants, (y) any issuance of Ordinary Shares (or options or warrants therefor) under any written share incentive plans duly approved, and (z) any issuance of securities as a dividend or distribution on Ordinary Share.

4. (x) Any adoption of new share incentive plan by any Group Member or change of the Existing Share Incentive Scheme; or (y) grant of awards that represent over 0.5% of the Company's outstanding Shares to any individual under any share incentive plans of the Company.

5. Any repurchase or redemption of any Equity Securities of any Group Member (including the manner in which such repurchase or redemption is structured) other than pursuant to contractual rights to repurchase Ordinary Shares from the employees, officers, directors or consultants of the Group Members upon termination of their employment or services.

6. Any merger, amalgamation, consolidation, scheme of arrangement or reorganization (i) in which the Company is not the surviving entity or (ii) following which the holders of the voting securities of the Company do not continue to hold more than 50% of the combined voting power of the voting securities of the surviving entity.

7. Any transaction or series of transactions in which more than 50% of the voting power of any Group Member (other than the Company) is transferred or in which a majority of the assets of any Group Member are sold.

8. Declare, set aside or pay any dividend or other distribution (whether in cash, stock or property or any combination thereof) in respect of its Equity Securities or make any other actual, constructive or deemed distribution in respect of any of its Equity Securities or otherwise make any payments to shareholders in their capacity as such, except for cash dividends made by any direct or indirect wholly-owned Subsidiary of the Company to the Company or one of its wholly-owned Subsidiaries.

9. Pass any resolution for the winding up of the Company and/or any other Group Member, scheme of arrangement, reorganization, reconstruction, dissolution or liquidation concerning the Company and/or any other Group Member, or appointing a receiver, trustee, or other similar official for it or for any substantial part of its property.

10. Any merger, amalgamation, consolidation, scheme of arrangement or reorganization of the Company following which transaction, any Nio Competitor would hold more than 50% of the combined voting power of the voting securities of the surviving entity.

11. The entry into any binding agreement to privatize the Company following which privatization any Nio Competitor would hold more than 50% of the combined voting power of the voting securities of the Company or, if the Company is not the surviving entity of such privatization, the surviving entity.

12. Approval or amendment of annual business plan and Annual Budget or any strategic plan.

13. Appointment, replacement, removal, dismissal or settlement or change of terms of employment of the chief executive officer, the chief financial offer, the chief operating officer, the general manager or the five (5) most highly compensated employees or officers of the Company.

14. To the extent not already approved in the Annual Budget or the Quarter Budget, any investment in any entity or any acquisition of another company with consideration, whether in cash or otherwise, in excess of RMB50 million in valuation; or any disposal of or dilution of the Company's interest, directly or indirectly, in any other Group Member; or any Transfer of any Equity Securities (or any interest therein) of any Group Member (other than the Company).

15. To the extent not already approved in the Annual Budget or the Quarter Budget, any purchase, license, lease, transfer or disposal of assets, properties, goodwill and businesses in excess of RMB1 million individually or in excess of RMB5 million collectively during any financial year.

16. To the extent not already approved in the Annual Budget or the Quarter Budget, any advertising or user acquisition agreements in excess of RMB1 million individually or in excess of RMB5 million collectively during any financial year.

17. To the extent not already approved in the Annual Budget or the Quarter Budget, any incurrence of debt, any investment in any indebtedness, any provision of any guarantee, indemnity or mortgage for any indebtedness or advance of any loan to any third party, in each case in excess of RMB1 million individually or in excess of RMB5 million collectively during any financial year.

18. Any indebtedness of the Company that is prohibited under the 2019 Notes.

19. To the extent not already approved in the Annual Budget or the Quarter Budget, any capital expenditure projects or agreements in excess of RMB1 million individually or in excess of RMB5 million collectively during any financial year, other than purchase of automobiles in the ordinary course of the Company's business consistent with past practice.

20. Ceasing to conduct or carry on the business of the Company and/or any other member of the Group substantially as currently conducted as of the date of this Agreement or change any part of its major business activities.

21. Any transaction with Related Party (excluding for such purposes any member of the Group) that is not on an arm's length basis or which is not contemplated in the Company's annual business plan and budget duly approved and adopted.

22. Any amendment to the 2019 Notes.

SCHEDULE A

SCHEDULE B

ADVERSE PERSONS

SCHEDULE B

Exhibit 4.44

Execution Version

REGISTRATION RIGHTS AGREEMENT

This REGISTRATION RIGHTS AGREEMENT (the "Agreement") is made on July 12, 2021 by and among Uxin Limited, a company organized and existing under the laws of the Cayman Islands (the "Company"), and Astral Success Limited, a company limited by shares incorporated under the laws of British Virgin Islands and Abundant Grace Investment Limited, a company limited by shares incorporated under the laws of British Virgin Islands (each an "Investor" and, collectively, "Investors").

RECITALS

WHEREAS, the Company and the Investors are parties to a Share Subscription Agreement dated June 14, 2021 (the "Subscription Agreement"), pursuant to which the Company agrees to issue and each Investor agrees to subscribe for certain Senior Preferred Shares and a Warrant to purchase certain Senior Preferred Shares, which is convertible into Class A Ordinary Shares of the Company or American depositary shares of the Company ("ADSs"), each representing three (3) Class A Ordinary Shares ; and

WHEREAS, in connection with the consummation of the transactions contemplated by the Subscription Agreement, and pursuant to the terms of the Subscription Agreement, the parties desire to enter into this Agreement in order to grant certain rights to each Investor as set forth below.

NOW, THEREFORE, in consideration of the covenants and promises set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

AGREEMENT

1. Certain Definitions. Unless the context otherwise requires, the following terms, for all purposes of this Agreement, shall have the meanings specified in this Section 1.

"ADSs" has the meaning set forth in the preamble.

"ADS Conversion" has the meaning set forth in Section 2.8.

"Affiliate" has the meaning set forth in Rule 12b-2 of the rules and regulations promulgated under the Exchange Act; provided, however, that for purposes of this Agreement, each Investor and its Affiliates, on the one hand, and the Company and its Affiliates, on the other, shall not be deemed to be "Affiliates" of one another.

"Board" means the board of directors of the Company.

"Business Day" means any day except any Saturday, any Sunday, any day which is a federal legal holiday in the United States or any day on which banking institutions in the Cayman Islands, the People's Republic of China (which for the purpose of this Agreement shall exclude Hong Kong SAR, Macau SAR and Taiwan), or the State of New York are authorized or required by law or other governmental action to close.

"Class A Ordinary Shares" has the meaning ascribed to such term in the Subscription Agreement.

"Closing Date" has the meaning ascribed to such term in the Subscription Agreement.

"Conversion Shares" has the meaning ascribed to such term in the Subscription Agreement.

"Depositary" means the Bank of New York Mellon, or any other successive depositary bank of the Company.

"Effective Date" means the date that a Registration Statement filed pursuant to Section 2.1(a) is first declared effective by the SEC.

"Effectiveness Deadline" means, with respect to the Shelf Registration Statement or New Registration Statement with respect to the Registrable Securities issued or issuable upon the conversion of the Senior Preferred Shares issued at or prior to the First Closing and the Warrant Shares, six (6) months anniversary of the First Closing Date, and with respect to the Shelf Registration Statement or New Registration Statement with respect to the Registrable Securities issued or issuable upon the conversion of the Senior Preferred Shares issued at the Second Closing, six (6) months anniversary of the Second Closing Date; provided, however, that if the Company is notified by the SEC that the Shelf Registration Statement or the New Registration Statement will not be reviewed or is no longer subject to further review and comments, the Effectiveness Deadline as to such Shelf Registration Statement shall be the fifth (5th) Business Day following the date on which the Company is so notified if such date precedes the dates otherwise required above; provided, further, that if the Effectiveness Deadline falls on a Saturday, Sunday or other day that the SEC is closed for business, the Effectiveness Deadline shall be extended to the next Business Day on which the SEC is open for business.

"Exchange Act" means the Securities Exchange Act of 1934, as amended, and the rules and regulations of the Commission promulgated thereunder.

"Filing Deadline" has the meaning set forth in Section 2.1(a).

"FINRA" means the Financial Industry Regulatory Authority.

"First Closing" has the meaning ascribed to such term in the Subscription Agreement.

"First Closing Date" has the meaning ascribed to such term in the Subscription Agreement.

"Form F-3" means such form under the Securities Act as in effect on the date hereof or any successor or similar registration form under the Securities Act subsequently adopted by the Commission that permits inclusion or incorporation of substantial information by reference to other documents filed by the Company with the Commission.

"Free Writing Prospectus" means an issuer free writing prospectus, as defined in Rule 433 under the Securities Act, relating to an offer of Registrable Securities.

"Holder" means any Person owning or having the right to acquire Registrable Securities.

"Liquidated Damages" has the meaning set forth in Section 2.1(c).

"New Registration Statement" has the meaning set forth in Section 2.1(a).

"Participating Holder" means with respect to any registration, any Holder of Registrable Securities covered by the applicable Registration Statement.

"Person" has the meaning ascribed to such term in the Subscription Agreement.

"Prospectus" means the prospectus included in any Registration Statement, all amendments and supplements to such prospectus, including pre- and post-effective amendments to such Registration Statement, and all other material incorporated by reference in such prospectus.

"Register", "registered" and "registration" refer to a registration effected by preparing and filing a registration statement in compliance with the Securities Act, and the declaration or ordering of effectiveness of such registration statement or document.

"Registrable Securities" means any Class A Ordinary Shares owned by any Investor issued or issuable upon the conversion of the Senior Preferred Shares (including the Warrant Shares), and Class A Ordinary Shares issued or issuable in respect of such Class A Ordinary Shares upon any anti-dilution provisions, share split, share dividend, share combination or consolidation, recapitalization, reclassification or other similar event in relation to the Class A Ordinary Shares (including, in each case, as long as the ADSs remain listed on a national recognized securities market, Class A Ordinary Shares in the form of ADSs (it being understood that a Holder may receive Class A Ordinary Shares or ADSs upon conversion of the Senior Preferred Shares, and that while any offers and sales made under a registration statement contemplated by this Agreement will be of ADSs, the securities to be registered by any such registration statement under the Securities Act are Class A Ordinary Shares, and the ADSs are registered under a separate Form F-6)); provided, however, that any such Registrable Securities shall cease to be Registrable Securities for all purposes hereunder upon the earliest to occur of the following: (A) the sale by any Person of such Registrable Securities to the public either pursuant to a registration statement under the Securities Act or under Rule 144 (in which case, only such Registrable Securities sold shall cease to be Registrable Securities) or (B) such Registrable Securities becoming eligible for sale by the Holder pursuant to Rule 144 without volume or manner-of-sale restrictions (but only if the Company has effected the removal of any legend from the certificates evidencing the Registrable Securities and any ADS Conversion requested by such Investor).

"Registration Statement" means any registration statement of the Company that covers Registrable Securities pursuant to the provisions of this Agreement filed with, or to be filed with, the SEC under the rules and regulations promulgated under the Securities Act, including the related Prospectus, amendments and supplements to such registration statement, including pre- and post-effective amendments, and all exhibits and all material incorporated by reference in such registration statement.

"Registration Expenses" has the meaning set forth in Section 2.4.

"Remainder Registration Statement" has the meaning set forth in Section 2.1(a).

"Rule 144" means Rule 144 as promulgated by the SEC under the Securities Act, as such rule may be amended from time to time, or any similar successor rule that may be promulgated by the SEC.

"SEC" or "Commission" means the Securities and Exchange Commission or any other federal agency at the time administering the Securities Act.

"SEC Guidance" means (i) any publicly-available written or oral guidance, comments, requirements or requests of the Commission staff and (ii) the Securities Act.

"Second Closing" has the meaning ascribed to such term in the Subscription Agreement.

"Second Closing Date" has the meaning ascribed to such term in the Subscription Agreement.

"Securities Act" means the Securities Act of 1933, as amended, or any similar successor federal statute and the rules and regulations thereunder, all as the same shall be in effect from time to time.

