

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, 2022.

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,
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(Address of principal executive offices)

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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) Class A ordinary shares, par value US\$0.0001 per share	UXIN	The Nasdaq Stock Market LLC (The Nasdaq Global Select Market) 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.

1,146,044,859 Class A ordinary shares (excluding the 5,288,762 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), 40,809,861 Class B ordinary shares and 400,524,323 senior preferred convertible shares, par value US\$0.0001 per share, as of March 31, 2022.

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

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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 and “fiscal year of 2022” refer to the year ended March 31, 2022;
 - “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;
 - “former VIEs” refer to the former variable interest entities that have become our wholly owned subsidiaries after the Restructuring, which are Youxin Internet (Beijing) Information Technology Co., Ltd., and Youxin Yishouche (Beijing) Information Technology Co., Ltd.;
 - “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 at the currently applicable conversion price, 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 at the currently applicable conversion price;
 - “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 consists of vehicle sales businesses under our inventory-owning model for the fiscal year of 2021 and afterwards;
 - “Our WFOEs” refer to our wholly-owned subsidiaries in China;
 - “Restructuring” refers to a series of restructuring transactions in March 2022 to terminate the historical contractual arrangements with the former VIEs, which have become our wholly-owned subsidiaries; and
 - “we,” “us,” “our company” and “our” refer to Uxin Limited, our Cayman Islands holding company, and its subsidiaries, and, when describing our historical operations and consolidated financial information, also include the former VIEs in China and their subsidiaries.
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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 RMB6.3393 to US\$1.00, the exchange rate on as of March 31, 2022 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

Item 3. Key Information

Our Holding Company Structure and Historical Contractual Arrangements with the Former VIEs

Uxin Limited is not a Chinese operating company but a Cayman Islands holding company with operations primarily conducted by its PRC subsidiaries and, historically, through contractual arrangements with the former VIEs in China. PRC laws and regulations restrict and impose conditions on foreign investment in value-added telecommunication services. In order to comply with PRC regulatory requirements, in the past we primarily operated these businesses in China through Youxin Internet (Beijing) Information Technology Co., Ltd. or Youxin Hulian, and Youxin Yishouche (Beijing) Information Technology Co., Ltd., or Yishouche, which we refer to as the former VIEs in this annual report. There were historical contractual arrangements among our PRC subsidiaries, the former VIEs and their shareholders, which were effectively terminated on March 31, 2022. As used in this annual report, “we,” “us,” “our company,” or “our” refers to Uxin Limited and its subsidiaries, and, when describing our historical operations and consolidated financial information, also includes the former VIEs and their subsidiaries in China.

Historically, we, through Yougu and Youxinpai, were subject to a series of contractual arrangements with the former VIEs and the shareholders of the former VIEs until March 31, 2022. These historical contractual arrangements had enabled us to: (i) exercise effective control over the former VIEs and their subsidiaries; (ii) receive substantially all of the economic benefits of the former VIEs; and (iii) have exclusive options to purchase all or part of the equity interests in the former VIEs when and to the extent permitted by PRC law.

These historical contractual agreements included equity interest pledge agreements, powers of attorney, exclusive business cooperation agreements, exclusive option agreements. We had evaluated the guidance in FASB ASC 810 and concluded that we were the primary beneficiary of the former VIEs because of these historical contractual arrangements. Accordingly, under U.S. GAAP, the financial statements of the former VIEs were consolidated as part of our financial statements for 2019, the three months ended March 31, 2020 and the fiscal years ended March 31, 2021 and 2022 in this annual report. However, we consider revenues contributed by the former VIEs to be immaterial to our financial performance during the historical periods. Revenues contributed by the former VIEs accounted for 4.6%, 5.1%, 0.9% and 0.1% of our total revenues for 2019, the three months ended March 31, 2020, and the fiscal years ended March 31, 2021 and 2022, respectively. We recorded net loss contributed by the former VIEs of 1.0%, 0.3%, 0.2%, 2.9% for 2019, the three months ended March 31, 2020, and the fiscal years ended March 31, 2021 and 2022, respectively. Our business is primarily conducted through our subsidiaries.

In order to streamline our corporate structure and considering the changing regulatory environment, we have completed the Restructuring to terminate the contractual arrangements with both of the former VIEs which have become wholly owned subsidiaries of our company. Pursuant to the Restructuring, our wholly owned subsidiaries that have contractual arrangements with the former VIEs and their respective shareholders have purchased all equity interests held by such shareholders in the former VIEs. Accordingly, all contractual arrangements that enabled such shareholders to exercise effective control over the former VIEs, receive substantially all of the economic benefits of the former VIEs and have exclusive options to purchase all or part of the equity interests in the former VIEs, were effectively terminated. As a result of the Restructuring, the former VIEs have become our wholly owned subsidiaries and we currently operate our business in China directly through our subsidiaries, rather than through any variable interest entity. See “Item 4. Information on the Company—C. Organizational Structure—Historical Contractual Agreements with the Former VIEs and Their Respective Shareholders and the Related Termination Agreements.” However, prior to the Restructuring, our historical contractual arrangements may not be as effective as direct ownership in providing us with control over the former VIEs and the termination of these agreements may incur additional costs. There were and may also be substantial uncertainties regarding the interpretation and application of current and future PRC laws, regulations and rules regarding the status of the rights of our Cayman Islands holding company with respect to our historical contractual arrangements with the former VIEs and their shareholders. It is uncertain whether any new PRC laws or regulations relating to VIE structures will be adopted or if adopted, what they would provide. If we or any of the former VIEs is found to be or had been in violation of any existing or future PRC laws or regulations, or fail or had failed 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. See “Item 3. Key Information—D. Risk Factors—Risks Related to Our Corporate Structure—If the PRC government determines that the historical contractual arrangements with the former VIEs structure did not comply with PRC regulation, or if these regulations change or are interpreted differently in the future, our shares and/or ADSs may decline in value or become worthless if we are deemed to be unable to assert our contractual control rights over the assets of the former consolidated affiliated entities.”

Our historical corporate structure was subject to risks associated with our contractual arrangements with the former VIEs. If the PRC government deems that our historical contractual arrangements with the former VIEs did not comply with PRC regulatory restrictions on foreign investment in the relevant industries, or if these regulations or the interpretation of existing regulations change or are interpreted differently in the future, we could be subject to severe penalties. Our holding company, our PRC subsidiaries and the former VIEs, and investors of our company face uncertainty about potential future actions by the PRC government that could affect the enforceability of the historical contractual arrangements with the former VIEs and, consequently, may affect the historical financial performance of the former VIEs and our company as a whole. For a detailed description of the risks associated with our corporate structure, please refer to risks disclosed under “Item 3. Key Information—D. Risk Factors—Risks Related to Our Corporate Structure.”

We face various risks and uncertainties related to doing business in China. Our business operations are primarily conducted in China, and we are subject to complex and evolving PRC laws and regulations. For example, we face risks associated with regulatory approvals on offshore offerings, anti-monopoly regulatory actions, and oversight on cybersecurity and data privacy. This may impact our ability to conduct certain businesses, accept foreign investments, or list on a United States or other foreign exchange. These risks could result in a material adverse change in our operations and the value of our ADSs, significantly limit or completely hinder our ability to continue to offer securities to investors, or cause the value of such securities to significantly decline. For a detailed description of risks related to doing business in China, please refer to risks disclosed under “Item 3. Key Information—D. Risk Factors—Risks Related to Doing Business in China.”

PRC government’s significant authority in regulating our operations and its oversight and control over offerings conducted overseas by, and foreign investment in, China-based issuers could significantly limit or completely hinder our ability to offer or continue to offer securities to investors. Implementation of industry-wide regulations, including data security or anti-monopoly related regulations, in this nature may cause the value of such securities to significantly decline or be of little or no value. For more details, see “Item 3. Key Information—D. Risk Factors—Risks Related to Doing Business in China—The PRC government’s oversight over our business operation could result in a material adverse change in our operations and the value of our ADSs.”

Risks and uncertainties arising from the legal system in China, including risks and uncertainties regarding the enforcement of laws and quickly evolving rules and regulations in China, could result in a material adverse change in our operations and the value of our ADSs. For more details, see “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.”

Permissions Required from the PRC Authorities for Our Operations

We conduct our business in China primarily through our subsidiaries and historically, through former VIEs in China with which we had maintained contractual arrangements. Our operations in China are governed by PRC laws and regulations. As of the date of this annual report, we have not received any requirement from Chinese governmental authorities to obtain other permissions for our operation and issuance of securities to foreign investors. Given the uncertainties of interpretation and implementation of relevant laws and regulations and the enforcement practice by relevant government authorities, we may be required to obtain additional licenses, permits, filings or approvals for the functions and services of our platform in the future.

Furthermore, in connection with our issuance of securities to foreign investors, under current PRC laws, regulations and regulatory rules, as of the date of this annual report, we, our PRC subsidiaries and the former VIEs, (i) are not required to obtain permissions from the China Securities Regulatory Commission, or the CSRC, (ii) are not required to go through cybersecurity review by the Cyberspace Administration of China, or the CAC, and (iii) have not received or were denied such permissions by any PRC authority.

However, the PRC government has recently indicated an intent to exert more oversight and control over offerings that are conducted overseas and/or foreign investment in China-based issuers. For more detailed information, see “Item 3. Key

Information—D. Risk Factors—Risks Related to Doing Business in China—The approval and/or other requirements of the CSRC, the CAC, or other PRC governmental authorities may be required in connection with an offering under PRC rules, regulations or policies, and, if required, we cannot predict whether or how soon we will be able to obtain such approval, and, even if we obtain such approval, the approval could be rescinded. Any failure to obtain or delay in obtaining such approval for this offering, or a rescission of obtained approval, would subject us to sanctions imposed by the CSRC or other PRC government authorities.”

The Holding Foreign Companies Accountable Act

The Holding Foreign Companies Accountable Act, or the HFCAA, was enacted on December 18, 2020. The HFCAA states that 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 United States. 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 not currently inspected by the PCAOB. The related risks and uncertainties could cause the value of our ADSs to significantly decline or be worthless. For more details, see “Item 3. Key Information—D. Risk Factors—Risks Related to Doing Business in China—The PCAOB is currently unable to inspect our auditor in relation to their audit work performed for our financial statements and the inability of the PCAOB to conduct inspections over our auditor deprives our investors with the benefits of such inspections” and “Item 3. Key Information—D. Risk Factors—Risks Related to Doing Business in China—Our ADSs will be prohibited from trading in the United States under the HFCAA in 2024 if the PCAOB is unable to inspect or fully investigate auditors located in China, or in 2023 if proposed changes to the law are enacted. The delisting of our ADSs, or the threat of their being delisted, may materially and adversely affect the value of your investment.”

Impact of Taxation on Dividends

We are incorporated in the Cayman Islands and had historically conducted businesses in China through our PRC subsidiaries and the former VIEs. Under the current laws of the Cayman Islands, we are not subject to tax on income or capital gains. In addition, upon payments of dividends to our shareholders, no Cayman Islands withholding tax will be imposed.

Our Mainland China and Hong Kong subsidiaries and the former VIEs have incurred cumulative losses since inception. We have no current intention to pay dividends to shareholders.

For purposes of illustration, the following discussion reflects the hypothetical taxes that might be required to be paid in Mainland China and Hong Kong, assuming that: (i) we have taxable earnings, and (ii) we determine to pay a dividend in the future:

	Tax calculation⁽¹⁾
Hypothetical pre-tax earnings ⁽²⁾	100.0%
Tax on earnings at statutory rate of 25% ⁽³⁾	(25.0)%
Net earnings available for distribution	75.0%
Withholding tax at standard rate of 10% ⁽⁴⁾	(7.5)%
Net distribution to Parent/Shareholders	67.5%

Notes:

- (1) For purposes of this example, the tax calculation has been simplified.
- (2) The hypothetical pre-tax earnings are assumed to equal taxable income in China, without considering timing differences.
- (3) Certain subsidiaries in Mainland China qualifies for a 15% preferential income tax rate. However, such rate is subject to qualification, is temporary in nature, and maynot be available in a future period when distributions are paid. For

- purposes of this hypothetical example, the table above reflects a maximum tax scenario under which the full statutory rate would be effective.
- (4) The PRC Enterprise Income Tax Law imposes a withholding income tax of 10% on dividends distributed by a foreign invested enterprise to its immediate holding company outside of China. A lower withholding income tax rate of 5% is applied if the foreign-invested enterprise's immediate holding company is registered in Hong Kong or other jurisdictions that have a tax treaty arrangement with China, subject to a qualification review at the time of the distribution. For purposes of this hypothetical example, the table above assumes a maximum tax scenario under which the full withholding tax would be applied.

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 WFOEs are permitted to pay dividends to us only out of their retained earnings, if any, as determined in accordance with PRC accounting standards and regulations. Under PRC law, each of our subsidiaries and the former 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, our subsidiaries and the former VIEs may allocate a portion of their after-tax profits based on PRC accounting standards to discretionary surplus funds at their discretion. The statutory reserve funds and the discretionary funds are not distributable as cash dividends. Remittance of dividends by a wholly foreign-owned company out of China is subject to examination by the banks designated by SAFE. Some of our PRC subsidiaries will not be able to pay dividends until they generate accumulated profits and meet the requirements for statutory reserve funds. For restrictions and limitations on our ability to distribute earnings from our businesses, including subsidiaries and the former VIEs, to our Company and investors as well as the ability to settle amounts owed under historical VIE agreements, see “Item 3. Key Information—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. 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 year ended December 31, 2019, the three months ended March 31, 2020, and the fiscal years ended March 31, 2021 and 2022, the selected consolidated balance sheets data as of March 31, 2021 and 2022, and selected consolidated cash flow data for the year ended December 31, 2019, the three months ended March 31, 2020, and the fiscal years ended March 31, 2021 and 2022 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, 2017 and 2018, and selected consolidated balance sheets data as of December 31, 2017, 2018 and 2019 and March 31, 2020 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 was 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.