"Senior Preferred Shares" has the meaning ascribed to such term in the Subscription Agreement.

"Shelf Registration Statement" has the meaning set forth in Section 2.1(a).

"Trading Day" means a day on which the principal Trading Market is open for business.

"Trading Market" means any of the following markets or exchanges on which the ADSs is listed or quoted for trading on the date in question: the NYSE American, the Nasdaq Capital Market, the Nasdaq Global Market, the Nasdaq Global Select Market or the New York Stock Exchange (or any successors to any of the foregoing).

"Transaction Documents" has the meaning ascribed to such term in the Subscription Agreement.

"Warrant" has the meaning ascribed to such term in the Subscription Agreement.

"Warrant Shares" has the meaning ascribed to such term in the Subscription Agreement.

2. Registration Rights.

2.1 Shelf Registration.

(a) Registration Statements.

For the Registrable Securities issued or issuable upon the conversion of (i) the Senior Preferred Shares issued at or prior to the First Closing, (ii) the Warrant Shares, and (iii) the Senior Preferred Shares issuable at the Second Closing, to the extent such Senior Preferred Shares have been issued by such time, on or no later than three (3) Business Days after: (i) the date on which the Company files its annual report for its fiscal year ended March 31, 2021 with the SEC on Form 20-F, and (ii) July 31, 2021 (the "Filling Deadline"), the Company shall prepare and file with the SEC a Registration Statement on Form F-3 (or, if Form F-3 is not then available to the Company, on such form of registration statement as is then available to effect a registration for resale of the applicable Registrable Securities) for an offering to be made on a continuous basis pursuant to Rule 415 under the Securities Act (the "Shelf Registration Statement"). Such Shelf Registration Statement shall, subject to the limitations of Form F-3, include without limitation the aggregate amount of Registrable Securities to be registered therein and shall contain (except if otherwise required pursuant to written comments received from the Commission upon a review of such Shelf Registration Statement) the "Plan of Distribution" section in substantially the form attached hereto as Annex A. To the extent the staff of the SEC does not permit all of the Registrable Securities to be registered on the Shelf Registration Statement filed pursuant to this Section 2.1(a) or for any other reason any Registrable Securities are not then included in a Registration Statement filed under this Agreement, the Company shall (i) inform each of the Holders thereof and use its commercially reasonable efforts to file amendments to the Shelf Registration Statement as required by the Commission; and/or (ii) withdraw the Shelf Registration Statement and file a new registration statement (a "New Registration Statement"), in either case covering without limitation the maximum number of Registrable Securities permitted to be registered by the SEC, on Form F-3 or such other form available to register for resale the Registrable Securities as a secondary offering; provided, however, that prior to filing such amendment or New Registration Statement, the Company shall

be obligated to use its commercially reasonable efforts to advocate with the SEC for the registration of all of the Registrable Securities in accordance with the SEC Guidance, including without limitation, the Manual of Publicly Available Telephone Interpretations D.29. Notwithstanding any other provision of this Agreement and subject to the payment of Liquidated Damages in Section 2.1(c), if any SEC Guidance sets forth a limitation of the number of Registrable Securities permitted to be registered on a particular Registration Statement as a secondary offering (and notwithstanding that the Company used diligent efforts to advocate with the SEC for the registration of all or a greater number of Registrable Securities), unless otherwise directed in writing by a Holder as to its Registrable Securities, the number of Registrable Securities to be registered on such Registration Statement will first be reduced by Registrable Securities not acquired pursuant to the Subscription Agreement and the Warrants (whether pursuant to registration rights, or otherwise, for the avoidance of doubt, the Senior Preferred Shares issued to certain Investor prior to the First Closing, and the Registrable Securities owned by such Investor issued or issuable upon the conversion of such Senior Preferred Shares, shall be regarded as acquired pursuant to the Subscription Agreement), and second by Registrable Securities represented by the Conversion Shares issued or issuable upon conversion of the Senior Preferred Shares acquired pursuant to the Subscription Agreement and the Warrants (applied, in the case that some Registrable Securities may be registered, to the Holders on a pro rata basis based on the total number of unregistered Registrable Securities held by such Holders), subject to a determination by the Commission that certain Holders must be reduced first based on the number of Registrable Securities held by such Holders. In addition, if any SEC Guidance requires any Person seeking to sell securities under a Registration Statement filed pursuant to this Agreement to be specifically identified as an "underwriter" in order to permit such Registration Statement to become effective, and such Person does not consent to being so named as an underwriter in such Registration Statement, then, in each such case, the Company shall reduce the total number of Registrable Securities to be registered on behalf of such Person, until such time as the Commission does not require such identification or until such Person accepts such identification and the manner thereof. In the event the Company amends the Shelf Registration Statement or files a New Registration Statement, as the case may be, under clauses (i) or (ii) above, the Company will use its commercially reasonable efforts to file with the SEC, as promptly as allowed by SEC or SEC Guidance provided to the Company or to registrants of securities in general, one or more Registration Statements on Form F-3 or such other form available to register for resale those Registrable Securities that were not registered for resale on the Shelf Registration Statement, as amended, or the New Registration Statement (the "Remainder Registration Statement").

(b) Effectiveness.

(i) The Company shall use reasonable best efforts to have the Shelf Registration Statement or New Registration Statement declared effective as soon as practicable but in no event later than the applicable Effectiveness Deadline (including filing with the Commission a request for acceleration of effectiveness in accordance with Rule 461 promulgated under the Securities Act), and shall use its commercially reasonable efforts to keep the Shelf Registration Statement or New Registration Statement

continuously effective under the Securities Act until the earlier of (a) such time as all of the Registrable Securities covered by such Registration Statement have been publicly sold by the Holders; or (b) the date that all Registrable Securities covered by such Registration Statement may be sold without volume or manner-of-sale restrictions pursuant to Rule 144, without the requirement for the Company to be in compliance with the current public information requirement under Rule 144 as determined by the counsel to the Company pursuant to a written opinion letter to such effect, addressed and reasonably acceptable to the Depositary and the affected Holders (the "Effectiveness Period"). The Company shall notify each Investor by facsimile or e-mail as promptly as practicable, and in any event, within twenty-four (24) hours, after any Registration Statement is declared effective and shall simultaneously provide each Investor with copies of any related Prospectus to be used in connection with the sale or other disposition of the securities covered thereby.

(ii) During the Effectiveness Period, the Company shall use its reasonable best efforts to prevent the issuance of any stop order or other suspension of effectiveness of each Registration Statement or the use of any Prospectus contained therein, or the suspension of the qualification, or the loss of an exemption from qualification, of any of the Registrable Securities for sale in any jurisdiction and, if such an order or suspension is issued, to obtain the withdrawal of such order or suspension at the earliest possible moment.

(c) If: (i) the Shelf Registration Statement is not filed with the SEC on or prior to the Filing Deadline; (ii) the Shelf Registration Statement or the New Registration Statement, as applicable, is not declared effective by the SEC (or otherwise does not become effective) for any reason on or prior to the Effectiveness Deadline; (iii) after its Effective Date, (A) such Registration Statement ceases for any reason (including without limitation by reason of a stop order, or the Company's failure to update the Registration Statement), to remain continuously effective as to all Registrable Securities included in such Registration Statement or (B) the Company suspends the use of the Prospectus contained in the Registration Statement; or (iv) the Company fails to satisfy the current public information requirement pursuant to Rule 144(c)(1) as a result of which the Holders are unable to sell Registrable Securities without restriction under Rule 144 (or any successor thereto) and fails to cure any such failure to satisfy the Rule 144(c)(1) requirement within fifteen (15) Business Days following the date upon which the Holder notifies the Company in writing that such Holder is unable to sell Registrable Securities as a result thereof, (any such failure or breach in clauses (i) through (iv) above being referred to as an "Event," and the date on which such Event occurs, being referred to as an "Event Date"), then in addition to any other rights the Holders may have hereunder or under applicable law, on each such Event Date and on each monthly anniversary of each such Event Date (if the applicable Event shall not have been cured by such date) until the earlier of (1) the applicable Event is cured or (2) the Registrable Securities are eligible for resale pursuant to Rule 144 without manner of sale or volume restrictions, the Company shall pay to each Holder an amount in cash, as partial liquidated damages and not as a penalty ("Liquidated Damages"), equal to one percent (1.0%) of the aggregate purchase price paid by such Holder pursuant to the Subscription Agreement and the Warrants for any unregistered Registrable Securities then held by such Holder. The parties agree that (1)

notwithstanding anything to the contrary herein or in the Subscription Agreement and/or the Warrants, no Liquidated Damages shall be payable with respect to any period after the expiration of the Effectiveness Period (it being understood that this sentence shall not relieve the Company of any Liquidated Damages accruing prior to the Effectiveness Deadline) and in no event shall, the aggregate amount of Liquidated Damages payable to a Holder exceed, in the aggregate, three percent (3%) of the aggregate purchase price paid by such Holder pursuant to the Subscription Agreement and the Warrants and (2) in no event shall the Company be liable in any thirty (30) day period for Liquidated Damages under this Agreement in excess of one percent (1.0%) of the aggregate purchase price paid by the Holders pursuant to the Subscription Agreement and the Warrants. If the Company fails to pay any Liquidated Damages pursuant to this Section 2.1(c) in full within five (5) Business Days after the date payable, the Company will pay interest thereon at a rate of one percent (1.0%) per month (or such lesser maximum amount that is permitted to be paid by applicable law) to the Holder, accruing daily from the date such Liquidated Damages are due until such amounts, plus all such interest thereon, are paid in full. The Liquidated Damages pursuant to the terms hereof shall apply on a daily pro-rata basis for any portion of a month prior to the cure of an Event, except in the case of the first Event Date. The Company shall not be liable for Liquidated Damages under this Agreement as to any Registrable Securities which are not permitted by the Commission to be included in a Registration Statement due solely to SEC Guidance from the time that it is determined that such Registrable Securities are not permitted to be registered until such time as the provisions of this Agreement as to the Remainder Registration Statements required to be filed hereunder are triggered, in which case the provisions of this Section 2.1(c) shall once again apply, if applicable. In such case, the Liquidated Damages shall be calculated to only apply to the percentage of Registrable Securities which are permitted in accordance with SEC Guidance to be included in such Registration Statement. The Effectiveness Deadline for a Registration Statement shall be extended without default or Liquidated Damages hereunder in the event that the Company's failure to obtain the effectiveness of such Registration Statement on a timely basis results from the failure of any Investor to timely provide the Company with information requested by the Company and necessary to complete the Registration Statement in accordance with the requirements of the Securities Act (in which the Effectiveness Deadline would be extended with respect to Registrable Securities held by such Investor).

(d) In the event that Form F-3 is not available for the registration of the resale of Registrable Securities hereunder, the Company shall (i) register the resale of the Registrable Securities on another appropriate form reasonably acceptable to the Holders and (ii) undertake to register the Registrable Securities on Form F-3 promptly after such form is available, *provided* that the Company shall maintain the effectiveness of the Registration Statement then in effect until such time as a Registration Statement on Form F-3 covering the Registrable Securities has been declared effective by the Commission.

(e) To the extent not already covered by an effective Registration Statement filed pursuant to Section 2.1(a), for the Registrable Securities issued or issuable on conversion of the Senior Preferred Shares issued at the Second Closing, within forty-five (45) days after the Second Closing Date (and such date shall be deemed the "Filing Deadline" with respect to such Registrable Securities), the Company

shall (i) amend the Shelf Registration Statement and file with the SEC an updated Shelf Registration Statement, which shall cover all Registrable Securities issued or issuable on the Second Closing, or (ii) prepare and file with the SEC a new Registration Statement on Form F-3 (or, if Form F-3 is not then available to the Company, on such form of registration statement as is then available to effect a registration for resale of the Registrable Securities issued or issuance on the Second Closing) for an offering to be made on a continuous basis pursuant to Rule 415 under the Securities Act. The provisions in this Section 2.1 shall *mutatis mutandis* apply.

2.2 Piggyback Registrations.

(a) If at any time after the Shelf Registration Statement is declared effective, there is not then an effective registration statement covering all of the Registrable Securities, and the Company determines to prepare and file with the SEC a Registration Statement relating to an offering for its own account or the account of others of any of its equity securities other than (x) a registration pursuant to a Registration Statement on Form S-8 (or other registration solely relating to an offering or sale to employees or directors of the Company pursuant to any employee stock plan or other employee benefit arrangement), (y) pursuant to a Registration Statement on Form F-4 (or similar form that relates to a transaction subject to Rule 145 under the Securities Act or any successor rule thereto), or (z) in connection with any dividend or distribution reinvestment or similar plan, then the Company shall send to each Holder written notice of such determination and, if within 15 Business Days after the date of such notice, any such Holder shall so request in writing, the Company shall include in such Registration Statement all or any part of the Registrable Securities such Holder requests to be registered.

(b) The Company shall have the right, in its sole discretion, to postpone, terminate or withdraw any registration initiated by it under this Section 2.2 prior to the effectiveness of such registration whether or not any Holder has elected to include Registrable Securities in such registration.

2.3 Removal of Legend, Share Certificates.

(a) Each Investor shall have the right to request removal of the legend set forth in Section 2.06 of the Subscription Agreement, Section 5(b) of the respective Warrant or any other legend from certificates evidencing Registrable Securities in any of the following circumstances: (i) when the Registrable Securities are eligible for resale under Rule 144 without restriction; (ii) when such Registrable Securities are eligible for resale pursuant to the applicable Registration Statement; or (iii) if such legend is not required under applicable requirements of the Securities Act (including, without limitation, controlling judicial interpretations and pronouncements issued by the SEC).

(b) Upon receipt of a request from such Investor under Section 2.3(a) above, the Company shall, at its own expense, no later than three (3) Business Days following the delivery by such Investor to the Company of a legended certificate representing such Registrable Securities (endorsed or with stock powers attached, signatures guaranteed, and otherwise in form necessary to affect the reissuance and/or transfer, if applicable), as directed by such Investor, issue and dispatch by overnight courier

to such Investor, a certificate representing such Registrable Securities that is free from all restrictive and other legends, registered in the name of such Investor or its designee.

2.4 Expenses. All expenses incident to the Company's performance of or compliance with this Agreement shall be paid by the Company, other than underwriting discounts or commissions deducted from the proceeds in respect of any Registrable Securities, including (i) all registration and filing fees, and any other fees and expenses associated with filings required to be made with the SEC, FINRA or any other regulatory authority and, if applicable, the fees and expenses of any "qualified independent underwriter" as such term is defined in NASD Rule 2720 (or any successor provision) and of its counsel, (ii) all fees and expenses in connection with compliance with any securities or "Blue Sky" laws (including fees and disbursements of counsel for the underwriters in connection with "Blue Sky" qualifications of the Registrable Securities), (iii) all printing, duplicating, word processing, messenger, telephone, facsimile and delivery expenses (including expenses of printing certificates for the Registrable Securities in a form eligible for deposit with The Depository Trust Company and of printing Prospectuses and Free Writing Prospectuses), (iv) all fees and disbursements of counsel for the Company and of all independent certified public accountants of the Company (including the expenses of any special audit and cold comfort letters required by or incident to such performance), (v) Securities Act liability insurance or similar insurance if the Company so desires or the underwriters so require in accordance with then-customary underwriting practice, (vi) all fees and expenses incurred in connection with the listing of Registrable Securities on any securities exchange or quotation of the Registrable Securities on any inter-dealer quotation system, (vii) all fees and expenses of any special experts or other Persons retained by the Company in connection with any registration, (viii) all of the Company's internal expenses (including all salaries and expenses of its officers and employees performing legal or accounting duties), (ix) all transfer agent fees required for same-day processing of any notice of conversion and all fees to the Depositary and The Depository Trust Company (or another established clearing corporation performing similar functions), including without limitation any ADS conversion fees, required for same-day electronic delivery of the Conversion Shares, and (x) all expenses related to the "road-show" for any underwritten offering, including all travel, meals and lodging. All such expenses are referred to herein as "Registration Expenses." Subject to the Subscription Agreement and the Warrants, the Company shall not be responsible for any underwriting commissions attributable to the sale of Registrable Securities or any outside counsel fees of such Investor incurred in connection with the sale of Registrable Securities.

2.5 Company Obligations. The Company will use reasonable best efforts to effect the registration of the Registrable Securities in accordance with the terms hereof, and pursuant thereto the Company will:

(a) prepare the required Registration Statement including all exhibits and financial statements required under the Securities Act to be filed therewith, and before filing a Registration Statement, Prospectus or any Free Writing Prospectus, or any amendments or supplements thereto, (x) furnish to the Participating Holders, if any, copies of all documents prepared to be filed, which documents shall be subject to the review of such Participating Holders and their respective counsel and (y) except in the case of a registration under Section 2.2, not file any Registration Statement or Prospectus or amendments or supplements thereto to which any Participating Holders shall reasonably object;

(b) file with the SEC a Registration Statement relating to the Registrable Securities including all exhibits and financial statements required by the SEC to be filed therewith, and use reasonable best efforts to cause such Registration Statement to become effective under the Securities Act;

(c) prepare and file with the SEC such pre- and post-effective amendments to such Registration Statement, supplements to the Prospectus and such amendments or supplements to any Free Writing Prospectus as may be necessary to keep such registration effective for the period of time required by this Agreement, and comply with provisions of the applicable securities laws with respect to the sale or other disposition of all securities covered by such Registration Statement during such period in accordance with the intended method or methods of disposition by the sellers thereof set forth in such Registration Statement;

(d) promptly notify the Participating Holders, and (if requested) confirm such advice in writing and provide copies of the relevant documents, as soon as reasonably practicable after notice thereof is received by the Company (A) when the applicable Registration Statement or any amendment thereto has been filed or becomes effective, and when the applicable Prospectus or Free Writing Prospectus or any amendment or supplement thereto has been filed, (B) of any written comments by the SEC or any request by the SEC for amendments or supplements to such Registration Statement, Prospectus or Free Writing Prospectus or for additional information, (C) of the issuance by the SEC of any stop order suspending the effectiveness of such Registration Statement or any order by the SEC preventing or suspending the use of any preliminary or final Prospectus or any Free Writing Prospectus or the initiation or threatening of any proceedings for such purposes, (D) of the receipt by the Company of any notification with respect to the suspension of the qualification of the Registrable Securities for offering or sale in any jurisdiction and (E) of the receipt by the Company of any notification with respect to the initiation or threatening of any proceeding for the suspension of the qualification of the Registrable Securities for offering or sale in any jurisdiction;

(e) promptly notify the Participating Holders when the Company becomes aware of the happening of any event as a result of which the Registration Statement, the Prospectus included in such Registration Statement (as then in effect) or any Free Writing Prospectus contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements therein (in the case of such Prospectus, any preliminary Prospectus or any Free Writing Prospectus, in light of the circumstances under which they were made) not misleading, when any Free Writing Prospectus includes information that may conflict with the information contained in the Registration Statement, or, if for any other reason it shall be necessary during such time period to amend or supplement such Registration Statement, Prospectus or Free Writing Prospectus in order to comply with the Securities Act and, in either case as promptly as reasonably practicable thereafter, prepare and file with the SEC and furnish without charge to the Participating Holders an amendment or supplement to such Registration Statement, Prospectus or Free Writing Prospectus which shall correct such misstatement or omission or effect such compliance;

(f) promptly incorporate in a Prospectus supplement, Free Writing Prospectus or post-effective amendment to the applicable Registration Statement such information as the Participating Holders agree should be included therein relating to the plan of distribution with respect to such Registrable Securities, and make all required filings of such Prospectus supplement, Free Writing Prospectus or post-effective amendment as soon as reasonably practicable after being notified of the matters to be incorporated in such Prospectus supplement, Free Writing Prospectus or post-effective amendment;

(g) furnish to each Participating Holder, without charge, as many conformed copies as such Participating Holder may reasonably request of the applicable Registration Statement and any amendment or post-effective amendment thereto, including financial statements and schedules, all documents incorporated therein by reference and all exhibits (including those incorporated by reference);

(h) deliver to each Participating Holder, without charge, as many copies of the applicable Prospectus (including each preliminary Prospectus), any Free Writing Prospectus and any amendment or supplement thereto as such Participating Holder may reasonably request (it being understood that the Company consents to the use of such Prospectus, any Free Writing Prospectus and any amendment or supplement thereto by such Participating in connection with the offering and sale of the Registrable Securities thereby) and such other documents as such Participating Holder may reasonably request in order to facilitate the disposition of the Registrable Securities by such Participating Holder;

(i) on or prior to the date on which the Registration Statement is declared effective, use its reasonable best efforts to register or qualify, and cooperate with the Participating Holders and their respective counsel, in connection with the registration or qualification of such Registrable Securities for offer and sale under the securities or "Blue Sky" laws of each state and other jurisdiction of the United States as any Participating Holder or their respective counsel reasonably request in writing and do any and all other acts or things reasonably necessary or advisable to keep such registration or qualification in effect for such period as required by this Agreement, provided that the Company shall not be required to qualify generally to do business in any jurisdiction where it is not then so qualified or to take any action which would subject it to taxation or general service of process in any such jurisdiction where it is not then so subject;

(j) cooperate with the Participating Holders to facilitate the timely preparation and delivery of certificates representing Registrable Securities to be sold and not bearing any restrictive legends, and enable such Registrable Securities to be in such denominations and registered in such names as may be requested at least three (3) Business Days prior to any sale of Registrable Securities;

(k) use its reasonable best efforts to cause the Registrable Securities covered by the Registration Statement to be registered with or approved by such other governmental agencies or authorities as may be necessary to enable the seller or sellers thereof to consummate the disposition of such Registrable Securities;

(l) enter into such customary agreements (including underwriting and indemnification agreements) and take all such other actions as such Investor reasonably requests in

order to expedite or facilitate the registration and disposition of such Registrable Securities;

(m) obtain for delivery to the Participating Holders an opinion or opinions from counsel for the Company dated the Effective Date of the Registration Statement or, in the event of an underwritten offering, the date of the closing under the underwriting agreement, in customary form, scope and substance, which opinions shall be reasonably satisfactory to such Participating Holders or underwriters, as the case may be, and their respective counsel;

(n) cooperate with each Participating Holder participating in the disposition of such Registrable Securities and their respective counsel in connection with any filings required to be made with FINRA or any other securities regulatory authority;

(o) use its reasonable best efforts to comply with all applicable securities laws and make available to its security holders, as soon as reasonably practicable, an earnings statement satisfying the provisions of Section 11(a) of the Securities Act and the rules and regulations promulgated thereunder;

(p) provide and cause to be maintained a transfer agent and registrar for all Registrable Securities covered by the applicable Registration Statement from and after a date not later than the Effective Date of such Registration Statement;

(q) use commercially reasonable efforts to cause all Registrable Securities covered by the Registration Statement to be listed on each securities exchange on which any of the Class A Ordinary Shares is then listed or quoted and on each inter-dealer quotation system on which any of the Class A Ordinary Shares is then quoted;

(r) the Company shall make available, during normal business hours, for inspection and review by each Investor, advisors to and representatives of each Investor (who may or may not be affiliated with such Investor and who are reasonably acceptable to the Company), all financial and other records, all SEC Documents (as defined in the Subscription Agreement) and other filings with the SEC, and all other corporate documents and properties of the Company as may be reasonably necessary for the purpose of such review, and cause the Company's officers, directors and employees, within a reasonable time period, to supply all such information reasonably requested by such Investor or any such representative, advisor or underwriter in connection with such Registration Statement (including, without limitation, in response to all questions and other inquiries reasonably made or submitted by any of them), prior to and from time to time after the filing and effectiveness of the Registration Statement for the sole purpose of enabling such Investor and such representatives, advisors and underwriters and their respective accountants and attorneys to conduct initial and ongoing due diligence with respect to the Company and the accuracy of such Registration Statement; and

(s) with a view to making available to each Investor the benefits of Rule 144 (or its successor rule) and any other rule or regulation of the SEC that may at any time permit each Investor to sell Class A Ordinary Shares or ADSs to the public without registration, the Company covenants and agrees to: (i) make and keep public information available, as those terms are understood and defined in Rule 144, until the earlier of (A) the date as all of the Registrable Securities may be sold without

restriction by the holders thereof pursuant to Rule 144 or any other rule of similar effect or (B) such date as all of the Registrable Securities shall have been resold; (ii) file with the SEC in a timely manner all reports and other documents required of the Company under the Exchange Act; and (iii) furnish to such Investor upon request, as long as such Investor owns any Registrable Securities, (A) a written statement by the Company that it has complied with the reporting requirements of the Exchange Act, (B) a copy of the Company's most recent Annual Report on Form 10-K or Quarterly Report on Form 10-Q, and (C) such other information as may be reasonably requested in order to avail such Investor of any rule or regulation of the SEC that permits the selling of any such Registrable Securities without registration.