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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, 2017, 2018, and 2019, the three months ended March 31, 2019 and 2020, and the fiscal years ended March 31, 2021 and 2022:

	For the Year Ended December 31,			For the Three Months Ended March 31,		For the Fiscal Years Ended March 31,		
	2017 RMB	2018 RMB	2019 RMB	2019 RMB	2020 RMB	2021 RMB	2022 RMB	2022 US\$
(Unaudited)								
(in thousands, except for share data)								
Selected Consolidated Statements of Comprehensive Loss Data:								
Revenues⁽¹⁾:								
Retail vehicle sales	—	—	—	—	—	463,547	780,371	123,101
Wholesale vehicle sales	—	—	—	—	—	51,249	823,466	129,899
Commission revenue	—	203,158	711,362	148,840	48,038	41,939	—	—
Value-added service revenue	—	166,482	636,046	135,475	40,456	35,248	—	—
Others	309,133	289,450	240,623	51,476	15,367	65,425	32,279	5,092
Total Revenues	309,133	659,090	1,588,031	335,791	103,861	657,408	1,636,116	258,092
Cost of revenues ⁽²⁾	(92,735)	(418,852)	(689,292)	(156,372)	(110,714)	(673,711)	(1,588,398)	(250,564)
Gross profit	216,398	240,238	898,739	179,419	(6,853)	(16,303)	47,718	7,528
Operating expenses:								
Sales and marketing ⁽²⁾	(179,328)	(1,488,699)	(1,184,997)	(345,673)	(189,503)	(339,013)	(222,139)	(35,042)
Research and development ⁽²⁾	—	(124,513)	(140,006)	(32,634)	(31,176)	(74,137)	(36,200)	(5,710)
General and administrative ⁽²⁾	(389,072)	(1,070,419)	(402,040)	(86,970)	(74,926)	(277,925)	(151,024)	(23,823)
Gains/(losses) from guarantee liabilities	1,840	(4,414)	(194,385)	(9,188)	—	—	—	—
Provision for credit losses, net	(38,075)	(40,626)	(271,372)	—	(1,939,570)	(91,593)	687	108
Total operating expenses	(604,635)	(2,728,671)	(2,192,800)	(474,465)	(2,235,175)	(782,668)	(408,676)	(64,467)
Other operating income, net	—	—	1,925	—	56,043	246,346	82,017	12,938
Loss from continuing operations	(388,237)	(2,488,433)	(1,292,136)	(295,046)	(2,185,985)	(532,625)	(278,941)	(44,001)
Interest income	2,234	24,554	14,958	1,990	3,081	45,140	3,660	577
Interest expenses	(199)	(63,880)	(112,587)	(26,493)	(29,029)	(95,953)	(41,222)	(6,503)
Other income	4,248	23,721	71,142	25,140	2,420	15,672	5,227	825
Other expenses	(3,808)	(25,568)	(36,569)	(4,751)	(10,118)	(7,890)	(8,925)	(1,408)
Foreign exchange (losses)/gains	(627)	(8,232)	4,247	(799)	(388)	(15,887)	(9,336)	(1,473)
Fair value change of derivative liabilities	(885,821)	1,185,090	—	—	—	—	—	—
Fair value impact of the issuance of senior convertible preferred shares	—	—	—	—	—	—	186,231	29,377
Gain from disposal of investment, net	—	—	28,257	—	—	—	—	—
Impairment of long-term investment	—	—	(37,775)	—	—	—	—	—
Gain from disposal of subsidiaries	—	—	—	—	179,020	—	—	—
Inducement charge of convertible notes	—	—	—	—	—	(121,056)	—	—
Loss from continuing operations before income tax expense	(1,272,210)	(1,352,748)	(1,360,463)	(299,939)	(2,040,999)	(732,599)	(143,306)	(22,606)
Income tax (expense)/benefit	(211)	(1,644)	2,554	(1,556)	(326)	(33)	(245)	(39)
Equity in income of affiliates, net of tax	3,597	2,631	30,231	5,956	6,940	15,657	328	52
Net loss from continuing operations, net of tax	(1,268,824)	(1,351,761)	(1,327,678)	(295,539)	(2,034,385)	(716,975)	(143,223)	(22,593)
Less: net loss attributable to non-controlling interests shareholders	(25,202)	(15,771)	(1,452)	(445)	(5,383)	(9)	—	—
Net loss from continuing operations, attributable to UXIN LIMITED	(1,243,622)	(1,335,990)	(1,326,226)	(295,094)	(2,029,002)	(716,966)	(143,223)	(22,593)
Discontinued operations								
Net (loss)/income from discontinued operations before income tax	(1,478,615)	(173,583)	(659,458)	22,977	(455,177)	295,744	—	—
Income tax expense	(359)	(12,941)	(2,992)	(12,422)	—	—	—	—
Net (loss)/income from discontinued operations, net of tax	(1,478,974)	(186,524)	(662,450)	10,555	(455,177)	295,744	—	—
Net (loss)/income from discontinued operations, attributable to UXIN LIMITED	(1,478,974)	(186,524)	(662,450)	10,555	(455,177)	295,744	—	—
Net loss	(2,747,798)	(1,538,285)	(1,990,128)	(284,984)	(2,489,562)	(421,231)	(143,223)	(22,593)
Less: net loss attributable to non-controlling interests shareholders	(25,202)	(15,771)	(1,452)	(445)	(5,383)	(9)	—	—
Net loss attributable to UXIN LIMITED	(2,722,596)	(1,522,514)	(1,988,676)	(284,539)	(2,484,179)	(421,222)	(143,223)	(22,593)
Accretion on redeemable preferred shares	(555,824)	(318,951)	—	—	—	—	—	—
Deemed dividend to preferred shareholders	(587,564)	(544,773)	—	—	—	—	—	—
Deemed dividend from preferred shareholders	92,779	—	—	—	—	—	—	—
Net loss attributable to ordinary shareholders	(3,773,205)	(2,386,238)	(1,988,676)	(284,539)	(2,484,179)	(421,222)	(143,223)	(22,593)
Foreign currency translation, net of tax nil	(2,747,798)	(1,538,285)	(1,990,128)	(284,984)	(2,489,562)	(421,231)	(143,223)	(22,593)
Total comprehensive loss	(2,704,392)	(1,533,467)	(2,008,104)	(278,957)	(2,449,534)	(310,248)	(72,509)	(11,438)
Less: total comprehensive loss attributable to non-controlling interests shareholders	(27,861)	(22,359)	(1,558)	(445)	(3,927)	(9)	—	—
Total comprehensive loss attributable to UXIN LIMITED	(2,676,531)	(1,511,108)	(2,006,546)	(278,512)	(2,445,607)	(310,239)	(72,509)	(11,438)
Net loss attributable to ordinary shareholders	(3,773,205)	(2,386,238)	(1,988,676)	(284,539)	(2,484,179)	(421,222)	(143,223)	(22,593)
Weighted average number of ordinary shares used in computing net loss per share, basic	49,318,860	477,848,763	886,613,598	881,704,014	888,460,868	1,100,650,208	1,168,419,750	1,168,419,750
Weighted average number of ordinary shares used in computing net loss per share, diluted	49,318,860	477,848,763	886,613,598	881,704,014	888,460,868	1,330,913,033	1,354,506,021	1,354,506,021
Net (loss)/income per share for ordinary shareholders, basic	—	—	—	—	—	—	—	—
—Continuing operations	(46.52)	(4.60)	(1.50)	(0.33)	(2.28)	(0.65)	(0.12)	(0.02)
—Discontinued operations	(29.99)	(0.39)	(0.75)	0.01	(0.51)	0.27	—	—
Net (loss)/income per share for ordinary shareholders, diluted	—	—	—	—	—	—	—	—
—Continuing operations	(46.52)	(4.60)	(1.50)	(0.33)	(2.28)	(0.65)	(2.07)	(0.33)
—Discontinued operations	(29.99)	(0.39)	(0.75)	0.01	(0.51)	0.22	—	—

(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 RMB165.9 million, RMB1,052.0 million, RMB100.3 million, negative RMB32.6 million, negative RMB19.1 million and RMB26.5 million (US\$4.2 million) in 2017, 2018, 2019, the three months ended March 31, 2020 and the fiscal years ended March 31, 2021 and 2022, respectively, was charged to cost of revenues, sales and marketing expenses, research and development expenses, and general and administrative expenses.

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The following table presents our selected consolidated balance sheets data as of December 31, 2017, 2018, 2019, and March 31, 2020, 2021 and 2022:

	As of December 31,			As of March 31,			
	2017 RMB	2018 RMB	2019 RMB	2020 RMB	2021 RMB	2022 RMB	US\$
(In thousands, except per share data)							
Selected Consolidated Balance Sheets Data:							
Cash and cash equivalents	291,973	800,997	478,200	342,504	192,605	128,021	20,195
Restricted cash	1,617,230	1,011,705	706,988	454,931	41,114	8,276	1,306
Advance to sellers	246,287	692,714	288,550	132,526	—	—	—
Financial lease receivables, net	438,693	294,511	121,820	15,048	—	—	—
Inventory, net	77,941	19,380	13,792	10,314	69,587	426,257	67,240
Total assets	5,298,913	7,349,390	5,383,096	2,647,331	1,233,533	1,251,199	197,372
Convertible notes, current	—	1,188,192	324,644	375,449	—	—	—
Short-term borrowings and current portion of long-term borrowings	426,783	624,588	263,425	119,069	79,560	233,000	36,755
Current portion of long-term debt	—	—	—	—	—	102,206	16,123
Long-term debt	—	—	—	—	—	817,648	128,981
Convertible notes, non-current	—	—	1,672,796	1,679,130	1,614,040	—	—
Total liabilities	5,059,894	4,977,747	4,917,976	4,991,978	3,229,388	2,234,798	352,531
Total Mezzanine equity	8,420,644	—	—	—	—	526,484	83,051
Total shareholders' (deficit)/equity	(8,181,625)	2,371,643	465,120	(2,344,647)	(1,995,855)	(1,510,083)	(238,210)
Capital Stock	30	575	581	581	733	782	123
Number of outstanding ordinary shares	49,318,860	880,659,899	887,617,391	887,667,457	1,112,431,559	1,186,854,720	1,186,854,720

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The following table presents our selected consolidated statements of cash flow data for the years ended December 31, 2017, 2018, 2019, the three months ended March 31, 2019 and 2020, and the fiscal years ended March 31, 2021 and 2022:

	<u>For the Year Ended December 31,</u>			<u>For the Three Months Ended March 31,</u>		<u>For the Fiscal Years Ended March 31,</u>		
	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>US\$</u>
	<u>RMB</u>	<u>RMB</u>	<u>RMB</u>	<u>RMB</u>	<u>RMB</u>	<u>RMB</u>	<u>RMB</u>	
	(Unaudited)							
	(in thousands, except for share data)							
Selected Consolidated Statements of Cash Flow Data								
Net cash used in operating activities	(1,834,243)	(2,281,333)	(1,194,101)	(188,061)	(411,271)	(1,122,308)	(844,962)	(133,288)
Net cash (used in)/ generated from investing activities	(586,843)	(1,078,617)	(484,254)	(6,645)	159,898	443,016	(16,769)	(2,646)
Net cash generated from / (used in) financing activities	3,288,842	4,274,052	73,630	(127,066)	(165,519)	130,317	764,422	120,585
Effect of exchange rate changes on cash, cash equivalents and restricted cash	3,334	(9,278)	960	(11,983)	4,065	(14,741)	(113)	(18)
Net increase/(decrease) in cash, cash equivalents and restricted cash	871,090	904,824	(1,603,765)	(333,755)	(412,827)	(563,716)	(97,422)	(15,367)
Cash, cash equivalents and restricted cash recorded in held for sale assets at beginning of the period	—	179,202	1,001,325	1,001,325	25,074	—	—	—
Cash, cash equivalents and restricted cash at beginning of the year/(period)	1,038,113	1,730,001	1,812,702	1,812,702	1,185,188	797,435	233,719	36,868
Cash, cash equivalents and restricted cash recorded in held for sale assets at end of the period	179,202	1,001,325	25,074	1,223,916	—	—	—	—
Cash, cash equivalents and restricted cash at end of the year/(period)	1,730,001	1,812,702	1,185,188	1,256,356	797,435	233,719	136,297	21,501

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 due to 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
- Our business generates and processes a large amount of data, and we are required to comply with PRC and other applicable laws relating to privacy and cybersecurity. The improper use or disclosure of data could have a material and adverse effect on our business and prospects.

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 determines that the historical contractual arrangements with the former VIE structure did not comply with PRC regulation, or if these regulations change or are interpreted differently in the future, our shares and/or ADSs may decline in value or become worthless if we are deemed to be unable to assert our contractual control rights over the assets of the former VIEs that conducted all or substantially all of our operations.

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;
- The approval and/or other requirements of the CSRC, the CAC, or other PRC governmental authorities may be required in connection with an offering under PRC rules, regulations or policies, and, if required, we cannot predict whether or how soon we will be able to obtain such approval, and, even if we obtain such approval, the approval could be rescinded. Any failure to obtain or delay in obtaining such approval for this offering, or a rescission of obtained approval, would subject us to sanctions imposed by the CSRC or other PRC government authorities;
- The PRC government's oversight over our business operation could result in a material adverse change in our operations and the value of our ADSs;
- 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;
- The PCAOB is currently unable to inspect our auditor in relation to their audit work performed for our financial statements and the inability of the PCAOB to conduct inspections over our auditor deprives our investors with the benefits of such inspections; and
- Our ADSs will be prohibited from trading in the United States under the Holding Foreign Companies Accountable Act, or the HFCAA, in 2024 if the PCAOB is unable to inspect or fully investigate auditors located in China, or in 2023 if proposed changes to the law are enacted. The delisting of our ADSs, or the threat of their being delisted, may materially and adversely affect the value of your investment.

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 leading e-commerce platform for buying and selling used cars in China 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 customers 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, including China, 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. Since December 2021, there has been a recurrence of COVID-19 outbreaks in certain provinces of China due to new COVID-19 variants. As a result, the Chinese government has implemented similar to or stricter than the measures described above to contain further spread of COVID-19. Because of the city-wide lock-downs from time to time, there have been strains and certain adverse impact on our business activities.

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 customers 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 encountered and may in the future continue to encounter various 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 RMB1,327.7 million, RMB2,034.4 million, RMB717.0 million and RMB143.3 million (US\$22.6 million) in 2019, the three months ended March 31, 2020 and the fiscal years ended March 31, 2021 and 2022, respectively. In addition, we had negative cash flow from operating activities of RMB1,194.1 million, RMB411.3 million, RMB1,122.3 million and RMB845.0 million (US\$133.3 million) in 2019, the three months ended March 31, 2020 and the fiscal years ended March 31, 2021 and 2022, respectively.

Our ability to continue as a going concern is heavily dependent on our ability to successfully execute our business plans in order to decrease operating cash outflows, including increasing retail sales volume, and continuing to control and optimize operating costs and expenses, which primarily include vehicle acquisition costs, customer acquisition costs and labor costs. To execute these business plans, we will continue to gain reputation among customers and brand recognition through offering high-quality and value-for-money used cars and pre-and-after sales services, which may also boost our market share in both offline and online used car markets. Meanwhile, we will continue to optimize our cost and expense structure to improve the capital and operating efficiency of our business. In order to boost our gross margin, greater proportion of cars will be acquired directly from individual car owners, since such acquisition channel is the most cost-effective. For the purpose of raising sales conversion rate, we will apply precision marketing, and continually strive for stronger brand image, consolidating our reputability through the most cost-effective marketing methods. In addition, we will enhance supply chain automation, and further invest in and improve our digitalized systems backed by big data such as pricing system, vehicle selection system and vehicle deployment system. We believe these measures will greatly facilitate our operational efficiency, thus effectively controlling and reducing operating costs. We will also will further preserve liquidity and manage cash flows by reducing discretionary expenditure such as general and administrative expenses.

Our company is entitled to an investment of US\$100 million for the subscription of our senior convertible preferred shares with installment payment plan before June 2023. We also issued Class A ordinary shares to 58.com Holdings Inc. (“58.com”) in exchange for the full release of our obligations under the previously issued convertible notes. Concurrently, in order to settle a long-term borrowing, we entered into a loan agreement (which pledges an equity interest in an investment) for a total of RMB290 million with a third party.