All such information made available or provided pursuant to this Section 2.5 shall be treated as confidential information and shall not be disclosed by any Investor to any other Person other than such Investor and its Affiliate's respective officers, directors, employees, shareholders, partners, prospective buyers or financiers, accountants, consultants, legal counsel, investment bankers, advisors and authorized agents (collectively, the "Investor Representatives"); provided, that, each such Investor Representative shall be informed that such confidential information is strictly confidential and shall be subject to confidentiality restrictions in favor of such Investor with respect to the confidential information disclosed by such Investor to such Investor Representative. Notwithstanding anything to the contrary herein, the foregoing restrictions shall not prevent the disclosure by any Investor of any information (x) that is required to be disclosed by order of a court of competent jurisdiction, administrative body or other governmental authority, or by subpoena, summons or legal process, or by law, rule or regulation or (y) that is publicly available (other than by a breach of such Investor's confidentiality obligations to the Company), provided that, to the extent permitted by Law (as defined in the Subscription Agreement), in the event such Investor or such Investor Representative is required to make a disclosure pursuant to clause (x) hereof, it shall provide to the Board prompt notice of such disclosure and allow the Company, at the Company's expense, to undertake appropriate action to prevent disclosure of, or to seek to obtain a protective order for, such information (other than any such disclosure required by any administrative body or other governmental authority in the exercise of its regulatory or other oversight authority with respect to such Investor or such Investor Representative). The confidentiality obligations herein shall, with respect to each Investor, expire on the earlier of (i) with respect to each confidential information, third (3rd) anniversary of disclosure of such confidential information; and (ii) second (2nd) anniversary of the date on which such Investor ceases to hold any Senior Preferred Shares, Class A Ordinary Shares or ADSs. The Company shall hold in confidence and not make any disclosure of information concerning any Investor provided to the Company unless (i) disclosure of such information is necessary to comply with federal or state securities laws, (ii) the disclosure of such information is necessary to avoid or correct a misstatement or omission in any Registration Statement or is otherwise required to be disclosed in such Registration Statement pursuant to the Securities Act, (iii) the release of such information is ordered pursuant to a subpoena or other final, non-appealable order from a court or governmental body of competent jurisdiction, or (iv) such information has been made generally available to the public other than by disclosure in violation of this Agreement or any other Transaction Document. The Company agrees that it shall, upon learning that disclosure of such information concerning any Investor is sought in or by a court or governmental body of competent jurisdiction or through other means, give prompt written notice to such Investor and allow such Investor, at such Investor's expense, to undertake appropriate action to prevent disclosure of, or to obtain a protective order for, such information.

2.6 Obligations of the Investors.

(a) Each Investor shall furnish in writing to the Company such information regarding itself, the Registrable Securities held by it and the intended method of disposition

of the Registrable Securities held by it, as shall be reasonably required to effect the registration of such Registrable Securities and shall execute such documents in connection with such registration as the Company may reasonably request. At least seven (7) Business Days prior to the first anticipated filing date of any Registration Statement, the Company shall notify each Investor of the information the Company requires from such Investor if such Investor elects to have any of its Registrable Securities included in the Registration Statement. Each such Investor shall provide such information to the Company at least three (3) Business Days prior to the first anticipated filing date of such Registration Statement if such Investor elects to have any of its Registrable Securities included in the Registration Statement.

(b) Each Investor, by its acceptance of the Registrable Securities agrees to timely cooperate with the Company as reasonably requested by the Company in connection with the preparation and filing of a Registration Statement hereunder, unless such Investor has notified the Company in writing of its election to exclude all of its Registrable Securities from such Registration Statement.

(c) Each Investor agrees that, upon receipt of any notice from the Company of the happening of an event pursuant to Section 2.5(d)(C), Section 2.5(d)(D) and Section 2.5(e) hereof, such Investor will immediately discontinue disposition of Registrable Securities pursuant to the Registration Statement covering such Registrable Securities, until such Investor is advised by the Company that such dispositions may again be made. Notwithstanding anything to the contrary in this Section 2.6(c), each Investor may dispose of the Class A Ordinary Shares or ADSs it holds and the Company shall cause its transfer agent to deliver unlegended Class A Ordinary Shares to a transferee of such Investor in connection with any sale of Registrable Securities with respect to which such Investor has entered into a contract for sale prior to such Investor's receipt of a notice from the Company of the happening of any event of the kind described in the first sentence of this Section 2.6(c), and for which such Investor has not yet settled.

(d) Notwithstanding the foregoing or anything to the contrary contained in this Agreement, nothing in this Agreement shall require any Investor to provide any non-public financial information with respect to itself or its Affiliates.

2.7 Indemnification.

(a) Indemnification by the Company. The Company will indemnify and hold harmless each Investor and its officers, directors, members, employees and agents, successors and assigns, and each other person, if any, who controls such Investor within the meaning of the Securities Act, against any losses, claims, damages or liabilities, joint or several, to which they may become subject under the Securities Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon: (i) any untrue statement or alleged untrue statement of any material fact contained in any Registration Statement, any preliminary Prospectus or final Prospectus, or any amendment or supplement thereof or any omission or alleged omission to state a material fact required to be stated therein or necessary to make the statements therein (in the case of any Prospectus or form of prospectus or supplement thereto, in light of the circumstances under which they were made) not misleading; (ii) any "Blue Sky" application or other document executed by the Company specifically for that

purpose or based upon written information furnished by the Company filed in any state or other jurisdiction in order to qualify any or all of the Registrable Securities under the securities laws thereof (any such application, document or information herein called a "Blue Sky Application"); (iii) the omission or alleged omission to state in a Blue Sky Application a material fact required to be stated therein or necessary to make the statements therein not misleading, in light of the circumstances in which they were made; (iv) any violation by the Company or its agents of any rule or regulation promulgated under the Securities Act applicable to the Company or its agents and relating to action or inaction required of the Company in connection with such registration; or (v) any failure to register or qualify the Registrable Securities included in any such Registration Statement in any state where the Company or its agents has affirmatively undertaken or agreed in writing that the Company will undertake such registration or qualification on each Investor's behalf and will reimburse each Investor, and each such officer, director or member and each such controlling person for any legal or other expenses reasonably incurred by them in connection with investigating or defending any such loss, claim, damage, liability or action; provided, however, that the Company will not be liable in any such case if and to the extent that any such loss, claim, damage or liability arises out of or is based upon an untrue statement or alleged untrue statement or omission or alleged omission so made in conformity with information furnished by each Investor or any such controlling person in writing specifically for use in such Registration Statement or Prospectus.

(b) Indemnification by the Investors. Each Investor agrees, severally but not jointly, to indemnify and hold harmless, to the fullest extent permitted by law, the Company, its directors, officers, employees, shareholders and each person who controls the Company (within the meaning of the Securities Act) against any losses, claims, damages, liabilities and expense (including reasonable attorney fees) resulting from (i) any untrue statement or alleged untrue statement of a material fact or any omission or alleged omission of a material fact required to be stated in the Registration Statement or Prospectus or preliminary Prospectus or amendment or supplement thereto or necessary to make the statements therein (in the case of any Prospectus or form of prospectus or supplement thereto, in light of the circumstances under which they were made) not misleading; (ii) the omission or alleged omission to state in a Blue Sky Application a material fact required to be stated therein or necessary to make the statements therein not misleading; or (iii) any violation by such Investor or its agents of any rule or regulation promulgated under the Securities Act applicable to such Investor or its agents and relating to action or inaction required of such Investor under this Agreement, to the extent, but only to the extent that such untrue statement or alleged untrue statement or omission or alleged omission is contained in any information furnished in writing by such Investor to the Company specifically for inclusion in such Registration Statement or Prospectus or amendment or supplement thereto. In no event shall the liability of each Investor be greater in amount than the dollar amount of the proceeds (net of all expense paid by such Investor in connection with any claim relating to this Section 2.7 and the amount of any damages such Investor has otherwise been required to pay by reason of such untrue statement or omission) received by such Investor upon the sale of the Registrable Securities included in the Registration Statement giving rise to such indemnification obligation.

(c) Conduct of Indemnification Proceedings. Any Person entitled to indemnification hereunder shall (i) give prompt notice to the indemnifying party of any claim with respect to which it seeks indemnification and (ii) permit such indemnifying party to assume the defense of such claim with counsel reasonably satisfactory to the indemnified party (provided, however, that such indemnified party shall, at the expense of the indemnifying party, be entitled to counsel of its own choosing to monitor such defense); provided that, subject to the preceding sentence, any Person entitled to indemnification hereunder shall have the right to employ separate counsel and to participate in the defense of such claim, but the fees and expenses of such counsel shall be at the expense of such Person unless (a) the indemnifying party has agreed to pay such fees or expenses, or (b) the indemnifying party shall have failed to assume the defense of such claim and employ counsel reasonably satisfactory to such person or (c) in the reasonable judgment of any such Person, based upon written advice of its counsel, a conflict of interest exists between such person and the indemnifying party with respect to such claims (in which case, if the Person notifies the indemnifying party in writing that such Person elects to employ separate counsel at the expense of the indemnifying party, the indemnifying party shall not have the right to assume the defense of such claim on behalf of such Person); and provided, further, that the failure of any indemnified party to give notice as provided herein shall not relieve the indemnifying party of its obligations hereunder, except to the extent that such failure to give notice shall materially adversely affect the indemnifying party in the defense of any such claim or litigation. It is understood that the indemnifying party shall not, in connection with any proceeding in the same jurisdiction, be liable for fees or expenses of more than one separate firm of attorneys at any time for all such indemnified parties. No indemnifying party will, except with the consent of the indemnified party, consent to entry of any judgment or enter into any settlement that does not include as an unconditional term thereof the giving by the claimant or plaintiff to such indemnified party of a release from all liability in respect of such claim or litigation.

(d) Contribution. If for any reason the indemnification provided for in the preceding paragraphs (a) and (b) is unavailable to an indemnified party or insufficient to hold it harmless, other than as expressly specified therein, then the indemnifying party shall contribute to the amount paid or payable by the indemnified party as a result of such loss, claim, damage or liability in such proportion as is appropriate to reflect the relative fault of the indemnified party and the indemnifying party, as well as any other relevant equitable considerations. No Person guilty of fraudulent misrepresentation within the meaning of Section 11(f) of the Securities Act shall be entitled to contribution from any Person not guilty of such fraudulent misrepresentation. In no event shall the contribution obligation of a Holder of Registrable Securities be greater in amount than the dollar amount of the proceeds (net of all expenses paid by such Holder in connection with any claim relating to this Section 2.7 and the amount of any damages such holder has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission) received by it upon the sale of the Registrable Securities giving rise to such contribution obligation.

2.8 Facilitation of ADS Conversion.

(a) The Company acknowledges that each Investor intends to convert the Senior Preferred Shares (including any Warrant Shares) into Class A Ordinary Shares and

deposit such Class A Ordinary Shares with the Depositary in exchange for ADSs as soon as practicable for future sale (the "ADS Conversion").

(b) At any time from and from time to time, upon written request of any Investor, the Company shall promptly and in any event no later than three (3) Trading Days following receipt of such Investor's request, effect, or cause the Depositary to effect, the ADS Conversion, if there is an effective Registration Statement on file with the SEC covering the re-sale of such Investor's Class A Ordinary Shares (issued or issuable upon conversion of Senior Preferred Shares (including any Warrant Shares)) or such Class A Ordinary Shares may be re-sold without restriction by such Investor pursuant to Rule 144, provided that, if requested by the Company, such Investor shall provide reasonable and timely cooperation to facilitate the ADS Conversion to the extent reasonably required.

(c) For purposes of completing the ADS Conversion contemplated under Section 2.8(b) above, the Company shall, at its sole cost and expense, take all necessary actions to cause the ADS Conversion, including but not limited to directing its Depositary (including to provide any consent or confirmation and to satisfy any other procedural or substantive requirements under that certain deposit agreement dated June 27, 2018 among the Company, the Depositary and the holders and beneficial owners of American depositary shares issued thereunder (as amended, restated, supplemented or modified from time to time)), share registrar, transfer agent and an outside counsel to take all necessary actions (including the removal of the restrictive legend) in accordance with the procedures for conversion of Senior Preferred Shares (including any Warrant Shares) or Conversion Shares into ADSs.

2.9 Termination of Registration Rights. The registration rights provided to the Holders under Section 2 shall terminate in their entirety upon such time as there are no Registrable Securities and all Senior Preferred Shares (including any Warrant Shares) and Conversion Shares have been converted into ADSs that are fully tradable. Notwithstanding the foregoing, Sections 2.4, 2.7 and 3 shall survive the termination of such registration rights.

3. Miscellaneous.

3.1 Governing Law; Dispute Resolution. The provisions of Sections 9.08 (Governing Law) and 9.09 (Dispute Resolution) of the Subscription Agreement shall be incorporated herein by reference and shall apply as if set forth in full herein, *mutatis mutandis*.

3.2 Successors and Assigns. Except as otherwise expressly provided herein, the provisions hereof shall inure to the benefit of, and be binding upon, the successor and assigns of the parties hereto. The Company may not assign its rights or obligations hereunder except with the prior written consent of each Holder. Each Holder may assign their respective rights hereunder to any assignees or successors of any of its Registrable Securities.

3.3 Entire Agreement; Amendment. This Agreement and the other Transaction Documents constitute the full and entire understanding and agreement between the parties with regard to the subjects hereof and thereof. Any previous agreements among the parties relative to the specific subject matter hereof are superseded by this Agreement. Neither this Agreement nor any provision hereof may be amended, changed, waived, discharged or

terminated other than by a written instrument signed by the party against who enforcement of any such amendment, change, waiver, discharge or termination is sought.

3.4 Notices. All notices and other communications provided for or permitted hereunder shall be made as set forth in Section 9.01 of the Subscription Agreement.

3.5 Severability. If any term, provision, covenant or restriction of this Agreement is held by a court of competent jurisdiction to be invalid, illegal, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions set forth herein shall remain in full force and effect and shall in no way be affected, impaired or invalidated, and the parties hereto shall use their commercially reasonable efforts to find and employ an alternative means to achieve the same or substantially the same result as that contemplated by such term, provision, covenant or restriction. It is hereby stipulated and declared to be the intention of the parties that they would have executed the remaining terms, provisions, covenants and restrictions without including any of such that may be hereafter declared invalid, illegal, void or unenforceable.

3.6 Headings. The headings herein are for convenience only, do not constitute a part of this Agreement and shall not be deemed to limit or affect any of the provisions hereof.

3.7 Counterparts. This Agreement may be executed in two or more counterparts, all of which when taken together shall be considered one and the same agreement and shall become effective when counterparts have been signed by each party and delivered to each other party, it being understood that the parties need not sign the same counterpart. In the event that any signature is delivered by facsimile transmission or by e-mail delivery of a ".pdf" format data file, such signature shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) with the same force and effect as if such facsimile or ".pdf" signature page were an original thereof. The parties irrevocably and unreservedly agree that this Agreement may be executed by way of electronic signatures and the parties agree that this Agreement, or any part thereof, shall not be challenged or denied any legal effect, validity and/or enforceability solely on the ground that it is in the form of an electronic record.

3.8 Delays or Omissions. It is agreed that no delay or omission to exercise any right, power or remedy accruing to any party upon any breach or default of any other party under this Agreement shall impair any such right, power or remedy, nor shall it be construed to be a waiver of any such breach or default, or any acquiescence therein, or of any similar breach or default thereafter occurring; nor shall any waiver of any single breach or default be deemed a waiver of any other breach or default theretofore or thereafter occurring. It is further agreed that any waiver, permit, consent or approval of any kind or character of any breach or default under this Agreement, or any waiver of any provisions or conditions of this Agreement must be in writing and shall be effective only to the extent specifically set forth in writing, and that all remedies, either under this Agreement, by law or otherwise, shall be cumulative and not alternative.

3.9 Consents. Any permission, consent, or approval of any kind or character under this Agreement shall be in writing and shall be effective only to the extent specifically set forth in such writing.

3.10 SPECIFIC PERFORMANCE. THE PARTIES HERETO AGREE THAT IRREPARABLE DAMAGE WOULD OCCUR IN THE EVENT THAT ANY OF THE

PROVISIONS OF THIS AGREEMENT WERE NOT PERFORMED IN ACCORDANCE WITH ITS SPECIFIC INTENT OR WERE OTHERWISE BREACHED. IT IS ACCORDINGLY AGREED THAT THE PARTIES SHALL BE ENTITLED TO AN INJUNCTION OR INJUNCTIONS, WITHOUT BOND, TO PREVENT OR CURE BREACHES OF THE PROVISIONS OF THIS AGREEMENT AND TO ENFORCE SPECIFICALLY THE TERMS AND PROVISIONS HEREOF, THIS BEING IN addition TO ANY OTHER REMEDY TO WHICH THEY MAY BE ENTITLED BY LAW OR EQUITY, AND ANY PARTY SUED FOR BREACH OF THIS AGREEMENT EXPRESSLY WAIVES ANY DEFENSE THAT A REMEDY IN DAMAGES WOULD BE ADEQUATE.

3.11 Obligations of Investors. The Company acknowledges that the obligations of each Investor under this Agreement are several and not joint with the obligations of any other Investor, and no Investor shall be responsible in any way for the performance of the obligations of any other Investor under this Agreement. The decision of each Investor to enter into to this Agreement has been made by such Investor independently of any other Investor. The Company further acknowledges that nothing contained in this Agreement, and no action taken by any Investor pursuant hereto, shall be deemed to constitute the Investors as a partnership, an association, a joint venture or any other kind of entity, or create a presumption that the Investors are in any way acting in concert or as a group with respect to such obligations or the transactions contemplated hereby. Each Investor shall be entitled to independently protect and enforce its rights, including without limitation, the rights arising out of this Agreement, and it shall not be necessary for any other Investor to be joined as an additional party in any proceeding for such purpose.

3.12 Construction of Agreement. No provision of this Agreement shall be construed against either party as the drafter thereof.

3.13 Section References. Unless otherwise stated, any reference contained herein to a Section or subsection refers to the provisions of this Agreement.

3.14 Variations of Pronouns. All pronouns and all variations thereof shall be deemed to refer to the masculine, feminine, or neuter, singular or plural, as the context in which they are used may require.

[Remainder of Page Intentionally Left Blank; Signature Pages Follow]

IN WITNESS WHEREOF, the parties have caused this Registration Rights Agreement to be duly executed and delivered by their proper and duly authorized officers as of the day and year first written above.

UXIN LIMITED

By: /s/ Kun DAI
Name: Kun DAI
Title: Director

[Signature Page to Registration Rights Agreement]

IN WITNESS WHEREOF, the parties have caused this Registration Rights Agreement to be duly executed and delivered by their proper and duly authorized officers as of the day and year first written above.

INVESTOR:

ASTRAL SUCCESS LIMITED

By: /s/ Erhai Liu
Name: Erhai Liu
Title: Authorized Signatory

[Signature Page to Registration Rights Agreement]

IN WITNESS WHEREOF, the parties have caused this Registration Rights Agreement to be duly executed and delivered by their proper and duly authorized officers as of the day and year first written above.

INVESTOR:

ABUNDANT GRACE INVESTMENT LIMITED

By: /s/ Mao Wei
Name: Mao Wei
Title: Director

[Signature Page to Registration Rights Agreement]

Annex A

PLAN OF DISTRIBUTION

We are registering the Class A Ordinary Shares and/or ADSs issued to the selling shareholders to permit the resale of these Class A Ordinary Shares and/or ADSs by the holders of the Class A Ordinary Shares and/or ADSs from time to time after the date of this prospectus. We will not receive any of the proceeds from the sale by the selling shareholders of the Class A Ordinary Shares and/or ADSs. We will bear all fees and expenses incident to our obligation to register the Class A Ordinary Shares and/or ADSs.

The selling shareholders may sell all or a portion of the Class A Ordinary Shares and/or ADSs beneficially owned by them and offered hereby from time to time directly or through one or more underwriters, broker-dealers or agents. If the Class A Ordinary Shares and/or ADSs are sold through underwriters or broker-dealers, the selling shareholders will be responsible for underwriting discounts or commissions or agent's commissions. The Class A Ordinary Shares and/or ADSs may be sold on any national securities exchange or quotation service on which the securities may be listed or quoted at the time of sale, in the over-the-counter market or in transactions otherwise than on these exchanges or systems or in the over-the-counter market and in one or more transactions at fixed prices, at prevailing market prices at the time of the sale, at varying prices determined at the time of sale, or at negotiated prices. The selling shareholders may use any one or more of the following methods when selling such Class A Ordinary Shares and/or ADSs:

- ordinary brokerage transactions and transactions in which the broker-dealer solicits purchasers;
- block trades in which the broker-dealer will attempt to sell the Class A Ordinary Shares or ADSs as agent but may position and resell a portion of the block as principal to facilitate the transaction;
- purchases by a broker-dealer as principal and resale by the broker-dealer for its account;
- an exchange distribution in accordance with the rules of the applicable exchange;
- privately negotiated transactions;
- settlement of short sales entered into after the Effective Date of the registration statement of which this prospectus is a part;
- broker-dealers may agree with the selling shareholders to sell a specified number of such Selling Securities at a stipulated price per security;
- through the writing or settlement of options or other hedging transactions, whether such options are listed on an options exchange or otherwise;
- a combination of any such methods of sale; and
- any other method permitted pursuant to applicable law.

The selling shareholders also may resell all or a portion of the Class A Ordinary Shares or ADSs in open market transactions in reliance upon Rule 144 under the Securities Act, as permitted by that rule, or Section 4(1) under the Securities Act, if available, rather than under this prospectus, provided that they meet the criteria and conform to the requirements of those provisions.

Broker-dealers engaged by the selling shareholders may arrange for other broker-dealers to participate in sales. If the selling shareholders effect such transactions by selling the Selling Securities to or through underwriters, broker-dealers or agents, such underwriters, broker-dealers or agents may receive commissions in the form of discounts, concessions or commissions from the selling shareholders or commissions from purchasers of the Selling Securities for whom they may act as agent or to whom they may sell as principal. Such commissions will be in amounts to be negotiated, but, except as set forth in a supplement to this prospectus, in

the case of an agency transaction will not be in excess of a customary brokerage commission in compliance with FINRA Rule 5110.