Additionally, we have consideration payable to WeBank and long-term debt that will become due after the next twelve months. These obligations, together with the rental commitment post completion of Hefei IRC and the possibility that we may continue to incur net losses and negative cash flows from operation will impact our liquidity. Concurrently, as part of the share subscription agreement we entered into with NIO Capital and Joy Capital in June 2021, the two investors still retain their rights to exercise the warrants to purchase senior convertible preferred shares of up to US\$165 million. Our plan to improve the current liquidity status due to the maturity of these obligations includes: (i) negotiating with the two investors to exercise their warrants; (ii) restructuring existing obligations to reduce cash payments; and (iii) working on several other initiatives to further improve our working capital efficiency.

We have concluded, after considering our plans above, that we have alleviated the substantial doubt as to our ability to continue as a going concern. We believe that our current cash and cash equivalents, cash proceeds received or to be received from the recent financing transactions and the anticipated cash flows from operations will be sufficient to meet our anticipated working capital requirements for the next twelve months of operations.

However, we may need to continue to invest heavily in various aspects of our operations, such as labor, infrastructure, sales and marketing, to facilitate the expansion of the offline regional markets in the future. These investments may not lead to revenue increase or generate positive cashflow in time, or at all. In addition, we may not be able to execute the aforementioned plans to improve the liquidity status noted above.

We may incur additional 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 additional 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 Centers, or IRCs, in Xi'an and Hefei, respectively;
- 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 due to 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 high-quality and value-for-money used cars alongside best-in-class purchasing services. However, there can be no assurance that the supply of high-quality and 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 fierce competition in our industry, both from e-commerce platform for used-car trading directly and through other used vehicle dealers directly. 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 may 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 customers 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 not successful 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 new media platforms 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.

Our business generates and processes a large amount of data, and we are required to comply with PRC and other applicable laws relating to privacy and cybersecurity. The improper use or disclosure of data could have a material and adverse effect on our business and prospects.

Our business generates and processes a large quantity of data. We face risks inherent in handling and protecting large volume of data. In particular, we face a number of challenges relating to data from transactions and other activities on our platforms, including:

- protecting the data in and hosted on our system, including against attacks on our system by outside parties or fraudulent behavior or improper use by our employees;
- addressing concerns related to privacy and sharing, safety, security and other factors; and
- complying with applicable laws, rules and regulations relating to the collection, use, storage, transfer, disclosure and security of personal information, including any requests from regulatory and government authorities relating to these data.

In general, we expect that data security and data protection compliance will receive greater attention and focus from regulators, both domestically and globally, as well as attract continued or greater public scrutiny and attention going forward, which could increase our compliance costs and subject us to heightened risks and challenges associated with data security and protection. If we are unable to manage these risks, we could become subject to penalties, including fines, suspension of business and revocation of required licenses, and our reputation and results of operations could be materially and adversely affected.

The PRC regulatory and enforcement regime with regard to data security and data protection is evolving and may be subject to different interpretations or significant changes. Moreover, different PRC regulatory bodies, including the Standing Committee of the NPC, the MIIT, the CAC, the Ministry of Public Security and the SAMR, have enforced data privacy and protections laws and regulations with varying standards and applications. See “Item 4. Information on the Company—B. Business Overview—Regulation—Regulations on Information Security and Privacy Protection.” The following are examples of certain recent PRC regulatory activities in this area:

Data Security

- In June 2021, the Standing Committee of the NPC promulgated the Data Security Law, which took effect in September 2021. The Data Security Law, among other things, provides for security review procedure for data-related activities that may affect national security. In July 2021, the state council promulgated the Regulations on Protection of Critical Information Infrastructure, which became effective on September 1, 2021. Pursuant to this regulation, critical information infrastructure means key network facilities or information systems of critical industries or sectors, such as public communication and information service, energy, transportation, water conservation, finance, public services, e-government affairs and national defense science, the damage, malfunction or data leakage of which may endanger national security, people’s livelihoods and the public interest. In December 2021, the CAC, together with other authorities, jointly promulgated the Cybersecurity Review Measures, which became effective on February 15, 2022 and replaces its predecessor regulation. Pursuant to the Cybersecurity Review Measures, critical information infrastructure operators that procure internet products and services must be subject to the cybersecurity review if their activities affect or may affect national security. The Cybersecurity Review Measures further stipulates that critical information infrastructure operators or network platform operators that hold personal information of over one million users shall apply with the Cybersecurity Review Office for a cybersecurity review before any public offering at a foreign stock exchange. As of the date of this annual report, no detailed rules or implementation rules have been issued by any authority and we have not been informed that we are a critical information infrastructure operator by any government authorities. Furthermore, the exact scope of “critical information infrastructure operators” under the current regulatory regime remains unclear, and the PRC government authorities may have wide discretion in the interpretation and enforcement of the applicable laws. Therefore, it is uncertain whether we would be deemed to be a critical information infrastructure operator under PRC law. If we are deemed to be a critical information infrastructure operator under the PRC cybersecurity laws and regulations, we may be subject to obligations in addition to what we have fulfilled under the PRC cybersecurity laws and regulations.
- In November 2021, the CAC released the Regulations on the Network Data Security (Draft for Comments), or the Draft Regulations. The Draft Regulations provide that data processors refer to individuals or organizations that, during their data processing activities such as data collection, storage, utilization, transmission, publication and deletion, have autonomy over the purpose and the manner of data processing. In accordance with the Draft Regulations, data processors shall apply for a cybersecurity review for certain activities, including, among other things, (i) the listing abroad of data processors that process the personal information of more than one million users and (ii) any data processing activity that affects or may affect national security. However, there have been no clarifications from the relevant authorities as of the date of this annual report as to the standards for determining whether an activity is one that “affects or may affect national security.” In addition, the Draft Regulations requires that data processors that process “important data” or are listed overseas must conduct an annual data security assessment by itself or commission a data security service provider to do so, and submit the assessment report of the preceding year to the municipal cybersecurity department by the end of January each year. As of the date of this annual report, the Draft Regulations was released for public comment only, and their respective provisions and anticipated adoption or effective date may be subject to change with substantial uncertainty.

Personal Information and Privacy

- The Anti-monopoly Guidelines for the Platform Economy Sector published by the Anti-monopoly Committee of the State Council, effective on February 7, 2021, prohibits collection of user information through coercive means by online platforms operators.
- In August 2021, the Standing Committee of the NPC promulgated the Personal Information Protection Law, which integrates the scattered rules with respect to personal information rights and privacy protection and took effect on November 1, 2021. We update our privacy policies from time to time to meet the latest regulatory requirements of PRC government authorities and adopt technical measures to protect data and ensure cybersecurity in a systematic way. Nonetheless, the Personal Information Protection Law elevates the protection requirements for personal information processing, and many specific requirements of this law remain to be clarified by the CAC, other regulatory authorities, and courts in practice. We may be required to make further adjustments to our business practices to comply with the personal information protection laws and regulations.

Many of the data-related legislations are relatively new and certain concepts thereunder remain subject to interpretation by the regulators. If any data that we possess belongs to data categories that are subject to heightened scrutiny, we may be required to adopt stricter measures for protection and management of such data. The Cybersecurity Review Measures and the Draft Regulations remain unclear on whether the relevant requirements will be applicable to companies that are already listed in the United States, such as us. We cannot predict the impact of the Cybersecurity Review Measures and the Draft Regulations, if any, at this stage, and we will closely monitor and assess any development in the rule-making process. If the Cybersecurity Review Measures and the enacted version of the Draft Regulations mandate clearance of cybersecurity review and other specific actions to be taken by issuers like us, we face uncertainties as to whether these additional procedures can be completed by us timely, or at all, which may subject us to government enforcement actions and investigations, fines, penalties, suspension of our non-compliant operations, or removal of our app from the relevant application stores, and materially and adversely affect our business and results of operations. As of the date of this annual report, we have not been involved in any formal investigations on cybersecurity review made by the CAC on such basis.

In general, compliance with the existing PRC laws and regulations, as well as additional laws and regulations that PRC regulatory bodies may enact in the future, related to data security and personal information protection, may be costly and result in additional expenses to us, and subject us to negative publicity, which could harm our reputation and business operations. There are also uncertainties with respect to how such laws and regulations will be implemented and interpreted in practice.

In addition, regulatory authorities around the world have adopted or are considering a number of legislative and regulatory proposals concerning data protection. These legislative and regulatory proposals, if adopted, and the uncertain interpretations and application thereof could, in addition to the possibility of fines, result in an order requiring that we change our data practices and policies, which could have an adverse effect on our business and results of operations. The European Union General Data Protection Regulation, or the GDPR, which came into effect on May 25, 2018, includes operational requirements for companies that receive or process personal data of residents of the European Economic Area. The GDPR establishes new requirements applicable to the processing of personal data, affords new data protection rights to individuals and imposes penalties for serious data breaches. Individuals also have a right to compensation under the GDPR for financial or non-financial losses. Although we do not conduct any business in the European Economic Area, in the event that residents of the European Economic Area access our website or our mobile platform and input protected information, we may become subject to provisions of the GDPR.

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 certain of 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, we have shifted to an inventory-owning model since September 2020, when we build-up and sell our own inventory. In addition, our first IRC in Xi'an has been in operation in March 2021 and our second IRC in Hefei has been in operation since November 2021. Starting from early 2018, we have started to fulfill online used car transactions for consumers, which we previously referred to as "2C cross-regional business". With our online used-car-buying product and service offerings, we enable consumers to buy used cars online without the need to go to offline dealerships or see the actual car when making the purchase. In addition, we entered into a binding term sheet, definitive agreements and supplemental agreements, in July 2019, September 2019 and April 2020, respectively, with Golden Pacer to divest our loan facilitation related business. Pursuant to the series of agreements, we divested our entire 2C intra-regional business in which we facilitated offline used car transactions between consumers and dealers in local used car marketplaces, and ceased to provide loan facilitation related guarantee services in connection with our 2C online transaction business since November 2019. We also divested our salvage car related business to Boche in January 2020 as well as our 2B business to 58.com pursuant to definitive agreements we entered into in March 2020. The transaction with Golden Pacer closed upon the signing of the supplemental agreements in April 2020, and the transactions with Boche and 58.com closed in January 2020 and April 2020, respectively. Such developments or adjustments may not achieve expected results and may have a material and adverse impact on our financial condition and results of operations.

The 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.

Since the built up of our own inventory since September 2020, most of our revenues are derived from vehicle sales. Before we built our own inventory, most of our revenues were derived from the fees we charged 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 and 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 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 are regarded as operators of used car marketplaces and used car related business, these entities are required to complete filings with the Ministry of Commerce of the PRC, or the MOFCOM, at provincial level. These PRC subsidiaries have completed such required filings with the relevant authorities and we will strive to complete relevant filings if certain of our subsidiaries commence used car related business. 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 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.

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. 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 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.

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 leading e-commerce platform for buying and selling used cars in China’s. 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.

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 and 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 lasted 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 disputes with various counterparties with which we transact from time to time in the ordinary course of our business, such as service providers, customers, competitors and investors, which may lead to legal proceedings. These proceedings, if and when materialize, 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 also 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 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, 2022 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 our inception, 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 definitive agreements with NIO Capital and Joy Capital in June 2021 for the subscription of senior convertible preferred shares, to raise an aggregate amount of up to US\$315 million. The first closing for US\$100 million was completed on July 12, 2021 and the second closing for the amounts of US\$27.5 million, US\$10 million and US\$7.5 million were completed in November 2021, March 2022 and June 2022, respectively. 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 July 2022, NIO Capital assigned its rights and obligations to subscribe for 14,564,520 senior convertible preferred shares under the second closing for the total price of US\$5 million to an independent third party. On the same day, the Company issued 14,564,520 senior convertible preferred shares to the third party and the second closing of the transaction was completed. In addition, we entered into definitive agreements with NIO Capital in June 2022 for the subscription of 714,285,714 senior convertible preferred shares of the Company for an aggregate amount of US\$100 million, which will be paid in multiple installments. The 714,285,714 senior convertible preferred shares were issued on July 27, 2022 in connection with the closing and we have received the first installment. However, we cannot guarantee that additional funds to support our business will be available on reasonable terms, or at all when we need them.

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 fiscal year ended March 31, 2022, we and our independent registered public accounting firm identified a material weakness in our internal control over financial reporting. As defined in the standards established by the U.S. Public Company Accounting Oversight Board, a “material weakness” is a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the annual or interim financial statements will not be prevented or detected on a timely basis.

The material weakness identified related to our lack of sufficient accounting staff and management resources with appropriate knowledge of U.S. GAAP and SEC reporting and compliance requirements. 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, since we ceased 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 ineffective for the fiscal year ended March 31, 2022. 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 material weaknesses and deficiencies in our internal control over financial reporting. In addition, if we fail to implement adequate measures to remediate our existing material weakness, 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. The war in Ukraine and the imposition of broad economic sanctions on Russia could raise energy prices and disrupt global markets. 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 the PBOC. If any of our third-party service providers fail to comply with applicable anti-money laundering laws and regulations, our reputation could suffer and we could become subject to regulatory intervention, which could have a material adverse effect on our business, financial condition and results of operations. Any negative perception of the industry, such as that arises from any failure of other loan facilitation service providers, consumer finance marketplaces or e-commerce platform for buying and selling used cars 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 promulgated 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 laws. 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 RMB620.4 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 US\$1.03 per ordinary share to US\$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, 2019, the three months ended March 31, 2020, and the fiscal years ended March 31, 2021 and 2022, we recorded an aggregate of RMB100.3 million, negative RMB32.6 million, negative RMB19.1 million and RMB26.5 million (US\$4.2 million), respectively, in share-based compensation expenses. As of March 31, 2022, our unrecognized share-based compensation expenses related to the share options and restricted share units amounted to RMB90.8 million (US\$14.3 million). 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 other epidemics such as Ebola virus disease, H1N1 flu, H7N9 flu, avian flu, or Severe Acute Respiratory Syndrome, or SARS. 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 determines that the historical contractual arrangements with the former VIEs structure did not comply with PRC regulation, or if these regulations change or are interpreted differently in the future, our shares and/or ADSs may decline in value or become worthless if we are deemed to be unable to assert our contractual control rights over the assets of the former VIEs.

Uxin Limited is not a Chinese operating company but a Cayman Islands holding company with operations primarily conducted by its subsidiaries and, historically, through contractual arrangements with the former VIEs based in China. PRC laws and regulations restrict and impose conditions 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). In order to comply with PRC regulatory requirements, in the past we primarily operate these businesses in China through the former VIEs.

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 the former VIEs, Youxin Hulian and Yishouche.

In order to streamline our corporate structure and considering the changing regulatory environment, we have completed the Restructuring to terminate the contractual arrangements with both of the former VIEs which have become wholly owned subsidiaries of the Company. Pursuant to the Restructuring, our wholly owned subsidiaries that have contractual arrangements with the VIEs and their respective shareholders have purchased all equity interests held by such shareholders in the VIEs. Accordingly, all contractual arrangements that enabled such shareholders to exercise effective control over the VIEs, receive substantially all of the economic benefits of the VIEs and have exclusive options to purchase all or part of the equity interests in the VIEs, were effectively terminated. As a result of the Restructuring, the VIEs have become our wholly owned subsidiaries and we currently operates our business in China directly through our subsidiaries, rather than through any variable interest entity.