In connection with sales of the Class A Ordinary Shares or ADSs or otherwise, the selling shareholders may enter into hedging transactions with broker-dealers or other financial institutions, which may in turn engage in short sales of the Selling Securities in the course of hedging in positions they assume. The selling shareholders may also sell Selling Securities short and if such short sale shall take place after the date that this Registration Statement is declared effective by the Commission, the selling shareholders may deliver Selling Securities covered by this prospectus to close out short positions and to return borrowed shares in connection with such short sales. The selling shareholders may also loan or pledge Selling Securities to broker-dealers that in turn may sell such shares, to the extent permitted by applicable law. The selling shareholders may also enter into option or other transactions with broker-dealers or other financial institutions or the creation of one or more derivative securities which require the delivery to such broker-dealer or other financial institution of shares offered by this prospectus, which shares such broker-dealer or other financial institution may resell pursuant to this prospectus (as supplemented or amended to reflect such transaction). Notwithstanding the foregoing, the selling shareholders have been advised that they may not use shares registered on this registration statement to cover short sales of our ordinary shares made prior to the date the registration statement, of which this prospectus forms a part, has been declared effective by the SEC.

The selling shareholders may, from time to time, pledge or grant a security interest in some or all of the warrants or Class A Ordinary Shares or ADSs owned by them and, if they default in the performance of their secured obligations, the pledgees or secured parties may offer and sell the Selling Securities from time to time pursuant to this prospectus or any amendment to this prospectus under Rule 424(b)(3) or other applicable provision of the Securities Act of 1933, as amended, amending, if necessary, the list of selling shareholders to include the pledgee, transferee or other successors in interest as selling shareholders under this prospectus. The selling shareholders also may transfer and donate the Class A Ordinary Shares or ADSs in other circumstances in which case the transferees, donees, pledgees or other successors in interest will be the selling beneficial owners for purposes of this prospectus.

The selling shareholders and any broker-dealer or agents participating in the distribution of the Selling Securities may be deemed to be “underwriters” within the meaning of Section 2(11) of the Securities Act in connection with such sales. In such event, any commissions paid, or any discounts or concessions allowed to, any such broker-dealer or agent and any profit on the resale of the shares purchased by them may be deemed to be underwriting commissions or discounts under the Securities Act. Selling Shareholders who are “underwriters” within the meaning of Section 2(11) of the Securities Act will be subject to the prospectus delivery requirements of the Securities Act and may be subject to certain statutory liabilities of, including but not limited to, Sections 11, 12 and 17 of the Securities Act and Rule 10b-5 under the Securities Exchange Act of 1934, as amended, or the Exchange Act.

Each selling shareholder has informed the Company that it is not a registered broker-dealer and does not have any written or oral agreement or understanding, directly or indirectly, with any person to distribute the ordinary shares. Upon the Company being notified in writing by a selling shareholder that any material arrangement has been entered into with a broker-dealer for the sale of ordinary shares through a block trade, special offering, exchange distribution or secondary distribution or a purchase by a broker or dealer, a supplement to this prospectus will be filed, if required, pursuant to Rule 424(b) under the Securities Act, disclosing (i) the name of each such selling shareholder and of the participating broker-dealer(s), (ii) the number of shares involved, (iii) the price at which such Class A Ordinary Shares or ADSs were sold, (iv) the commissions paid or discounts or concessions allowed to such broker-dealer(s), where applicable, (v) that such broker-dealer(s) did not conduct any investigation to verify the information set out or incorporated by reference in this prospectus, and (vi) other facts material to the transaction. In no event shall any broker-dealer receive fees, commissions and markups, which, in the aggregate, would exceed eight percent (8%).

Under the securities laws of some states, the Selling Securities may be sold in such states only through registered or licensed brokers or dealers. In addition, in some states the Selling Securities may not be sold unless such shares have been registered or qualified for sale in such state or an exemption from registration or qualification is available and is complied with.

There can be no assurance that any selling shareholder will sell any or all of the Class A Ordinary Shares or ADSs registered pursuant to the shelf registration statement, of which this prospectus forms a part.

Each selling shareholder and any other person participating in such distribution will be subject to applicable provisions of the Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder, including, without limitation, Regulation M of the Exchange Act, which may limit the timing of purchases and sales of any of the Selling Securities by the selling shareholder and any other participating person. Regulation M may also restrict the ability of any person engaged in the distribution of the Selling Securities to engage in market-making activities with respect to the Selling Securities. All of the foregoing may affect the marketability of the Selling Securities and the ability of any person or entity to engage in market-making activities with respect to the Selling Securities.

We will pay all expenses of the registration of the Class A Ordinary Shares or ADSs pursuant to the registration rights agreement, including, without limitation, Securities and Exchange Commission filing fees and expenses of compliance with state securities or "blue sky" laws; provided, *however*, that each selling shareholder will pay all underwriting discounts and selling commissions, if any, and any legal expenses incurred by it. We will indemnify the selling shareholders against certain liabilities, including some liabilities under the Securities Act, in accordance with a registration rights agreement, or the selling shareholders will be entitled to contribution. We may be indemnified by the selling shareholders against civil liabilities, including liabilities under the Securities Act, that may arise from any written information furnished to us by the selling shareholders specifically for use in this prospectus, in accordance with the related registration rights agreements, or we may be entitled to contribution.

We have agreed with the selling shareholders to keep the registration statement of which this prospectus constitutes a part effective until the earlier of (1) such time as all of the securities covered by this prospectus have been disposed of pursuant to and in accordance with the registration statement, or (2) the date on which all of the securities may be sold without restriction pursuant to Rule 144 of the Securities Act.

Exhibit 4.45

Confidential
Execution Version

SUPPLEMENTARY AGREEMENT

IN CONNECTION WITH

THE CONVERTIBLE NOTE PURCHASE AGREEMENT AND CONVERTIBLE PROMISSORY NOTES

This SUPPLEMENTARY AGREEMENT (as amended, restated, supplemented or otherwise modified from time to time, this "Supplementary Agreement" or this "Agreement"), dated June 17, 2021, is entered into by and between Uxin Limited, an exempted company with limited liability incorporated under the laws of the Cayman Islands (the "Company"), Mr. Kun Dai (戴琨), a PRC individual with PRC identity card no. of ********* (the "Founder"), Redrock Holding Investments Limited, a business company incorporated under the laws of the British Virgin Islands ("WP"), TPG Growth III SF Pte. Ltd., a private company limited by shares incorporated under the laws of Singapore ("TPG"), 58.com Holdings Inc., a business company incorporated under the laws of the British Virgin Islands (the "Strategic Investor", together with WP and TPG, the "Major Purchasers"), ClearVue UXin Holdings, Ltd., a company incorporated under the laws of the Cayman Islands ("Clearvue") and Magic Carpet International Limited, a business company incorporated under the laws of the British Virgin Islands ("Magic Carpet", together with WP, TPG, the Strategic Investor, Clearvue and Magic Carpet, collectively the "Purchasers", and each of them a "Purchaser").

All parties are collectively referred to herein as the "Parties" and individually as a "Party".

W I T N E S S E T H:

WHEREAS, pursuant to the convertible note purchase agreement dated May 29, 2019 entered into by and among Company, Founder, Zhuhai Guangkong Zhongying Industrial Investment Fund (Limited Partnership ("EBF") and the Purchasers (the "CNPA"), the Company agreed to issue to each Purchaser and EBF, and each Purchaser and EBF agreed to purchase from the Company, convertible promissory notes in an aggregate amount of US$230 million (such notes being, the "Notes").

WHEREAS, in accordance with section 2.4(l) of the CNPA, Xin Gao granted security over the Xin Gao Shares in favour of certain Purchasers by way of an equity share mortgage agreement dated June 10, 2019 (the "Share Mortgage Agreement").

WHEREAS, in accordance with sections 6.5 and 6.7 of the CNPA, the Company established the Joint Account and a Purchaser Designee was made a joint signatory of the Joint Account.

WHEREAS, the Company, Astral Success Limited and Abundant Grace Investment Limited (the "New Investors") entered into a Share Subscription Agreement on June 14, 2021 (the "Share Subscription Agreement"), and entering into this Agreement is one of the conditions precedent to the First Closing under the Share Subscription Agreement.

WHEREAS, EBF has transferred all the Notes it held to Magic Carpet on June 9, 2021, and all rights and obligations of EBF arising from the CNPA and the Notes shall be borne by Magic Carpet.

NOW, **THEREFORE**, the Parties hereto agree to amend the CNPA and the Notes, on the terms and conditions set out in this Supplementary Agreement as follows:

1. DEFINITIONS

Unless otherwise defined in this Supplementary Agreement or the context otherwise requires, all capitalized terms used in this Supplementary Agreement shall have the same meanings ascribed to them in the CNPA.

In addition:

"Effective Time" means the time upon which all of the following is fulfilled:

(i) the First Closing Date has occurred;

(ii) the Company has fully complied with its obligations set forth in Section 6 (*Conversion*) and the relevant Conversion Shares have been issued to the holders of the Notes; and

(iii) the Voting Agreement has been executed and become fully effective.

"First Closing" shall have the meaning ascribed to it in the Share Subscription Agreement

"First Closing Date" shall have the meaning ascribed to it in the Share Subscription Agreement.

"Voting Agreement" means the voting agreement entered into on or about the First Closing Date between the Company, the Major Purchasers, the Founder, Xin Gao and the New Investors.

2. AMENDMENTS TO THE CNPA

2.1 On and from the Effective Time, each Party agrees that the CNPA shall be amended as follows:

(a) Each of sections 6.2, 6.6, 6.7 and 8.1 and Schedule 4 of the CNPA shall be **deleted** and **replaced** with the following provision:

"[*Intentionally left blank.*]"

(b) For the avoidance of doubt, the reference to "Investor Director" in Section 6.8 of the CNPA shall be treated as a reference to any director appointed by the Major Purchasers pursuant to the terms of the Voting Agreement.

(c) Sections 6.5 of the CNPA shall be **deleted** and **replaced** with the following provision:

"The Company shall use the proceeds from the issuance of the Notes solely for the purposes of (i) development and operation of the New Business, (ii) the repayment of the Notes in accordance with the terms of the Notes, and (iii) fees and expenses of the New Investors in connection with the Share Subscription Agreement payable by the Company (collectively, the "Agreed Purposes"), and shall not use the proceeds from the issuance of the Notes or any other funds in the Joint Account (a) for any purpose other than the Agreed Purposes, (b) to fund or facilitate any activities of or business with any Person that is the subject or the target of Sanctions, (c) to fund or facilitate any activities of or business in any country or territory that is subject of any Sanctions, (d) 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 (e) in a way that that result in noncompliance with all applicable anti-money laundering or antiterrorism statutes, the rules and regulations thereunder and any related or similar rules, regulations or guidelines, issued, administered or enforced by any applicable Governmental Entity. "New Business" means the "trading market" for used cars, which is a one-stop online and offline shopping mall, under which, the Group Companies purchase used cars through a variety of suppliers and sell such used cars to customers via online and offline channels after certain maintenance works."

3. AMENDMENTS TO THE NOTES

3.1 On and from the Effective Time, each Party agrees that each Note shall be amended as follows:

(a) Section 1 of each Note shall be **deleted** and **replaced** with the following provision:

"Interest Rate. The Note shall bear no interest on the outstanding Principal Amount from May 29, 2019 until June 30, 2024, provided that no Principal Amount is outstanding as of July 1, 2024. If there is any Principal Amount outstanding on or after July 1, 2024, the Note shall bear interest on all of the outstanding Principal Amount as of July 1, 2024 at a simple interest rate of three point seven five percent (3.75%) per annum from May 29, 2019 until the outstanding Principal Amount is fully repaid. Accrued interest on the Note shall be computed on the basis of a 365-day year and actual days elapsed."

(b) Section 2(a) of each Note shall be **deleted** and **replaced** with the following provision:

"The Company shall repay the Note in instalments by repaying on each Repayment Date an amount which reduces the outstanding Principal Amount by an amount equal to the relevant percentage of the Principal Amount as at the Effective Time as set out in the table below:

Repayment Date	***Repayment Instalment***
5 Business Days from the First Closing Date	*10% of the Principal Amount as at the Effective Time*

31 December 2022	*10% of the Principal Amount as at the Effective Time*
31 December 2023	*30% of the Principal Amount as at the Effective Time*
30 June 2024	*All remaining outstanding Principal Amount of the Note*

For the purposes of this Note:

"Effective Time" has the meaning given to such term in the Supplementary Agreement.