We, through the former VIEs, had been historically subject to a series of contractual arrangements with the former VIEs and the shareholders of the former VIEs until March 31, 2022. Because of these contractual arrangements, we are considered as the primary beneficiary of the former VIEs in China and accordingly, under U.S. GAAP, the financial statements of the former VIEs are consolidated as part of our financial statements for 2019, the three months ended March 31, 2020, and the fiscal years ended March 31, 2021 and 2022 in this annual report.

Although we have completed the Restructuring in March 2022, there are substantial uncertainties regarding the interpretation and application of current and future PRC laws, regulations, and rules relating to the agreements that established the former VIE structure for our operations in China, including potential future actions by the PRC government, which may retroactively affect the enforceability and legality of our historical contractual arrangements with the former VIEs and, consequently, affect the historical financial condition and results of operations of the former VIEs, and our ability to consolidate the results of the former VIEs into our consolidated financial statements for the periods prior to the completion of the Restructuring. If the PRC government finds such agreements non-compliant with relevant PRC laws, regulations, and rules, or if these laws, regulations, and rules or the interpretation thereof change in the future, and such changes may be retroactively applied to our historical contractual arrangements, we could be subject to severe penalties and our control over the former VIEs may be rendered ineffective, which could result in potential restatement of our financial statements included elsewhere in this annual report. As a result, our shares and/or ADSs may decline in value or become worthless.

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 the past two years. 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.

The approval and/or other requirements of the CSRC, the CAC, or other PRC governmental authorities may be required in connection with an offering under PRC rules, regulations or policies, and, if required, we cannot predict whether or how soon we will be able to obtain such approval, and, even if we obtain such approval, the approval could be rescinded. Any failure to obtain or delay in obtaining such approval for this offering, or a rescission of obtained approval, would subject us to sanctions imposed by the CSRC or other PRC government authorities.

The Regulations on Mergers and Acquisitions of Domestic Enterprises by Foreign Investors, or the M&A Rules, purport to require offshore special purpose vehicles that are controlled by PRC companies or individuals and that have been formed for the purpose of seeking a public listing on an overseas stock exchange through acquisitions of PRC domestic companies or assets to obtain CSRC approval prior to any public securities offerings on an overseas stock exchange. The interpretation and application of the regulations remain unclear. If a governmental approval is required, it is uncertain how long it will take for us to obtain such approval, and, even if we obtain such approval, the approval could be rescinded. Any failure to obtain or a delay in obtaining the requisite governmental approval for an offering, or a rescission of such CSRC approval if obtained by us, may subject us to sanctions imposed by the relevant PRC regulatory authority, which could include fines and penalties on our and the former VIEs' operations in China, restrictions or limitations on our ability to pay dividends outside of China, and other forms of sanctions that may materially and adversely affect our business, financial condition, and results of operations.

Our PRC counsel, has advised us that, based on its understanding of the current PRC laws and regulations, we will not be required to submit an application to the CSRC for the approval under the M&A Rules for an offering because (i) the CSRC currently has not issued any definitive rule or interpretation concerning whether our offerings are subject to this regulation; and (ii) we did not acquire any equity interests or assets of a "PRC domestic company" as such terms are defined under the M&A Rules.

However, our PRC counsel has further advised us that there remains some uncertainty as to how the M&A Rules will be interpreted or implemented in the context of an overseas offering, and its opinions summarized above are subject to any new laws, rules and regulations or detailed implementations and interpretations in any form relating to the M&A Rules. We cannot assure you that relevant PRC governmental authorities, including the CSRC, would reach the same conclusion as our PRC counsel, and hence, we may face regulatory actions or other sanctions from them. Furthermore, relevant PRC governmental authorities promulgated the Opinions on Strictly Cracking Down Illegal Securities Activities on July 6, 2021, which provided that the administration and supervision of overseas-listed China-based companies will be strengthened, and the special provisions of the State Council on overseas issuance and listing of shares by such companies will be revised, clarifying the responsibilities of domestic industry competent authorities and regulatory authorities. However, the Opinions on Strictly Cracking Down Illegal Securities Activities were still leaving uncertainties regarding the interpretation and implementation of these opinions. It is possible that any new rules or regulations may impose additional requirements on us. Furthermore, the Review Measures required that, in addition to network products and services acquired by critical information infrastructure operators, online platform operators are also subject to cybersecurity review if they carry out data processing activities that affect or may affect national security, and online platform operators listing in a foreign country with more than one million users' personal information data must apply for a cybersecurity review with the Cybersecurity Review Office. It is uncertain whether we would be deemed as a CIIO or an online platform operator which is under the censorship of the Review Measure in the future. In the event that we become under investigation or review by the CAC, we may have to substantially change our current business and our operations may be materially and adversely affected. If it is determined in the future that CSRC approval or other procedural requirements are required to be met for and prior to an offering, it is uncertain whether we can or how long it will take us to obtain such approval or complete such procedures and any such approval could be rescinded. Any failure to obtain or delay in obtaining such approval or completing such procedures for an offering, or a rescission of any such approval, could subject us to sanctions by the relevant PRC governmental authorities. The PRC governmental authorities may impose restrictions and penalties on our operations in China, such as the suspension of our apps and services, revocation of our licenses, or shutting down part or all of our operations, limit our ability to pay dividends outside of China, delay or restrict the repatriation of the proceeds from an offering into China or take other actions that could have a material adverse effect on our business, financial condition, results of operations and prospects, as well as the trading price of our ADSs. The PRC governmental authorities may also take actions requiring us, or making it advisable for us, to halt an offering before settlement and delivery of the ADSs being offered. Consequently, if investors engage in market trading or other activities in anticipation of and prior to settlement and delivery, they do so at the risk that settlement and delivery may not occur. In addition, if the PRC governmental authorities later promulgate new rules or explanations requiring that we obtain their approvals for filings, registrations or other kinds of authorizations for an offering, we cannot assure you that we can obtain the approval, authorizations, or complete required procedures or other requirements in a timely manner, or at all, or obtain a waiver of the requisite requirements if and when procedures are established to obtain such a waiver.

On December 24, 2021, the CSRC and relevant departments of the State Council published a draft of the Provisions of the State Council on the Administration of Overseas Securities Offering and Listing by Domestic Companies, or the Draft Administrative Provisions, and the CSRC issued a draft of Administration Measures for the Filing of Overseas Securities Offering and Listing by Domestic Companies, or the Draft Filing Measures, for public comments. The Draft Administrative Provision and the Draft Filing Measures, collectively with other relevant regulations, the Draft Rules Regarding Overseas Listings, to regulate overseas securities offerings and listings by China-based companies, are available for public consultation. The Draft Rules Regarding Overseas Listing aims to lay out the regulatory filing requirements for both direct and indirect overseas listing, and clarify the determination criteria for indirect overseas listing in overseas markets.

The Draft Rules Regarding Overseas Listings, among other things, stipulate that, after making initial applications with overseas stock markets for initial public offerings or listings, all China-based companies shall file with the CSRC within 3 working days. The required filing materials for an initial public offering and listing should include but not limited to record-filing report and related undertakings; compliance certificate from the primary regulator of the applicant's business; filing or approval documents (if applicable); security assessment opinion issued by related departments (if applicable); PRC legal opinion; and the prospectus. In addition, China-based companies may be prohibited from overseas offerings and listings (1) if the intended securities offerings and listings are specifically prohibited by the laws, regulations or provision of the PRC; (2) if the intended securities offerings and listings may constitute a threat to, or endanger national security as reviewed and determined by competent authorities under the State Council in accordance with law; (3) if there are material ownership disputes over the applicants' equity interests, major assets, core technologies, etc.; (4) if, in the past three years, the applicants' domestic enterprises or controlling shareholders or de facto controllers have committed corruption, bribery, embezzlement, misappropriation of property, or other criminal offenses disruptive to the order of the socialist market economy, or are currently under judicial investigation for suspicion of criminal offenses, or are under investigation for suspicion of major violations; (5)

if, in the past three years, directors, supervisors, or senior executives of the applicants have been subject to administrative punishments for severe violations, or are currently under judicial investigation for suspicion of criminal offenses, or are under investigation for suspicion of major violations; (6) other circumstances as prescribed by the State Council. The Administration Provisions further stipulate that a fine between RMB1 million and RMB10 million may be imposed if an applicant fails to fulfill the filing requirements or conducts an overseas offering or listing in violation of the Draft Rules Regarding Overseas Listings, and in cases of severe violations, regulators may issue an order to suspend relevant businesses or halt operations for rectification, and revoke relevant business permits or operational licenses.

On April 2, 2022, the CSRC published the Provisions on Strengthening the Confidentiality and Archives Administration Related to the Overseas Securities Offering and Listing by Domestic Enterprises (Draft for Comments), or the Draft Provisions on Confidentiality and Archives Administration, and will accept public comments until April 17, 2022. The Draft Provisions on Confidentiality and Archives Administration requires that, in the process of overseas issuance and listing of securities by domestic entities, the domestic entities, and securities companies and securities service institutions that provide relevant securities service shall strictly implement the provisions of relevant laws and regulations and the requirements of these provisions, establish and improve rules on confidentiality and archives administration. Where the domestic entities provide with or publicly disclose documents, materials or other items related to the state secrets and government work secrets to the relevant securities companies, securities service institutions, overseas regulatory authorities, or other entities or individuals, the companies shall apply for approval of competent departments with the authority of examination and approval in accordance with law and report the matter to the secrecy administrative departments at the same level for record filing. Where there is unclear or controversial whether or not the concerned materials are related to state secrets, the materials shall be reported to the relevant secrecy administrative departments for determination. However, the Draft Provisions on Confidentiality and Archives Administration have not yet been settled or become effective, and there remain uncertainties regarding the further interpretation and implementation of the Draft Provisions on Confidentiality and Archives Administration.

As of the date of this annual report, we have not received any inquiry or notice or any objection to this annual report from the CSRC, the CAC or any other PRC governmental authorities that have jurisdiction over our operations. However, given the current regulatory environment in the PRC, there remains uncertainty regarding the interpretation and enforcement of PRC laws, which can change quickly with little notice in advance and subject to any future actions within the discretion of PRC authorities.

Although the Draft Rules Regarding Overseas Listing and the Relevant Officials of the CSRC Answered Reporter Questions on December 24, 2021 provides that companies with VIE structure are eligible to list overseas after filing with the CSRC and if complying with domestic laws and regulations, there is no specific rules regarding the compliance conditions. In addition, the CSRC may consult relevant competent authorities if needed and the consulting period is uncertain, which may delay the filing procedure or, the securities regulatory agency under the State Council and competent authorities under the State Council may impose a postponement or termination of the intended overseas offering and listing, and cancel the corresponding filing if the intended overseas offering and listing has been filed. The Draft Rules Regarding Overseas Listing, if enacted, may subject us to additional compliance requirement in the future, and we cannot assure you that we will be able to get the clearance of filing procedures under the Draft Rules Regarding Overseas List on a timely basis, or at all. Any failure to fully comply with new regulatory requirements may significantly limit or completely hinder our ability to offer or continue to offer ADSs, cause significant disruption to our business operations and severely damage our reputation, which would materially and adversely affect our financial condition and results of operations and cause our ADSs to significantly decline in value or become worthless.

The PRC government's oversight over our business operation could result in a material adverse change in our operations and the value of our ADSs.

We have conducted our business in China primarily through the former VIEs and their subsidiaries. Our operations in China are governed by PRC laws and regulations. The PRC government has oversight over the conduct of our business, and may intervene or influence our operations as the government deems appropriate to advance regulatory and social goals and policy positions. The PRC government deems appropriate to advance regulatory and social goals and policy positions. The PRC government has recently published new policies that significantly affected certain industries and we cannot rule out the possibility that it will in the future release regulations or policies that directly or indirectly affect our industry or require us to seek additional permission to continue our operations, which could result in a material adverse change in our operation and/or the value of our ADSs. Therefore, investors of our company and our business face potential uncertainty from actions taken by the PRC government affecting our business.

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 e-commerce platform for used cars like us, which could materially and adversely affect our business and results of operations.

From time to time, we may have to resort to administrative and court proceedings to enforce our legal rights. However, since PRC administrative and court authorities have significant discretion in interpreting and implementing statutory and contractual terms, it may be more difficult to evaluate the outcome of administrative and court proceedings and the level of legal protection we enjoy than in more developed legal systems. Furthermore, the PRC legal system is based in part on government policies and internal rules (some of which are not published in a timely manner or at all) that may have retroactive effect. As a result, we may not be aware of our violation of these policies and rules until sometime after the violation. Such uncertainties, including uncertainty over the scope and effect of our contractual, property (including intellectual property) and procedural rights, could materially and adversely affect our business and impede our ability to continue our operations.

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 of 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 United 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, but also as a result of the war in Ukraine and sanctions on Russia. 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 in January 2020, 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 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 PBOC. 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, and SAMR has sought public comments on the Draft Amendment to the Anti-Monopoly Law, or the Draft for Comment, in January 2020, 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. On October 23, 2021, the Standing Committee of the National People's Congress issued a second draft amendment to the amended Anti-Monopoly Law for public comments, which proposes to increase the fines for illegal concentration of business operators to "no more than

ten percent of its preceding year's sales revenue if the concentration of business operator has or may have an effect of excluding or limiting competition; or a fine of up to RMB5 million if the concentration of business operator does not have an effect of excluding or limiting competition." The draft also proposes for the relevant authority to investigate a transaction where there is evidence that the concentration has or may have the effect of eliminating or restricting competition, even if such concentration does not reach the filing threshold. On February 7, 2021, the Anti-Monopoly Committee of the State Council promulgated the Anti-Monopoly Guidelines for the Internet Platform Economy Sector which stipulates that any concentration of undertakings involving variable interest entities (VIE) shall fall within the scope of anti-monopoly review. Furthermore, the Anti-Monopoly Guidelines for Internet Platforms prohibits certain monopolistic acts of internet platforms so as to protect market competition and safeguard interests of users and undertakings participating in internet platform economy, including without limitation, prohibiting platforms with dominant position from abusing their market dominance (such as discriminating customers in terms of pricing and other transactional conditions using big data and analytics, coercing counterparties into exclusivity arrangements, using technology means to block competitors' interface, favorable positioning in search results of goods displays, using bundle services to sell services or products, compulsory collection of unnecessary user data). On August 17, 2021, the SAMR issued the Provisions on Prohibition of Unfair Competition on the Internet (Draft for Comments), which prohibits business operators from using data, algorithms and other technical means to commit traffic hijacking, interference, malicious incompatibility and other improprieties to influence user choices or hinder or damage the normal operation of network products or services offered by other business operators.

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, or we may make additional capital contributions to our PRC subsidiaries. Such loans to our PRC subsidiaries 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. 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 Circular Regarding Further Optimizing the Cross-border RMB Policy to Support the Stabilization of Foreign Trade and Foreign Investment jointly promulgated by the PBOC, NDRC, the Ministry of Commerce, the State-owned Assets Supervision and Administration Commission of the State Council, the China Banking and Insurance Regulatory Commission and SAFE on December 31, 2020 and effective on February 4, 2021 allows the non-investment foreign-invested enterprises to make domestic reinvestment with RMB capital in accordance with the law on the premise that they comply with prevailing regulations and the invested projects in China are authentic and compliant. In addition, if a foreign-invested enterprise uses RMB income under capital accounts to conduct domestic reinvestment, the invested enterprise is not required to open a special deposit account for RMB capital.

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 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 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 may 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.

The PCAOB is currently unable to inspect our auditor in relation to their audit work performed for our financial statements and the inability of the PCAOB to conduct inspections over our auditor deprives our investors with the benefits of such inspections.

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 Public Company Accounting Oversight Board (United States), or 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 not currently inspected by the PCAOB. As a result, we and investors in our ADSs 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 ADSs to lose confidence in our audit procedures and reported financial information and the quality of our financial statements.

Our ADSs will be prohibited from trading in the United States under the Holding Foreign Companies Accountable Act, or the HFCAA, in 2024 if the PCAOB is unable to inspect or fully investigate auditors located in China, or in 2023 if proposed changes to the law are enacted. The delisting of our ADSs, or the threat of their being delisted, may materially and adversely affect the value of your investment.

The Holding Foreign Companies Accountable Act, or the HFCAA, was signed into law on December 18, 2020. The HFCAA 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 for 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 United States. On December 2, 2021, the SEC adopted final amendments implementing the disclosure and submission requirements of the HFCAA, pursuant to which the SEC will identify an issuer as a "Commission Identified Issuer" if the issuer has filed an annual report containing an audit report issued by a registered public accounting firm that the PCAOB has determined it is unable to inspect or investigate completely, and will then impose a trading prohibition on an issuer after it is identified as a

Commission-Identified Issuer for three consecutive years. On December 16, 2021, the PCAOB issued a report to notify the SEC of its determination that the PCAOB is unable to inspect or investigate completely registered public accounting firms headquartered in mainland China and Hong Kong. The PCAOB identified our auditor as one of the registered public accounting firms that the PCAOB is unable to inspect or investigate completely. Therefore, we expect to be identified as a “Commission Identified Issuer” shortly after the filing of this annual report on Form 20-F.

Whether the PCAOB will be able to conduct inspections of our auditor before the issuance of our financial statements on Form 20-F for the fiscal year ending March 31, 2024 which is due by July 31, 2024, or at all, is subject to substantial uncertainty and depends on a number of factors out of our, and our auditor’s, control. If our shares and ADSs are prohibited from trading in the United States, there is no certainty that we will be able to list on a non-U.S. exchange or that a market for our shares will develop outside of the United States. Such a prohibition would substantially impair your ability to sell or purchase our ADSs when you wish to do so, and the risk and uncertainty associated with delisting would have a negative impact on the price of our ADSs. Also, such a prohibition would significantly affect our ability to raise capital on terms acceptable to us, or at all, which would have a material adverse impact on our business, financial condition, and prospects.

On June 22, 2021, the U.S. Senate passed a bill which would reduce the number of consecutive non-inspection years required for triggering the prohibitions under the HFCAA from three years to two. On February 4, 2022, the U.S. House of Representatives passed a bill which contained, among other things, an identical provision. If this provision is enacted into law and the number of consecutive non-inspection years required for triggering the prohibitions under the HFCAA is reduced from three years to two, then our shares and ADSs could be prohibited from trading in the United States in 2023.

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 successfully registered and set up branch offices nationwide for all of our newly opened business premise. 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 e-commerce platform for buying and selling used cars;
- 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) if Mr. Kun Dai ceases to be the ultimate beneficial owner of any outstanding Class B ordinary shares.

As of July 27, 2022, Mr. Kun Dai, the beneficially owner of all our issued Class B ordinary shares, beneficially owned 12.0% of the aggregate voting power of our company, assuming all the senior convertible preferred shares are converted into Class A ordinary shares at the currently applicable conversion price. 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. 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 0.47% of our outstanding share capital as of July 27, 2022 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 disposed of these securities in December 2021. 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 12.0% of the total voting power of our company as of July 27, 2022, assuming all the outstanding senior convertible preferred shares are converted into Class A ordinary shares at the currently applicable conversion price. 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 will incur increased costs as a result of being a public company, particularly since we have ceased 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. 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.

Since we have ceased to be an “emerging growth company,” we have incurred and expect to continue 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 2022. 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 the former 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 the former 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 the former VIEs and their subsidiaries for U.S. federal income tax purposes, and based on the current and anticipated value of our assets and the composition of our income and assets, including goodwill and other unbooked intangibles, we do not believe that we were a PFIC for our taxable year ended March 31, 2022 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). In particular, recent declines in the market price of our ADSs increased our risk of becoming a PFIC for the current taxable year. The market price of our ADSs may continue to fluctuate considerably and, consequently, we cannot assure you of our PFIC status for any taxable year. 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) Automobile Manufacture Co., Ltd. (formerly known as 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 the former 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 bears 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 "2024 Notes"). The note holders 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. On July 12, 2021, the note holders have converted a principal amount of US\$69 million convertible notes to 66,990,291 Class A ordinary shares. The remaining principal amount of US\$161 million is subject to customary payment schedules. The note holders have also irrevocably waived the conversion rights with respect to their respective remaining portions. In July 2022, we issued 183,495,146 Class A ordinary shares to 58.com in exchange for the full release of our obligations to 58.com under the convertible promissory note and certain other historical transactions.

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 917,564,810 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. The second closing in the amount of US\$27.5 million was completed for the issuance of 80,104,865 senior convertible preferred shares in November 2021. Another US\$10 million and US\$7.5 million of the second closing was completed in March 2022 and June 2022, respectively. In July 2022, NIO Capital assigned its rights and obligations to subscribe for 14,564,520 senior convertible preferred shares under the second closing for the total price of US\$5 million to an independent third party. On the same day, we issued 14,564,520 senior convertible preferred shares to the third party and the second closing of the transaction was completed. 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, 2022, we had completed the Restructuring of the VIE structure to terminate the contractual arrangements with both of the former VIEs which have become wholly owned subsidiaries of the company.

On June 30, 2022, we entered into a share subscription agreement with NIO Capital for the subscription of 714,285,714 senior convertible preferred shares of the Company for an aggregate amount of US\$100 million, which will be paid in multiple installments. The 714,285,714 senior convertible preferred shares were issued on July 27, 2022 in connection with the closing and we have received the first installment.

On July 19, 2022, we issued 183,495,146 Class A ordinary shares to 58.com in exchange for the full release of our obligations to 58.com under the convertible promissory note and certain other historical transactions.

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 in all of the periods presented. 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 in all of the periods presented. The transaction with 58.com was closed in April 2020. As part of another transaction with 58.com for the issuance of shares in exchange for the full release of our obligations under the notes held by 58.com in July 2022, our company and 58.com have mutually released the other party from claims arising out of obligations under certain historical transactions, including the unreceived disposal consideration of the 2B Divestiture transaction.

B. Business Overview

We are a leading e-commerce platform for buying and selling used cars in China. With our inventory-owning model, we provide our customers a comprehensive transaction solution that encompasses the entire value chain, ranging from used-car acquisition, inspection and reconditioning, warehousing, as well as pre-sales and after-sales services. We offer high-quality and value-for-money used cars as well as superior full suites of services to customers through a reliable, one-stop and

hassle-free transaction experience. Empowered by our omni-channel sales approach, we are able to establish market leadership by serving customers both nationwide through our online platform and in selected regions through our offline inspection and reconditioning centers (IRCs).

Since early 2018, we have been offering online used-car-buying products and services (2C online transactions) to customers nationwide through our online platform. By removing the geographic boundaries of used car transactions, our online platform facilitates each step of the transaction process and establishes a seamless self-service purchasing experience. With the abundant used-car listings and transparent price estimates displayed on our platform, our customers can easily place an order online, free from paying any hidden extra fees, and also enjoy our carefree after-sales support. Leveraging our vast nationwide logistics and delivery network, we are able to provide door-to-door delivery to our customers nationwide. In addition, we also collaborate with various third-party partners to provide a wide range of value-added products and services, such as auto financing options and insurance products, as well as other after-sales services.

In September 2020, we started to shift to an inventory-owning model from a third party inventory commissioned-based model, aiming to better control our supply chain and deliver higher-quality used cars and higher transaction certainty to our customers.

Meanwhile, to further strengthen our ability to provide high-quality and value-for-money used cars, we have been building our own IRCs where we can recondition all retail inventory to a “like new” condition. Our first IRC in Xi’an has been in operation in March 2021. In September 2021, we entered into a strategic partnership with Changfeng County Government of Hefei City to jointly invest in and build the industry-leading IRC in Changfeng, Hefei. With a total investment of up to RMB2.5 billion, the Hefei IRC is expected to have an annual production capacity of 60,000 to 100,000 vehicles once it is in operation in the next few years. This production capacity is expected to provide us with a stable and large supply of high-quality used vehicles in the coming years. The phase one of Hefei IRC has been in operation since its launch in November 2021.

In addition to reconditioning retail used cars, our IRCs, as a type of warehouse stores, offer local customers and customers within Shaanxi and Anhui provinces with in-store visit and purchase options. Our first IRC in Xi’an is currently able to hold over 600 used cars and our second IRC in Hefei is currently able to hold over 2,500 used cars. Accordingly, we have shifted from an online-only sales approach to an omni-channel sales approach, which integrates online sales into its warehouse-style operation.

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 terms of buying used cars from other cities and regions, lack of transparent and reliable information on car condition and complex transaction processes. Operated under the brand Uxin Used Car (优信二手车), our platform is able to address these pain points by providing customers with a reliable and one-stop car buying experience and enabling customers to select from our own inventory of selected used cars nationwide and access various car-related value-added products and services throughout China. We now have much stronger control and management over the entire value chain and improved ability to provide high-quality used car products and premium services. We have started to track customer satisfaction via monitoring NPS (net promoter score) since the second quarter of 2020 and have made remarkable progress over the past year, evidenced by continuous improvements of our NPS (net promoter score) for the past six quarters and the achievement of a NPS of 60.6 for the three months ended March 31, 2022.

Deeply rooted in the used-car market for over a decade, we are transforming the used car buying experience in China through our innovative inventory-owning model, integrated omni-channel sales approach, high-quality vehicle products and premium services, which perfectly echo the meaning of our brand name as Uxin (优信) translates to quality and trust in Chinese.

Our Platform and Business

Retail vehicle sales and wholesale vehicle sales

Our vehicle sales business consists of retail vehicle sales business and wholesale vehicle sales business.

Our acquired vehicles that meet our retail standards will be delivered to our Xi’an IRC or Hefei IRC for further inspection and reconditioning, and then sold to customers, which we refer to as our retail vehicle sales business. We acquire vehicles for sale through numerous sources, including directly from consumers, auction platforms and car dealerships. As we have such rich sources for vehicle acquisition, we are able to have greater access to used cars at more favorable prices and enjoy

greater flexibility in offering more competitive prices to customers. The vehicles that we acquire from customers, either as trade-ins or independent of a retail sale, and that do not meet our retail standards to list and sell will be wholesaled through online and offline channels, which we refer to as our wholesale vehicle sales business. In addition, in order to boost cash turnover, we may increase the proportion of wholesale vehicle sales by wholesaling certain vehicles that meet our retail standards but nevertheless do not suit our design of retail inventory composition.

For the fiscal year of 2022, our vehicle sales volume was 15,755, among which retail vehicle sales volume was 5,211 and wholesale vehicle sales volume was 10,544, respectively. Since our vehicle acquisition capacity outperforms our inventory capacity and due to our inventory capacity constraints as well as cash turnover needs for certain periods, we also wholesale certain used cars that do meet our retail standards. As a result, our wholesale vehicle sales volume is greater than our retail vehicle sales volume for the fiscal year of 2022. In the long term, we expect our retail vehicle sales volume to gradually grow and ultimately become greater than our wholesale vehicle sales volume.

Others

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

Customer journey in our vehicle sales business

For a typical Uxin Used Car customer, there are two ways to buy used cars from Uxin: online purchase for nationwide customers or in-store purchase at IRCs for regional customers.

Online purchase journey for nationwide customers

A customer's online purchase journey is as follows:

- ***Online vehicle search:*** We provide an intuitive user interface to help the customer navigate through a vast selection of used cars. The customer 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 customer'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 customers with wider choice of high-quality value-for-money used cars.
- ***Vehicle selection:*** Transaction process on our online platform is highly transparent. Customers are able to easily view each car listing on our platform, including an in-depth car condition report generated by our Check Auto system, such as photos and videos of the interior and exterior of a car, records of prior accidents, repair and maintenance history, among others. Our Manhattan pricing engine conducts assessments on the fair value of listed cars, thus assisting customers in analyzing a car's selling price and its condition as well as comparing it with the price estimate output from our Manhattan pricing engine. 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 of which would enable the customer to make a more informed buying decision.
- ***Products and services:*** When searching for used cars, the customer 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 customer 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:* In a similar way to click-and-buy shopping, our online platform allows used car buyers to virtually navigate the listing information, make informed decisions, lock in their favorite cars, place order and complete the transaction online without the assistance of a sales consultant. At any step of the transaction process, the customer can also 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, car selection, title transfer, vehicle registration and used car financing options. 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 customer'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 and answers all sorts of questions that may arise in connection with the car purchased by the customer, 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:* We allow customers to make purchases online. Customers can either purchase the car with full payment or in installments utilizing different financing options. After the customer enters into contracts with us and makes the downpayment, our nationwide logistics and delivery service ships the car in a timely manner to the customer's nearest fulfillment center. When the car arrives, our fulfillment service consultant will carry out a pre-fulfillment check on the car's condition, including quality inspection and a thorough cleaning and disinfection process. Once confirmed that the car is in good condition, we will invite the customer to our fulfillment center to inspect and pick up the car. The customer will make the rest of the payment at the fulfillment center. Once all procedures are completed, we will help our customer to register the car at local vehicle bureau and complete title transfers. If a customer is unable to pick up the car in person, we provide door-to-door car shipping services.
- *After-sale warranty:* Every certified used car currently carries a 7-day unconditional return policy and lifetime refund policy covering certain major damages caused by severe accidents that occurred prior to the sale but were not originally identified through Uxin's certificate program, as well as a one-year or 20,000-kilometer warranty covering repair of 15 major structural components. We provide these warranty programs to the customer for no extra charge.

In-store purchase journey at IRCs for regional customers

Our IRCs are able to directly serve regional customers in Xi'an and Hefei and also cover customers in Shaanxi and Anhui provinces. All of the products, transaction processes and services are the same as that of online purchase journey, with the only difference being that customers can visit our IRCs to have a clearer picture of the cars being offered and can pick up the car of their choice on the same day. Our in store sales personnel is able to provide services and support to these customers from every aspect of their buying journey. In-store purchase is more convenient for regional customers and also caters to the buying habits of most customers.

We believe the combination of online and in-store purchase best tailors to the purchasing demands of our Chinese customers. As we further expand our customer base and increase word-of-mouth marketing through regional IRCs, we will further improve our brand image and build trust among our customers, which will allow us to further boost our online sales.