"First Closing Date" has the meaning given to such term in the Supplementary Agreement.

"Repayment Date" means each date set out in the table in Section 2(a) on which a payment of a relevant Repayment Instalment shall be made.

"Repayment Instalment" means each scheduled repayment instalment of the Note set out in the table in Section 2(a).

"Supplementary Agreement" means the supplementary agreement to the Convertible Note Purchase Agreement and the Notes entered into by and between the Company, the Founder and the Purchasers dated June 17, 2021.""

(a) Section 2(b) of each Note shall be **deleted** and **replaced** with the following provision:

"All amounts payable on or in respect of the Note or the indebtedness evidenced hereby shall be paid to the Purchaser in lawful money of the United States of America on each Repayment Date. The Company shall make such payments of the relevant unpaid Repayment Installment, together with all accrued and unpaid interest in respect of the Note (if any) to the Purchaser by wire transfer of immediately available funds for the account of the Purchaser as the Purchaser may designate from time to time and notify in writing to the Company at least five (5) Business Days prior to the relevant Repayment Date. Payment shall be credited first to accrued and unpaid interest in respect of the Note (if any), and any remainder shall be applied to the relevant Repayment Instalment."

(b) Section 2(c) of each Note shall be amended so that the following phrase is **deleted** from the provision without affecting the validity or enforceability of the remainder of section 2(c) of each Note:

"… (including for the avoidance of doubt, any interest accrued on any portion of the Principal Amount that has been converted pursuant to Section 6 of the Note prior to such conversion)… ".

(c) Section 2(d) of each Note shall be amended so that reference to "Section A2(d)" therein shall be **deleted** and **replaced** with "Section 2(d)" without affecting the validity or enforceability of the remainder of section 2(d) of each Note.

(d) Section 4 of each Note shall be **deleted** and **replaced** with the following provision:

"[*Intentionally left blank.*]"

(e) Section 5(b) of each Note shall be amended so that the sub-paragraph (ii) of section 5(b) of each Note shall be **deleted** and **replaced** with the following provision without affecting the validity or enforceability of the remainder of section 5(b) of each Note:

"(ii) be or be presumed or deemed to be unable or admit inability to pay its debt as they mature,"

(f) Section 5(h) of each Note shall be **deleted** and **replaced** with the following provision:

"The Company or the Founder fails to perform or comply with one or more of its or his respective obligations or the restrictions set forth in the Note or the Convertible Note Purchase Agreement in any material respect or in Sections 8 and 8A of the Note, and in each case such failure is not capable of being cured or is not cured within thirty (30) days"

(g) Paragraph (y) of section 6 of each Note shall be **deleted in its entirety**, but for the avoidance of doubt, the remaining provisions in section 6 of each Note shall remain in full force and effect.

(h) Section 8 of each Note shall be **deleted** and **replaced** with the following provision:

"[For so long as this Note is outstanding, unless with the prior written approval of at least two (2) Major Purchasers (provided, if there is only one (1) Major Purchaser, such remaining Major Purchaser), the Company shall not incur, create, assume, guarantee or otherwise become liable for any indebtedness that is (i) contractually senior in right of payment to the Note, or (ii) pari passu in right of payment to the Note and has a maturity date, or may be demanded for payment by the lender, or may be prepaid by the borrower or guarantor, on a date that is earlier than the last Repayment Date, in each case other than the acquisition of non-performing loans made to consumers for the purchase price of automobiles and loans made to the Company and secured by the Company's inventory that are used to pay the purchase price of automobiles that have been sold to consumers under a binding contract, in each case in the ordinary course of the Company's business consistent with past practice.][1]"

(i) Section 9 of each Note shall be **deleted** and **replaced** with the following provision:

[1] Note: To be deleted in the Notes issued to the Purchasers other than the Major Purchasers.

"<u>No Rights as Shareholder.</u> 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 (other than the rights of the Purchaser set forth in the Voting Agreement (as defined in the Supplementary Agreement)), (b) other than Section 8 and Section 8A of the Note, 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), or (c) to receive notice of meetings or to receive in-kind dividends or subscription rights or otherwise."

(j) Section 10 of each Note shall be **<u>deleted</u>** and **<u>replaced</u>** with the following provision:

"All rights under this Note shall automatically terminate when all amounts owing on this Note have been paid in full. Upon the termination of all rights under this Note, the Note shall be surrendered by the Purchaser to the Company and the 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."

(k) The following provision shall be **<u>added</u>** to each Note as section 8A:

"<u>Limitations on disposal of material assets</u>. For so long as this Note is outstanding, any transactions or series of related transactions to sell, transfer or otherwise dispose any of its voting powers or assets of any Group Company (such transactions or series of related transactions being, "Disposals") shall not require the prior written consent of the Requisite Holders unless such Disposals are not in the ordinary course of business and relate to the sale or transfer of assets or businesses which represent 50% or more of the total assets of the Company by value (calculated based on the last available audited consolidated financial statements of the Company at the time of the proposed Disposal and adjusted to exclude (x) any assets related to the loan facilitation business of any Group Company (and any other assets and businesses that have already been divested prior to the date of the proposed Disposal) and (y) any cash and cash equivalents). Notwithstanding the foregoing, the disposal of equity interest in 四川锦程消费金融有限责任公司 shall not require any further prior written consent from any holder of the Notes."

3.2 Immediately after the Effective Time, references in each Note to any conversion of the Notes into Ordinary Shares (including references to conversions in accordance with sections 4 and 6 of each Note) shall be treated as if such conversion rights have expired and are no longer available, without affecting the validity and enforceability of any of the provisions in the Notes.

4. SHARE MORTGAGE

4.1 As soon as practical following the signing of this Agreement, the Major Purchasers shall instruct Madison Pacific Trust Limited (the "Security Agent") to, within ten (10) Business Days from the date hereof and prior to the First Closing:

(a) negotiate with Xin Gao and the Company in good faith and agree the form of all necessary documentation to (i) fully release and discharge the security granted by Xin Gao under the Share Mortgage Agreement; and (ii) reassign and retransfer to Xin Gao any and all rights and interests transferred by Xin Gao under the Share Mortgage Agreement, each with effect from the Effective Time; and

(b) execute such documentation and deliver such documentation to Xin Gao.

4.2 Within one (1) month from the Effective Time, the Major Purchasers shall instruct the Security Agent to redeliver any and all share certificates and other title documents previously delivered by Xin Gao under the Share Mortgage Agreement pursuant to the release documentation executed in accordance with Section 4.1.

5. JOINT ACCOUNT

5.1 Within ten (10) Business Days from the date hereof and prior to the First Closing, the Major Purchasers shall:

(a) negotiate with the Company in good faith and agree the form of all necessary documentation to remove the Purchaser Designee from joint signatory of the Joint Account with effect from the Effective Time; and

(b) execute such documentation and deliver such documentation to the Company.

6. CONVERSION

Notwithstanding anything to the contrary in the terms of the Notes, upon the First Closing:

6.1 thirty percent (30%) of the outstanding principal amount of each Note as of the date hereof shall automatically convert into the Conversion Shares at the Conversion Price as set forth on Schedule A;

6.2 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) and deliver to each holder of the Note a certificate or certificates for the number of fully paid Conversion Shares issuable to such holder upon such conversion and the updated register of members of the Company indicating that such holder is the holder of such Conversion Shares; and

6.3 subject to execution of the Voting Agreement, the execution of the consent letter for lock-up by each New Investor in the form set forth in Appendix 1 and the execution of the consent letter for lock-up by each other Purchaser in the form set forth in Appendix 2, each Purchaser shall enter into a Lock-up Letter pursuant to the Subscription Agreement covering Equity Securities (as defined in the Lock-up Letter) owned or to be owned by it on the First

Closing Date (including Class A Ordinary Shares to be issued to it upon conversion of certain outstanding principal amount of the Note held by it).

7. MISCELLANEOUS.

7.1 Governing Law; Arbitration. 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, including any question regarding its existence, validity or termination ("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.

7.2 Except to the extent expressly amended and supplemented by this Supplementary Agreement, all terms and conditions of the CNPA and the Notes shall remain unchanged and in full force and effect. Save as expressly provided in this Supplementary Agreement (including in Section 5.4 below), nothing in this Supplementary Agreement shall constitute or be construed as a waiver or compromise of any term or condition of the CNPA or the Notes, or of the rights of the Purchasers or holders of the Notes in relation to the Notes, and all of the rights of each Purchaser under the relevant Note issued to it are hereby reserved.

7.3 On and from the Effective Time, in respect of each Note:

(a) this Supplementary Agreement and the Note shall be read and construed as one document; and

(b) references in the Note to "this Note", "hereunder", "herein" and like terms or to any provision of the Note shall be construed as a reference to the Note (as amended by this Supplementary Agreement), or a provision of the Note (as amended by this Supplementary Agreement), as applicable.

7.4 Each Purchaser hereby acknowledges and irrevocably waives, with effect from the Effective Time, all rights to claim damages for any and all actual breach or default (including without limitation any Event of Default (as defined in each Note)) of the Company, the Founder or Xin Gao in connection with or arising out of the CNPA, the Notes and/or any other side letter signed by the Company and the Strategic Investor on or prior to the date of this Agreement related to the CNPA and/or the Notes, to the extent such claims arise from any events that occurred or circumstances that existed, whether known or unknown, prior to the date of this Supplementary Agreement (including such events and circumstances occurred or existed prior to the date of this Supplementary Agreement and continuing after the date of this Supplementary Agreement).

7.5 For the avoidance of doubt, other than the wavier mentioned in Section 6.4 above, nothing in this Supplementary Agreement shall prejudice or be construed to have waived any present and future rights of the Purchasers and/or the holders of the Notes under the CNPA and/or the Notes (as amended by this Supplementary Agreement).

7.6 Third Party Rights. Subject to the last sentence of this Section 6.5, nothing in this Agreement, express or implied, is intended to confer upon any Person, other than the parties hereto and their respective permitted successors and assigns and transferees, any rights or remedies under or by reason of this Agreement, except as expressly provided in this Agreement. Notwithstanding anything to the contrary in this Agreement or in any applicable laws, Xin Gao shall be an intended third-party beneficiary of Section 4 and Section 6.4 of this Agreement, and may enforce this Agreement in respect of Section 4 and Section 6.4 as a third-party beneficiary as if it is a named party herein.

7.7 This Supplementary Agreement shall be established on the date hereof. If the Company does not receive the investment amount that should be paid by certain investors in accordance with the Share Subscription Agreement at the First Closing, this Supplementary Agreement shall be automatically terminated and treated as null and void.

[*Remainder of Page Intentionally Left Blank*]

IN WITNESS WHEREOF, the parties hereto have executed this Supplementary Agreement as of the date first above written.

Uxin Limited

By: /s/ Kun DAI
Name: Kun DAI
Title: Director

[Signature Page to Supplementary Agreement]

IN WITNESS WHEREOF, the parties hereto have executed this Supplementary Agreement of the Convertible Note Purchase Agreement as of the date first above written.

Kun Dai

/s/ Kun Dai

[Signature Page to Supplementary Agreement]

IN WITNESS WHEREOF, the parties hereto have executed this Supplementary Agreement of the Convertible Note Purchase Agreement as of the date first above written.

Redrock Holding Investments Limited

By: /s/ Steven G. Glenn
Name: Steven G. Glenn
Title: Director

[Signature Page to Supplementary Agreement]

IN WITNESS WHEREOF, the parties hereto have executed this Supplementary Agreement of the Convertible Note Purchase Agreement as of the date first above written.

TPG Growth III SF Pte. Ltd.

By: /s/ Michael LaGatta
Name: Michael LaGatta
Title: Vice President

[Signature Page to Supplementary Agreement]

IN WITNESS WHEREOF, the parties hereto have executed this Supplementary Agreement as of the date first above written.

ClearVue UXin Holdings, Ltd.