Our Services

Our full suites of services provide customers with one-stop buying experience, for instance, we assist customers in dealing with a wide range of post-sale matters leveraging our expertise in the industry. Our omni-channel used car transaction business provides the following crucial service components:

- *Sales services* . We have upgraded and transformed the entire online used car buying process and our online consulting team is able to deliver timely vehicle consulting services and facilitate a seamless self-service purchasing experience. In addition, we also enhanced the responsiveness and quality of our after-sales services delivered through online chat and hotlines to ensure high customer satisfaction. Since our IRCs in Xi'an and Hefei have been in operation in 2021, we have expanded our offline service teams in both IRCs to offer all-around and seamless services to our offline customers. Under our omni-channel sales approach, we provide the same reliable, one-stop and hassle-free transaction services to customers no matter they purchase through our online platform or from our IRCs.
- *Value-added products and services*. In addition to vehicle sale services, we also have a wide range of car-related value-added products and services. 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 and refer their auto insurance products to our customers . As of March 31, 2022, we partnered with eight financing solution providers and four insurance companies.
- *Warranty and repair services*. Every certified used car currently carries a 7-day unconditional return policy, lifetime refund 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 customer trust in our platform, we have further upgraded and integrated our certification program. We provide these warranty programs to the customer for no extra charge.
- *Nationwide door-to-door delivery services*. A used car can be delivered to our fulfillment center and picked up by our customer in person. For cities with no fulfillment center, we provide door-to-door car shipping services leveraging our nationwide logistics network. Our logistic and delivery network cover more than 300 cities in China. With our industry-leading logistic routing system, a used car sold through our platform can be delivered to our customers typically within five days.
- *Nationwide title transfers and vehicle registration*. For the retail vehicle sales under our inventory-owning model, Uxin owns the titles of the cars before they are sold to our customers. Following the completion of a transaction, the title will be transferred to our customer. We also offer flexible and comprehensive vehicle registration solutions to assist our customers from different cities in obtaining local license plates, which greatly reduces their waiting time. As of March 31, 2022, we partnered with over 100 title transfer service providers nationwide to handle the entire title transfer process for our customers.

Our Capabilities

Our comprehensive products and services are supported by a number of critical foundations, including proprietary technology and data analytics capabilities, reconditioning capabilities, one-stop services capabilities and unique omni-channel used car transaction fulfillment capabilities.

- *Data Analytics and Technology Capabilities:* With a significant amount of data accumulated on our platform for more than 10 years since our inception in 2011, including user behavioral data, and data on used cars and used car transactions, we are able to continue to innovate our proprietary technologies. 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 pricing for the sale of each used car based on the car's specific condition. In addition, based on a wealth of data we have on user behavior, our AI-enabled Lingxi (灵犀) intelligent recommendation system provides personalized car recommendations to customers by analyzing their preferences, which make 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 customer profiles by analyzing their preferences in real time and predicting which used cars they are likely to buy, enabling us to create more effective sales strategies.
- *Reconditioning Capabilities:* Equipped with our inspection and reconditioning experts and professional equipment, our IRCs are able to recondition all retail vehicles to a "like new" condition, and streamline and standardize the entire reconditioning process, thereby greatly improving both quality and efficiency of our operations. By implementing sustainable supply chain practice and zero-waste policy, we optimize the reconditioning costs and offer our customers high-quality vehicles at attractive prices. We have accumulated and set up an integrated database of reconditioning standards and processes. In addition, we have adopted an advanced and intelligent reconditioning technology, which is more efficient, cost-effective, and environmentally friendly. After our IRC in Changfeng, Hefei is fully completed and put into operation in the next few years, we expect the plant to have an annual production capacity of 60,000 to 100,000 vehicles, which is expected to provide Uxin with a stable and large supply of high-quality used vehicles in the coming years.
- *Nationwide Logistic and Delivery Capabilities:* 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, 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 five calendar days via our logistics and delivery network.

Technology

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

Check Auto inspection system

Our proprietary Check Auto system is an integrated, interactive vehicle inspection system. 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. 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. As a result, Check Auto improves both inspection accuracy and efficiency.

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 customers can easily navigate through the video by selecting the inspection points that they are most interested in.

As of March 31, 2022, we had 12 patents in relation to vehicle inspection and have also cumulatively listed and collected proprietary data on over 8.5 million used cars for sale on our 2C platform.

Manhattan pricing engine

Our AI- and data-driven Manhattan pricing engine provides assessments on sale prices based on each car's specific condition. We also use the Manhattan pricing engine to assess the residual value of retail vehicles, and continue to optimize the accuracy of residual value estimates based on the latest used car information on the market and external data such as the latest selling prices for comparable new vehicles. In addition, the Manhattan pricing engine provides us with price assessment that guides us in acquiring vehicles.

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 156,500 online used cars transactions through our 2C business, which has contributed valuable transaction-related data to our database.

Lingxi intelligent recommendation system

Based on a wealth of data on retail transaction history and used car information accumulated on our platform, our AI-enabled *Lingxi* intelligent recommendation system makes personalized car recommendations to customers on our platform by analyzing their preferences, making it easier for them to find the car of their choice. In addition, *Lingxi* is also embedded with user categorization module which reveals user preference on different feature for a car. Our *Lingxi* intelligent recommendation system serves as a important 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 customer is likely to buy through a process of matching car features with the customer's profile.

Marketing and Brand Promotion

We have carefully selected marketing channels in order to accurately acquire customers in a most cost-effective manner. In the fiscal year of 2021, in order to precisely capture interested consumers and successfully convert them to our customers later, we have mainly reinforced the use of new media. For instance, we utilize live-streaming and short videos in new media platforms for marketing, which has been successful in term of broadening our customer coverage and enhancing our level of influence. Taking advantage of new media marketing's widespread effect and precisely targeted customer groups, our marketing efforts are well paid back with largely reduced marketing costs. 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. In 2021, we were awarded the Outstanding Member of China Automobile Dealers Association and won the General Business Award issued by China

Automobile Dealers Association. 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.

Our Former Businesses Before September 2020

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

Starting from early 2018 until September 2020 when we shifted to an inventory-owning model, our former business focused primarily on online used car transaction services under a platform model, 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 charged consumers the commission fees based on agreed percentage of final sales price.

Value-added services. For consumers with financing needs, we provided 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 meant transactions completed on our platform where the buyer completed the purchase of a car without the need to physically inspect the car on-site. These transactions primarily took place if the buyer was located in a different city from where the car was purchased.

2C intra-regional. 2C intra-regional transactions mainly included similar transactions when the consumers were located in the same city as where the cars were located. In intra-regional business model, consumers needed 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.

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.

Competition

We operate in a highly competitive and highly fragmented used car market in China. Players in this market mostly consist of numerous small and medium-sized car dealers. We face competition mainly from a large number of small-sized car dealers, a small number of large-scale dealer groups, other e-commerce platforms and online used car listing service platforms. Competition with other players in this market is primarily centered on brand recognition, inventory acquisition, market share, used car products, services and reputation.

Seasonality

Seasonal fluctuations 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 which typically last for one month. In addition, public holidays such as Labor Day and National Day will also have temporary impact on our business. We expect that the seasonal fluctuations will cause our quarterly and annual operating results to fluctuate.

Facilities

Our corporate headquarters are located in Beijing with office space of approximately 2,850 square meters as of March 31, 2022. We also have an operation space of approximately 70,000 square meters in Xi'an and Hefei IRC.

Intellectual Properties

Our intellectual property contributes to our competitive advantages among e-commerce platforms for used cars 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, 2022, we had obtained 117 patents (of which 23 patents have been non-exclusively licensed to an affiliate of 58.com in 2020 as part of the 2B Divestiture), 1,207 trademarks (of which 12 trademarks have been non-exclusively licensed and 90 trademarks have been exclusively licensed to an affiliate of 58.com in 2020 as part of the 2B Divestiture), 275 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), 77 domain names and have entered into confidentiality and proprietary rights agreement with employees, consultants, contractors, and other business partners.

Our Environmental, Social and Governance (ESG) Initiatives

As a platform for the buying and selling of used cars, we believe that our business inherently helps prevent waste and reduce carbon emissions following the ESG principles. We published our ESG report in July 2022. We are committed to

integrating the concept of sustainable development into every aspect of our business operations to foster high-quality and eco-friendly growth of the used car industry. We have continuously improved our corporate social responsibility initiatives under the guidance of our ESG framework. We believe our continued growth depends on our integration of ESG values into our corporate strategies and operations.

Environmental protection

We believe it's important to manage our carbon emissions and improve our ability to cope with the challenges brought by climate changes. We identified climate-related risks and opportunities and have implemented a series of measures to use cleaner energy, reduce energy consumption, enhance the efficiency of our day-to-day business operation, and limit our carbon footprint. For example, we have implemented "5S" management (Seiri, Seiton, Seiso, Seiketsu and Shitsuke) to eliminate waste in reconditioning, and used environmentally friendly water-based paint and smart refurbishment process during reconditioning and repair process to save energy. Leveraging our self-developed logistics and delivery network, we have helped reduce the empty-runs rate, energy consumption and air pollution. We also actively advocate the concept of "5R" environmental protection (Reduce, Reuse, Repair, Recycle and Reject) and paperless office.

Business ethics and labor management

We believe business ethics can help regulate employees' behavior, guarantee honest management and enhance the credibility of our Company. We continuously improved and adjusted our organizational structure, delineated the rights and responsibilities of the management and executives, and implemented internal rules to set values and norms to guide the actions of our management and employees. For example, we have implemented the Code of Business Conduct and Ethics, Uxin Limited Red Line Management System, Uxin Limited Red and Yellow Card Management System, and Uxin Limited Management System for Employees Violations.

We believe our employees are our most important asset. We are on a continuous journey to improve the wellbeing of everyone working with and for us. We have set up an open and transparent staff promotion and appraisal system to help our employees achieve their career goals. We also provide employees with diverse training programs, including, among others, new-comer training, professional training, and safety training. Through these trainings, we help our employees improve their skill sets and enhance safety awareness.

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 (2021 version), or the 2021 Negative List, jointly published by NDRC and the Ministry of Commerce on December 27, 2021 and went into effect on January 1, 2022.

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.

On December 30, 2019, the Ministry of Commerce and the SAMR jointly promulgated the Measures for Information Reporting on Foreign Investment, which became effective on January 1, 2020. Pursuant to the Measures for Information Reporting on Foreign Investment, where a foreign investor carries out investment activities in China directly or indirectly, the foreign investor or the foreign-invested enterprise shall submit the investment information to the competent commerce department.

According to the Measures for the Security Review of Foreign Investment promulgated by the National Development and Reform Commission and the Ministry of Commerce on December 19, 2020 and became effective on January 18, 2021, the NDRC and the Ministry of Commerce will establish a working mechanism office in charge of the security review of foreign investment. Such measures define foreign investment as direct or indirect investment by foreign investors in the PRC, which includes (i) investment in new onshore projects or establishment of wholly foreign owned onshore companies or joint ventures with foreign investors; (ii) acquisition of equity or asset of onshore companies by merger and acquisition; and (iii) onshore investment by and through any other means. Investment in certain key areas with bearing on national security, such as important cultural products and services, important information technology and internet services and products, key technologies and other important areas with bearing on national security which results in the acquisition of de facto control of investee companies, shall be filed with a specifically established office before such investment is carried out. What may constitute “onshore investment by and through any other means” or “ASC Topic 326” could be broadly interpreted under such measures. It is likely that control through contractual arrangement be regarded as de facto control based on provisions applied to security review of foreign investment in the free trade zone. Failure to make such filing may subject such foreign investor to rectification within prescribed period, and will be recorded as negative credit information of such foreign investor in the relevant national credit information system, which would then subject such investors to joint punishment as provided by relevant rules. If such investor fails to or refuses to undertake such rectification, it would be ordered to dispose of the equity or asset and to take any other necessary measures so as to return to the status quo and to erase the impact to national security.

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. On January 8, 2021, Administrative Measures on Internet Information Services (Draft Revision for Comment), or the Draft Revision, were promulgated. Under the Internet Measures and Draft Revision, 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 According to the PRC Civil Code, which took effect on January 1, 2021, 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 March 15, 2021, the SAMR promulgated the Measures for the Supervision and Administration of Online Trading, or the Online Trading Measures, which aims to regulate business activities involving the sale of commodities or provision of services through the internet and other information networks, to replace the Administrative Measures for Online trading promulgated in January 2014. Pursuant to the Online Trading Measures, online trading operators are classified into four types: online trading platform operators, operators on platform, operators of self-built websites, and operators that carry out online trading activities through other online services. The Online Trading Measures reinforces the operation requirements as provided under the E-Commerce Law and the principles of legality, rationality and necessity in the collection and use of the users' information and disclosure of the rules, purposes, methods and scopes of collection and use of user information. The Online Trading Measures also provides that the online trading operators (i) shall not use false transactions, fabricated user review etc to conduct false or misleading business promotion, so as to defraud or mislead consumers and (ii) shall not eliminate or restrict competition, damage or ruin the competitor's reputation. Furthermore, the Online Trading Measures imposes a series of regulatory requirements on new forms of online trading, such as online social networking e-commerce and online livestreaming e-commerce.

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. However, pursuant to the latest amendment to the Regulations for Administration of Foreign-invested Telecommunications Enterprises issued by the State Council in March 2022, which will come into effect on May 1, 2022, several provisions, including the requirement that such major foreign investors described above to have a good and profitable record and operating experience in the industry, had been removed.

The 2021 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 2021 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. In August 2015, the Standing Committee of the NPC promulgated the Ninth Amendment to the Criminal Law, which became effective in November 2015 and amended the standards of crime of infringing citizens' personal information and reinforced the criminal culpability of unlawful collection, transaction, and provision of personal information. It further provides that any ICP provider that fails to fulfill the obligations related to internet information security administration as required by applicable laws and refuses to rectify upon orders will be subject to criminal liability. The Civil Code promulgated in 2020 also provides specific provisions regarding the protection of 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 August 20, 2021, the SCNPC promulgated the Personal Information Protection Law, or the PIPL, which integrates the scattered rules with respect to personal information rights and privacy protection and took effect on November 1, 2021. The PIPL aims at protecting the personal information rights and interests, regulating the processing of personal information, ensuring the orderly and free flow of personal information in accordance with the law, and promoting the reasonable use of personal information. Personal information, as defined in the PIPL, refers to information related to identified or identifiable natural persons and recorded by electronic or other means, but excluding the anonymized information. The PIPL provides the circumstances under which a personal information processor could process personal information, which include but not limited to, where the consent of the individual concerned is obtained and where it is necessary for the conclusion or performance of a contract to which the individual is a contractual party. It also stipulates certain specific rules with respect to the obligations of a personal information processor, such as to inform the purpose and method of processing to the individuals, and the obligation of the third party who has access to the personal information by way of co-processing or delegation.

On December 28, 2021, the CAC, together with another twelve regulatory authorities jointly issued the Measures for Cybersecurity Review, or the Review Measures, which became effective on February 15, 2022. The Review Measures establishes the basic framework and principle for national cybersecurity reviews of network products and services, and provides that a critical information infrastructure operator purchasing network products and services, and platform operators carrying out data processing activities which affect or may affect national security must apply for cybersecurity review. The Review Measures also provides that a platform operator with more than one million users' personal information aiming to list abroad must apply for cybersecurity review. However, the Review Measures has not provided further explanation or interpretation for "listed abroad" and the scope of "listed abroad".

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, which was amended on September 14, 2017, 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 26, 2020, the China Banking and Insurance Regulatory Commission issued the Interim Measures for the Supervision and Administration of Finance Leasing Companies, to regulate and administer the business operations of financing lease companies. 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, June 21, 2019 and August 11, 2021, 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, December 27, 2008 and October 17, 2020. 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.

In October 2019, the SAFE promulgated the Notice for Further Advancing the Facilitation of Cross-border Trade and Investment, or the SAFE Circular 28, which, among other things, allows all Foreign-Invested Enterprises to use Renminbi converted from foreign currency denominated capital for equity investments in China, as long as the equity investment is genuine, does not violate applicable laws, and complies with the negative list on foreign investment. The Circular Regarding Further Optimizing the Cross-border RMB Policy to Support the Stabilization of Foreign Trade and Foreign Investment jointly promulgated by the PBOC, the NDRC, the Ministry of Commerce, the State-owned Assets Supervision and Administration Commission of the State Council, the China Banking and Insurance Regulatory Commission and SAFE on December 31, 2020 and effective on February 4, 2021 allows the non-investment foreign-invested enterprises to make domestic reinvestment with RMB capital in accordance with the law on the premise that they comply with prevailing regulations and the invested projects

in China are authentic and compliant. In addition, if a foreign-invested enterprise uses RMB income under capital accounts to conduct domestic reinvestment, the invested enterprise is not required to open a special deposit account for RMB capital.

According to the Circular of the State Administration for Foreign Exchange on Optimizing Foreign Exchange Administration to Support the Development of Foreign-related Business, or the SAFE Circular 8, promulgated and effective on April 10, 2020 by the SAFE, the reform of facilitating the payments of incomes under the capital accounts shall be promoted nationwide. Under the prerequisite of ensuring true and compliant use of funds and compliance and complying with the prevailing administrative provisions on use of income from capital projects, enterprises which satisfy the criteria are allowed to use income under the capital account, such as capital funds, foreign debt and overseas listing, etc., for domestic payment, without the need to provide proof materials for veracity to the bank beforehand for each transaction.

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.

On July 6, 2021, the relevant PRC governmental authorities promulgated the Opinions on Strictly Cracking Down Illegal Securities Activities, which provided that the administration and supervision of overseas-listed China-based companies will be strengthened, and the special provisions of the State Council on overseas issuance and listing of shares by such companies will be revised, clarifying the responsibilities of domestic industry competent authorities and regulatory authorities. However, the Opinions on Strictly Cracking Down Illegal Securities Activities were still leaving uncertainties regarding the interpretation and implementation of these opinions. It is possible that any new rules or regulations may impose additional requirements on us. Furthermore, the Review Measures required that, in addition to network products and services acquired by critical information infrastructure operators, online platform operators are also subject to cybersecurity review if they carry out data processing activities that affect or may affect national security, and online platform operators listing in a foreign country with more than one million users' personal information data must apply for a cybersecurity review with the Cybersecurity Review Office. It is uncertain whether we would be deemed as a CIIO or an online platform operator which is under the censorship of the Review Measure in the future. In the event that we become under investigation or review by the CAC, we may have to substantially change our current business and our operations may be materially and adversely affected. If it is determined in the future that CSRC approval or other procedural requirements are required to be met for and prior to an offering, it is uncertain whether we can or how long it will take us to obtain such approval or complete such procedures and any such approval could be rescinded. Any failure to obtain or delay in obtaining such approval or completing such procedures for an offering, or a rescission of any such approval, could subject us to sanctions by the relevant PRC governmental authorities. The PRC governmental authorities may impose restrictions and penalties on our operations in China, such as the suspension of our apps and services, revocation of our licenses, or shutting down part or all of our operations, limit our ability to pay dividends outside of China, delay or restrict the repatriation of the proceeds from an offering into China or take other actions that could have a material adverse effect on our business, financial condition, results of operations and prospects, as well as the trading price of our ADSs. The PRC governmental authorities may also take actions requiring us, or making it advisable for us, to halt an offering before settlement and delivery of the ADSs being offered. Consequently, if investors engage in market trading or other activities in anticipation of and prior to settlement and delivery, they do so at the risk that settlement and delivery may not occur. In addition, if the PRC governmental authorities later promulgate new rules or explanations requiring that we obtain their approvals for filings, registrations or other kinds of authorizations for an offering, we cannot assure you that we can obtain the approval, authorizations, or complete required procedures or other requirements in a timely manner, or at all, or obtain a waiver of the requisite requirements if and when procedures are established to obtain such a waiver.

On December 27, 2021, the National Development and Reform Commission and the Ministry of Commerce jointly issued the Special Administrative Measures (Negative List) for Foreign Investment Access (2021 Version), or the 2021 Negative List, which will become effective on January 1, 2022. Pursuant to such Special Administrative Measures, if a domestic company engaging in the prohibited business stipulated in the 2021 Negative List seeks an overseas offering and listing, it shall obtain the approval from the competent governmental authorities. Besides, the foreign investors of the company shall not be involved in the company's operation and management, and their shareholding percentage shall be subject, mutatis mutandis, to the relevant regulations on the domestic securities investments by foreign investors.

On December 24, 2021, the CSRC and relevant departments of the State Council published the draft of the Provisions of the State Council on the Administration of Overseas Securities Offering and Listing by Domestic Companies, or the Draft

Administrative Provisions, and the CSRC issued a draft of Administration Measures for the Filing of Overseas Securities Offering and Listing by Domestic Companies, or the Draft Filing Measures, for public comments. The Draft Administrative Provision and the Draft Filing Measures, collectively with other relevant regulations, the Draft Rules Regarding Overseas Listings, to regulate overseas securities offerings and listings by China-based companies, are available for public consultation. The Draft Rules Regarding Overseas Listing aims to lay out the regulatory filing requirements for both direct and indirect overseas listing, and clarify the determination criteria for indirect overseas listing in overseas markets.

The Draft Rules Regarding Overseas Listings, among other things, stipulate that, after making initial applications with overseas stock markets for initial public offerings or listings, all China-based companies shall file with the CSRC within 3 working days. The required filing materials for an initial public offering and listing should include but not limited to record-filing report and related undertakings; compliance certificate from the primary regulator of the applicant's business; filing or approval documents (if applicable); security assessment opinion issued by related departments (if applicable); PRC legal opinion; and the prospectus. In addition, China-based companies may be prohibited from overseas offerings and listings (1) if the intended securities offerings and listings are specifically prohibited by the laws, regulations or provision of the PRC; (2) if the intended securities offerings and listings may constitute a threat to, or endanger national security as reviewed and determined by competent authorities under the State Council in accordance with law; (3) if there are material ownership disputes over the applicants' equity interests, major assets, core technologies, etc.; (4) if, in the past three years, the applicants' domestic enterprises or controlling shareholders or de facto controllers have committed corruption, bribery, embezzlement, misappropriation of property, or other criminal offenses disruptive to the order of the socialist market economy, or are currently under judicial investigation for suspicion of criminal offenses, or are under investigation for suspicion of major violations; (5) if, in the past three years, directors, supervisors, or senior executives of the applicants have been subject to administrative punishments for severe violations, or are currently under judicial investigation for suspicion of criminal offenses, or are under investigation for suspicion of major violations; (6) other circumstances as prescribed by the State Council. The Administration Provisions further stipulate that a fine between RMB1 million and RMB10 million may be imposed if an applicant fails to fulfill the filing requirements or conducts an overseas offering or listing in violation of the Draft Rules Regarding Overseas Listings, and in cases of severe violations, regulators may issue an order to suspend relevant businesses or halt operations for rectification, and revoke relevant business permits or operational licenses.

On April 2, 2022, the CSRC published the Provisions on Strengthening the Confidentiality and Archives Administration Related to the Overseas Securities Offering and Listing by Domestic Enterprises (Draft for Comments), or the Draft Provisions on Confidentiality and Archives Administration, and will accept public comments until April 17, 2022. The Draft Provisions on Confidentiality and Archives Administration requires that, in the process of overseas issuance and listing of securities by domestic entities, the domestic entities, and securities companies and securities service institutions that provide relevant securities service shall strictly implement the provisions of relevant laws and regulations and the requirements of these provisions, establish and improve rules on confidentiality and archives administration. Where the domestic entities provide with or publicly disclose documents, materials or other items related to the state secrets and government work secrets to the relevant securities companies, securities service institutions, overseas regulatory authorities, or other entities or individuals, the companies shall apply for approval of competent departments with the authority of examination and approval in accordance with law and report the matter to the secrecy administrative departments at the same level for record filing. Where there is unclear or controversial whether or not the concerned materials are related to state secrets, the materials shall be reported to the relevant secrecy administrative departments for determination. However, the Draft Provisions on Confidentiality and Archives Administration have not yet been settled or become effective, and there remain uncertainties regarding the further interpretation and implementation of the Draft Provisions on Confidentiality and Archives Administration.

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 Civil Code which took effect on January 1, 2021, 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 ownership of the leased premises changes during the lessee's possession in accordance with the terms of the lease contract, the validity of the lease contract shall not be affected.

Pursuant to the PRC Civil Code, if the mortgaged property has been leased and transferred for occupation prior to the establishment of the mortgage right, the original tenancy shall not be affected by such mortgage right. According to the Interpretation of the Supreme People's Court on Several Issues concerning the Application of Law in the Trial of Cases about Disputes Over Lease Contracts on Urban Buildings (2020 version), which took effect on January 1, 2021, if the ownership of the leased premises changes during lessee's possession in accordance with the terms of the lease contract, and the lessee requests the assignee to continue to perform the original lease contract, the PRC court shall support it, except that the mortgage right has been established before the lease of the leased premises and the ownership changes due to the mortgagee's realization of the mortgage right.

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.

Regulations Relating to Anti-Monopoly

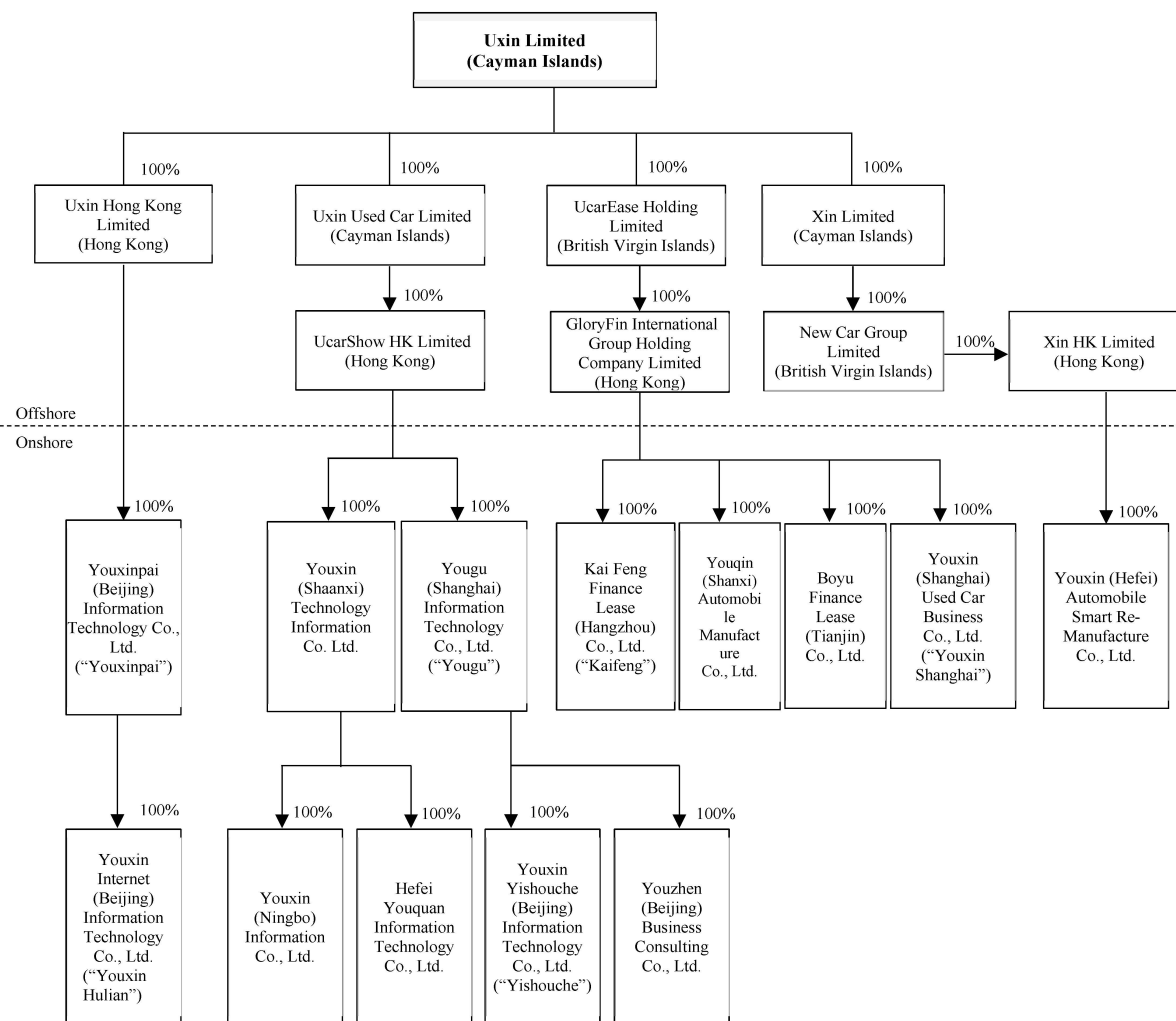
The currently effective Anti-Monopoly Law of PRC, or the Anti-Monopoly Law, was promulgated by Standing Committee of the National People's Congress in 2007, and SAMR has sought public comments on the Draft Amendment to

the Anti-Monopoly Law, or the Draft for Comment, in January 2020. Pursuant to the Anti-Monopoly Law, the relevant operators of a concentration of undertakings which reaches the standard for declaration shall make an advance declaration to the anti-monopoly law enforcement authority under the State Council. On October 23, 2021, the Standing Committee of the National People's Congress issued a second draft amendment to the amended Anti-Monopoly Law for public comments, which proposes to increase the fines for illegal concentration of business operators to "no more than ten percent of its preceding year's sales revenue if the concentration of business operator has or may have an effect of excluding or limiting competition; or a fine of up to RMB5 million if the concentration of business operator does not have an effect of excluding or limiting competition." The draft also proposes for the relevant authority to investigate transaction where there is evidence that the concentration has or may have the effect of eliminating or restricting competition, even if such concentration does not reach the filing threshold.

On February 7, 2021, the Anti-Monopoly Committee of the State Council promulgated the Anti-Monopoly Guidelines for the Internet Platform Economy Sector which stipulates that any concentration of undertakings involving variable interest entities (VIE) shall fall within the scope of anti-monopoly review. Furthermore, the Anti-Monopoly Guidelines for Internet Platforms prohibits certain monopolistic acts of internet platforms so as to protect market competition and safeguard interests of users and undertakings participating in internet platform economy, including without limitation, prohibiting platforms with dominant position from abusing their market dominance (such as discriminating customers in terms of pricing and other transactional conditions using big data and analytics, coercing counterparties into exclusivity arrangements, using technology means to block competitors' interface, favorable positioning in search results of goods displays, using bundle services to sell services or products, compulsory collection of unnecessary user data). On August 17, 2021, the SAMR issued the Provisions on Prohibition of Unfair Competition on the Internet (Draft for Comments), which prohibits business operators from using data, algorithms and other technical means to commit traffic hijacking, interference, malicious incompatibility and other improprieties to influence user choices or hinder or damage the normal operation of network products or services offered by other business operators.