By: /s/ William Apollo Chen
Name: William Apollo Chen
Title: Managing Director

[Signature Page to Supplementary Agreement]

IN WITNESS WHEREOF, the parties hereto have executed this Supplementary Agreement as of the date first above written.

Magic Carpet International Limited

By: /s/ Ying Zhu
Name: Ying Zhu
Title: Authorized Signatory

[Signature Page to Supplementary Agreement]

IN WITNESS WHEREOF, the parties hereto have executed this Supplementary Agreement as of the date first above written.

58.com Holdings Inc.

By: /s/ Jinbo Yao
Name: Jinbo Yao
Title: Authorized Signatory

[Signature Page to Supplementary Agreement]

Schedule A

Appendix 1

Consent Letter for Lock-up (New Investor)

Appendix 2

Consent Letter for Lock-up (Purchaser)

Exhibit 4.46

Execution Version

TERMINATION AGREEMENT

This **TERMINATION AGREEMENT** (this "Agreement") is made on July 12, 2021 by and among:

(1) Uxin Limited, an exempted company duly incorporated and validly existing under the Laws of the Cayman Islands (the "Company");

(2) Redrock Holding Investments Limited, a business company duly incorporated and validly existing under the Laws of the British Virgin Islands ("WP");

(3) TPG Growth III SF Pte. Ltd., a private company limited by shares duly incorporated and validly existing under the Laws of Singapore ("TPG");

(4) 58.com Holdings Inc., a business company duly incorporated and validly existing under the Laws of the British Virgin Islands (the "Strategic Investor," together with WP and TPG, each, an "Investor" and collectively, the "Investors");

(5) Mr. Kun Dai (戴琨), a PRC individual with PRC identity card no. of ********* (the "Founder");

(6) Xin Gao Group Limited, a business company duly incorporated and validly existing under the Laws of the British Virgin Islands ("Xin Gao");

(7) Gao Li Group Limited, a business company duly incorporated and validly existing under the Laws of the British Virgin Islands ("Gao Li", together with the Founder and Xin Gao, each a "Founder Party" and collectively, the "Founder Parties"); and

(8) JenCap UX, an exempted company incorporated and validly existing under the Laws of the Cayman Islands ("Jeneration Capital").

All parties are collectively referred to herein as the "Parties" and individually as a "Party".

WHEREAS, on May 29, 2019, the Company entered into a convertible note purchase agreement with the Investors and other parties thereto (the "CNPA"), pursuant to which the Investors and certain other investors agreed to subscribe for, and the Company agreed to issue to the Investors and certain other investors, certain convertible promissory notes (the "Notes") with a total principal amount of US$230 million;

WHEREAS, in connection with the issuance of the Notes, on May 29, 2019, the Parties entered into the Investors' Rights Agreement, pursuant to which the Company granted the Investors several relevant rights (the "Investors' Rights Agreement");

WHEREAS, the Company and the Investors entered into the Supplementary Terms of Convertible Note Purchase Agreement and Convertible Promissory Notes (the "Letter Agreement")

dated October 4, 2020, whereby certain terms and conditions of the CNPA and the Notes were amended and supplemented;

WHEREAS, the Company, Astral Success Limited and Abundant Grace Investment Limited (the "New Investors") entered into a share subscription agreement on June 14, 2021 (the "Share Subscription Agreement"), and entering into this Agreement is one of the conditions precedent to the First Closing pursuant to the Share Subscription Agreement.

NOW, THEREFORE, the Parties intend to terminate the Investors' Rights Agreement and the Letter Agreement (hereinafter the "Existing Agreements") with effect from the Effective Time. 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:

"Action" means claim, complaint, action, arbitration, charge, hearing, inquiry, litigation, suit, notice of violation, audit, examination, investigation or any other proceeding or any settlement, judgment, order, award, injunction or decree pending or other proceeding (whether civil, criminal, administrative, investigative or informal), including without limitation, an informal investigation or partial proceeding, such as a deposition.

"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.

"Business Day" shall mean any day that is not a Saturday, a Sunday or other day on which banking institutions in the State of New York, PRC, Hong Kong or the Cayman Islands are required by law to be closed.

"Effective Time" shall have the meaning ascribed to it in the Supplementary Agreement.

"First Closing" shall have the meaning ascribed to it in the Share Subscription Agreement.

"First Closing Date" shall have the meaning ascribed to it in the Share Subscription Agreement.

"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.

"Liability" means any debt, liability or obligation of any kind, whether due or to become due, absolute or contingent, inchoate or otherwise, matured or unmatured, liquidated or unliquidated, accrued or unaccrued, known or unknown, secured or unsecured, determined or determinable, or otherwise, and includes all costs and expenses relating thereto.

"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.

"Supplementary Agreement" means the supplementary agreement to the CNPA and the Notes entered or to be entered into amongst the Company. the Investors and other parties thereto on or about the date of this Agreement.

"US$" and "U.S. dollar" shall mean the lawful currency of the United States of America.

"Voting Agreement" means the voting agreement to be entered into on or about the First Closing Date between the Investors, the New Investors, the Founder, Xin Gao and the Company.

2. **TERMINATION OF EXISTING AGREEMENTS**

2.1 The Existing Agreements shall be terminated and shall have no force and effect, from and after the Effective Time.

2.2 Subject to Sections 2.3 and 2.4 below, with effect from the Effective Time, each Party, on behalf of itself and its or his Affiliates, successors and assigns (collectively, the "Releasing Parties") irrevocably waives its/his rights under the Existing Agreements and forever releases and discharges the other Parties (and their respective Affiliates, successors and assigns, the "Released Parties") from any and all obligations and Liabilities under the Existing Agreements, including without limitation any right to claim or indemnity against the Released Parties out of any and all actual or purported breach or default under the Existing Agreements (collectively, the "Released Claims").

2.3 Each Investor represents that it has not assigned or transferred or purported to assign or transfer to any Person all or any part of, or any interest in, any Action or Liability of any nature, character or description whatsoever, which is or which purports to be released or discharged by Section 2.2 and (ii) acknowledges that it may hereafter discover facts other than or different from those that it knows or believes to be true with respect to the subject matter of the Released Claims, but it hereby expressly agrees that, on and as of the Effective Time, the Investors (on behalf of the relevant Releasing Parties) shall have waived and fully, finally and forever settled and released any known or unknown, suspected or unsuspected, asserted or unasserted, contingent or noncontingent claim with respect to the Released Claims, whether or not concealed or hidden, without regard to the subsequent discovery or

existence of such different or additional facts.

2.4 The releases contemplated under Sections 2.2 and 2.3 above shall be without prejudice to: (i) any Liabilities or Action arising from or relating to fraud or dishonesty of any of the Parties; and (ii) any rights created under this Agreement and/or the Voting Agreement and/or which arise as a result of a failure by any Party to comply with the terms of this Agreement and/or the Voting Agreement (as applicable).

3. BOARD OF DIRECTORS

The Investors shall (i) cause the directors nominated by the Investors to resign from the board of directors of the Company (the "Board") and all other positions each such person holds in the Group Companies, with effect from the Effective Time; and (ii) deliver to the Company resignation letters signed by such directors in accordance with the foregoing paragraph (i) and in a form reasonably satisfactory to the Company prior to the First Closing.

4. MISCELLANEOUS

4.1. Governing Law. 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.

4.2. Arbitration. Any dispute arising out of or relating to this Agreement, including any question regarding its existence, validity or termination ("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.

4.3. Third Party Rights. Notwithstanding anything to the contrary in this Agreement or in any applicable laws, upon the First Closing (as such term is defined in the Share Subscription Agreement), each New Investor shall become an intended third-party beneficiary of this Agreement, and may enforce this Agreement as a third-party beneficiary as if it is a named party herein.

4.4. Amendment. This Agreement shall not be amended, changed or modified, except by another agreement in writing executed by the parties hereto.

4.5. Binding Effect. This Agreement shall inure to the benefit of, and be binding upon, the Parties, and their respective heirs, successors and permitted assigns.

4.6. 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 or the Founder Parties, at:	Uxin Limited ********* E-mail: ********* Attn: *********
If to WP, at:	Redrock Holding Investments Limited ********* Email: ********* Attn: ********* with a copy to: c/o ********* Fax: ********* Email: ********* Attn: *********
If to TPG, at:	TPG Growth III SF Pte. Ltd. ********* E-mail: ********* Fax: ********* Attn: ********* With a copy to: Address: ********** Attn: *********
If to the Strategic Investor, at:	58.com Holdings Inc. ********* E-mail: ********* Attn: *********
If to Jeneration Capital, at:	JenCap UX ********* with a copy to: ********* Attn: *********

4.7. 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.

4.8. 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 a Governmental Entity.

4.9. 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.

4.10. Execution in 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.

4.11. 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.

4.12. Effectiveness. This Agreement shall be established on the date hereof. For the avoidance of doubt, in case the First Closing (as defined under the Share Subscription Agreement) does not occur and the Share Subscription Agreement is terminated, this Agreement shall have no effect and be automatically terminated, in which case the Existing Agreements shall remain in full force and effect.

— REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK —

IN WITNESS WHEREOF, the Parties have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

Uxin Limited

By: /s/ Kun DAI
Name: Kun DAI
Title: Director

[Signature Page to Termination Agreement]

IN WITNESS WHEREOF, the Parties have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

Redrock Holding Investments Limited

By: /s/ Steven G. Glenn
Name: Steven G. Glenn
Title: Director

[Signature Page to Termination Agreement]

IN WITNESS WHEREOF, the Parties have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

TPG Growth III SF Pte. Ltd.

By: /s/ Michael LaGatta
Name: Michael LaGatta
Title: Vice President

[Signature Page to Termination Agreement]

IN WITNESS WHEREOF, the Parties have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

58.com Holdings Inc.

By: /s/ Jinbo Yao
Name: Jinbo Yao
Title: Authorized Signatory

[Signature Page to Termination Agreement]

IN WITNESS WHEREOF, the Parties have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

Mr. Kun Dai (戴琨)

/s/ Kun Dai

[Signature Page to Termination Agreement]

IN WITNESS WHEREOF, the Parties have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

Xin Gao Group Limited

By: /s/ Kun DAI
Name: Kun DAI
Title: Director

[Signature Page to Termination Agreement]

IN WITNESS WHEREOF, the Parties have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

Gao Li Group Limited

By: /s/ Kun DAI
Name: Kun DAI
Title: Director

[Signature Page to Termination Agreement]

IN WITNESS WHEREOF, the Parties have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

JenCap UX

By: /s/ Jimmy Ching-Hsin Chang
Name: Jimmy Ching-Hsin Chang
Title: Authorized Signatory

[Signature Page to Termination Agreement]

Exhibit 8.1

List of Principal Subsidiaries and Consolidated Affiliated Entities

Subsidiaries	Place of Incorporation
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 (Shaanxi) 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
Youxin (Shaanxi) Information Technology Group Ltd.	PRC
Youxin (Ningbo) Information Co., Ltd.	PRC

Consolidated affiliated entities:	Place of Incorporation
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;

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: July 30, 2021

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, Feng Lin, certify that:

1. I have reviewed this annual report on Form 20-F of Uxin Limited;

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 Rule 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: July 30, 2021

By: /s/ Feng Lin
Name: Feng Lin
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 fiscal year ended March 31, 2021 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: July 30, 2021

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 fiscal year ended March 31, 2021 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Feng Lin, 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: July 30, 2021

By: /s/ Feng Lin
Name: Feng Lin
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 July 30, 2021 relating to the financial statements, which appears in this Form 20-F.

/s/ PricewaterhouseCoopers Zhong Tian LLP
Shanghai, the People's Republic of China
July 30, 2021

Exhibit 15.2

北京市道可特律师事务所
BEIJING DOCVIT LAW FIRM

July 30, 2021

Uxin Limited.
1-3/F, No. 12 Beitucheng East Road,
Chaoyang District,
Beijing, 100029
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 fiscal year ended March 31, 2021 (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/ Beijing Docvit Law Firm
Beijing Docvit Law Firm