C. Organizational Structure

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



Historical Contractual Agreements with the Former VIEs and Their Respective Shareholders and the Related Termination Agreements

Historically, 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 primarily conducted those businesses through one of the former VIEs, 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 the former VIEs, Youxin Hulian and Yishouche.

Our historical contractual arrangements with the former VIEs and their respective shareholders include exclusive option agreements, equity pledge agreements and exclusive business cooperation agreements.

These contractual arrangements allow our WFOEs to:

- exercise effective control over the former VIEs and their subsidiaries;
- receive substantially all of the economic benefits of the former VIEs; and
- have exclusive options to purchase all or part of the equity interests in the former 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 the former VIEs, we were historically regarded as the primary beneficiary of the former VIEs, and we treated them and their subsidiaries as the consolidated affiliated entities under U.S. GAAP. We had consolidated the financial results of the former VIEs and their respective subsidiaries in our consolidated financial statements in accordance with U.S. GAAP.

In order to streamline our corporate structure and considering the changing regulatory environment, we have completed the Restructuring to terminate the contractual arrangements with both of the former VIEs, which as a result have become wholly owned subsidiaries of the company. Pursuant to the Restructuring, our wholly owned subsidiaries that have contractual arrangements with the former VIEs and their respective shareholders have purchased all equity interests held by such shareholders in the former VIEs. Accordingly, all contractual arrangements that enabled such shareholders to exercise effective control over the former VIEs, receive substantially all of the economic benefits of the former VIEs and have exclusive options to purchase all or part of the equity interests in the former VIEs, were effectively terminated.

The following is a summary of the historical contractual arrangements, which are effectively terminated in March 2022, (i) by and among Youxinpai (one of our WFOEs), Youxin Hulian (one of the former VIEs) and Youxin Hulian's shareholders and (ii) by and among Yougu (one of our WFOEs), Yishouche (one of the former VIEs) and Yishouche's shareholders.

Historical contractual Arrangements relating to Youxin Hulian

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

Agreements that Provided Us with Effective Control over Youxin Hulian

Equity Interest Pledge Agreements. Pursuant to the equity interest pledge agreements, each shareholder of Youxin Hulian 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 agreed that, during the term of the equity interest pledge agreements, he or she would 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. 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 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 was 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 shareholder of Youxin Hulian, waived all the rights which have been authorized to Youxinpai and will not exercise such rights.

Agreement that Allowed 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 had the exclusive right to provide Youxin Hulian with technical support, consulting services and other services. Without Youxinpai's prior written consent, Youxin Hulian agreed 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 agreed 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 owned the intellectual property rights arising out of the performance of this agreement. In addition, Youxin Hulian 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.

Agreements that Provided 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 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 agreed that, without Youxinpai's prior written consent, he or she would 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).

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.

Historical contractual Arrangements relating to Yishouche

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

Agreements that Provided Us with Effective Control over Yishouche

Equity Interest Pledge Agreements. Pursuant to the equity interest pledge agreements, each shareholder of Yishouche 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 agreed that, during the term of the equity interest pledge agreements, he or she would 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. 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 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 was 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 shareholder waived all the rights which have been authorized to Yougu and will not exercise such rights.

Agreement that Allowed us to Receive Economic Benefits from Yishouche

Exclusive Business Cooperation Agreement. Under the exclusive business cooperation agreement between Yougu and Yishouche, Yougu had the exclusive right to provide Yishouche with technical support, consulting services and other services. Without Yougu's prior written consent, Yishouche agreed 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 agreed 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 owned the intellectual property rights arising out of the performance of this agreement. In addition, Yishouche 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.

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

Exclusive Option Agreements. Pursuant to the exclusive option agreements, each shareholder of Yishouche 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 agreed that, without Yougu's prior written consent, they would 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).

In the opinion of Beijing Docvit Law Firm, our PRC counsel:

- the historical ownership structures of the former VIEs in China and our WFOEs that had entered into contractual arrangements with the the former VIEs will not result in any violation of PRC laws or regulations currently in effect; and
- the historical contractual arrangements among Youxinpai, Youxin Hulian and the shareholders of Youxin Hulian and the historical contractual arrangements among Yougu, Yishouche and the shareholders of Yishouche governed by PRC law were 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 determines that the historical contractual arrangements with the former VIEs structure did not comply with PRC regulation, or if these regulations change or are interpreted differently in the future, our shares and/or ADSs may decline in value or become worthless if we are deemed to be unable to assert our contractual control rights over the assets of the former VIEs.,” “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”, and “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.”

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. Since the legal titles of the assets and liabilities were transferred prior to the end of 2019 while the transaction was not closed until April 23, 2020, 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 was 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.

On June 21, 2021, we entered into another supplemental agreement with WeBank and under this supplemental agreement a total of RMB48 million instalment payments will be waived (represents present value of RMB42.2 million) immediately upon the effectiveness of this supplemental agreement. The effectiveness of this supplemental agreement is conditioned on the closing of the first tranche of financing with NIO Capital and Joy Capital. The first tranche of financing closed on July 12, 2021 and therefore this supplemental agreement became effective on July 12, 2021, and related waived payment was recorded in other operating income.

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 e-commerce platform for buying and selling used cars in China. We operate vehicle sales business, where we provide consumers with a reliable, one-stop and hassle-free used-car-buying experience, including access to our best selection of high-quality and value-for-money used cars and various car-related value-added products and services.

From September 2020, our vehicle sales business generates revenues from vehicle sales under the new inventory-owning model, which covers retail vehicle sales business and wholesale vehicle sales business. We select vehicle inventory from consumers who intend to sell their existing cars, auction platforms, 4S stores and offline dealers. Our first IRC in Xi'an and second IRC in Hefei have been in operation since March 2021 and November 2021, respectively, where we can recondition all retail inventory to a "like new" condition. Meanwhile, our IRCs may also serve regional customers who pay in-store visit to our IRCs. For retail vehicle sales business, the vehicles that meet our retail standards will be delivered to our Xi'an IRC or Hefei IRC for further preparation, and then sell to consumers under our omni-channel sales approach, either from our online platform or from offline IRCs. The vehicles that do not meet our retail standards to list and sell through our ecommerce platform will be wholesaled 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."

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 and both parties released the other party from claims arising out of this transaction in July 2022. 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.

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; 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, 2022. The resurgence of COVID-19 cases in Xi'an, where our first IRC is located, resulted in a city-wide lockdown in December 2021. Combined with the expected Chinese New Year holiday off-season, our business was impact significantly during this period. However, the growth momentum our second IRC in Hefei since its launch in November 2021 had effectively helped us mitigate some of the negative impact from the disruptions in Xi'an. The Xi'an IRC also began to recover after the Chinese New Year holiday in February 2022 and business is now back to its standard level before COVID-19. 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

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, we have witnessed significant growth in our business. However, as a result of our business transformation to an inventory-owning model since September 2020, the total number of used car transactions for fiscal year of 2021 and fiscal year of 2022 are not comparable. During the fiscal year ended March 31, 2022, our vehicle sales volume was 15,755, among which retail vehicle sales volume was 5,211 and wholesale vehicle sales volume was 10,544. We anticipate that our future revenue growth will continue to depend largely on the increase of transaction volume on our platform, especially the increase of retail vehicle transaction volume. 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, our ability to maintain capital sufficiency, increase brand awareness, expand our service network and enhance our online used car transaction fulfillment and technology capabilities.

Ability to acquire high-quality value-for-money used cars for our customers

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 enhances customer satisfaction, and also enables 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 have been relentlessly pursuing ways to optimizing our operating costs and expenses. To that end, our organizational structure has been upgraded according to the adjustment of our business model and all aspects of our business operations are undergoing refined management. "Spend where it matters most" has become our management philosophy. We have been improving our operational efficiency and targeting profitability in the mid to long term.

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 divestiture 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 Years Ended March 31,					
	2019		2019		2020		2021		2022			
	RMB	%	RMB	%	RMB	%	RMB	%	RMB	US\$	%	
	(Unaudited)											
	(in thousands, except for share data)											
Revenues												
Retail vehicle sales	—	—	—	—	—	—	463,547	70.5	780,371	123,101	47.7	
Wholesale vehicle sales	—	—	—	—	—	—	51,249	7.8	823,466	129,899	50.3	
Commission revenue	711,362	44.8	148,840	44.3	48,038	46.2	41,939	6.4	—	—	—	
Value-added service revenue	636,046	40.0	135,475	40.4	40,456	39.0	35,248	5.4	—	—	—	
Others	240,623	15.2	51,476	15.3	15,367	14.8	65,425	9.9	32,279	5,092	2.0	
Total revenues	1,588,031	100.0	335,791	100.0	103,861	100.0	657,408	100.0	1,636,116	258,092	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 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. Since the legal titles of the assets and liabilities were

transferred prior to the end of 2019 while the transaction was not closed until April 23, 2020, 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. 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. On June 21, 2021, we entered into another supplemental agreement with WeBank and under this supplemental agreement a total of RMB 48 million instalment payments will be waived (represents present value of RMB 42.2 million) immediately upon the effectiveness of this supplemental agreement. The effectiveness of this supplemental agreement is conditioned on the closing of the first tranche of financing with NIO Capital and Joy Capital. The first tranche of financing closed on July 12, 2021 and therefore this supplemental agreement became effective on July 12, 2021, and related waived payment was recorded in other operating income. 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, 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, we experienced material changes in our cost structure. The cost of revenues for the fiscal year of 2022 included the cost to acquire used vehicles and direct and indirect vehicle reconditioning costs associated with preparing the vehicles for resale. Cost of revenues also includes any necessary adjustments to reflect vehicle inventory at the lower of cost or net realizable value. We expect that our cost of revenues will increase in absolute dollar amounts resulting from 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. 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, 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 impact of the issuance of senior convertible preferred shares

The fair value impact of the issuance of senior convertible preferred shares is primarily related to the issuance of senior convertible preferred shares, specifically the second tranche of the transaction and the warrants offered to Joy Capital and NIO Capital in connection with the first tranche. The warrants and the second tranche of the transaction were recorded as liabilities at fair value, respectively, with subsequent fair value changes to be charged to the profit and loss.

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

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 2019, the three months ended March 31, 2020 and the fiscal years ended March 31, 2021 and 2022.

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,				
	2019		2019		2020		2021		2022		
	RMB	%	RMB	%	RMB	%	RMB	%	RMB	US\$	%
(Unaudited)											
(in thousands, except for share data)											
Revenues ⁽¹⁾											
Retail vehicle sales	—	—	—	—	—	—	463,547	70.5	780,371	123,101	47.7
Wholesale vehicle sales	—	—	—	—	—	—	51,249	7.8	823,466	129,899	50.3
Commission revenue	711,362	44.8	148,840	44.3	48,038	46.2	41,939	6.4	—	—	—
Value-added service revenue	636,046	40.0	135,475	40.4	40,456	39.0	35,248	5.4	—	—	—
Others	240,623	15.2	51,476	15.3	15,367	14.8	65,425	9.9	32,279	5,092	2.0
Total revenues	1,588,031	100.0	335,791	100.0	103,861	100.0	657,408	100.0	1,636,116	258,092	100.0
Cost of revenues ⁽²⁾											
	(689,292)	(43.4)	(156,372)	(46.6)	(110,714)	(106.6)	(673,711)	(102.5)	(1,588,398)	(250,564)	(97.1)
Gross Profit	898,739	56.6	179,419	53.4	(6,853)	(6.6)	(16,303)	(2.5)	47,718	7,528	2.9
Operating expenses:											
Sales and marketing ⁽²⁾	(1,184,997)	(74.6)	(345,673)	(102.9)	(189,503)	(182.5)	(339,013)	(51.6)	(222,139)	(35,042)	(13.6)
Research and development ⁽²⁾	(140,006)	(8.8)	(32,634)	(9.7)	(31,176)	(30.0)	(74,137)	(11.3)	(36,200)	(5,710)	(2.2)
General and administrative ⁽²⁾	(402,040)	(25.3)	(86,970)	(25.9)	(74,926)	(72.1)	(277,925)	(42.3)	(151,024)	(23,823)	(9.2)
Losses from guarantee liabilities	(194,385)	(12.2)	(9,188)	(2.7)	—	—	—	—	—	—	—

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Provision for credit losses, net	(271,372)	(17.1)	—	—	(1,939,570)	(1,867.5)	(91,593)	(13.9)	687	108	—
Total operating expenses	(2,192,800)	(138.1)	(474,465)	(141.3)	(2,235,175)	(2,152.1)	(782,668)	(119.1)	(408,676)	(64,467)	(25.0)
Other operating income, net	1,925	0.1	—	—	56,043	54.0	246,346	37.5	82,017	12,938	5.0
Loss from continuing operations	(1,292,136)	(81.4)	(295,046)	(87.9)	(2,185,985)	(2,104.7)	(552,625)	(84.1)	(278,941)	(44,001)	(17.0)
Interest income	14,958	0.9	1,990	0.6	3,081	3.0	45,140	6.9	3,660	577	0.2
Interest expense	(112,587)	(7.1)	(26,493)	(7.9)	(29,029)	(27.9)	(95,953)	(14.6)	(41,222)	(6,503)	(2.5)
Other income	71,142	4.5	25,140	7.5	2,420	2.3	15,672	2.4	5,227	825	0.3
Other expenses	(36,569)	(2.3)	(4,751)	(1.4)	(10,118)	(9.7)	(7,890)	(1.2)	(8,925)	(1,408)	(0.5)
Foreign exchange gains/(losses)	4,247	0.3	(799)	(0.2)	(388)	(0.4)	(15,887)	(2.4)	(9,336)	(1,473)	(0.6)
Fair value impact of the issuance of senior convertible preferred shares	—	—	—	—	—	—	—	—	186,231	29,377	11.4
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 of convertible notes	—	—	—	—	—	—	(121,056)	(18.4)	—	—	—
Loss from continuing operations before income tax expense	(1,360,463)	(85.7)	(299,939)	(89.3)	(2,040,999)	(1,965.1)	(732,599)	(111.4)	(143,306)	(22,606)	(8.8)
Income tax benefit/(expense)	2,554	0.2	(1,556)	(0.5)	(326)	(0.3)	(33)	0.0	(245)	(39)	—
Equity in income of affiliates, net of tax	30,231	1.9	5,956	1.8	6,940	6.7	15,657	2.4	328	52	—
Net loss from continuing operations, net of tax	(1,327,678)	(83.6)	(295,539)	(88.0)	(2,034,385)	(1,958.8)	(716,975)	(109.1)	(143,223)	(22,593)	(8.8)

(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 RMB100.3 million, negative RMB32.6 million, negative RMB19.1 million and RMB26.5 million (US\$4.2 million) in 2019, the three months ended March 31, 2020 and the fiscal years ended March 31, 2021 and 2022, 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, 2022 Compared to Fiscal Year Ended March 31, 2021

Revenues

Total revenue. Our total revenues increased by 148.9% from RMB657.4 million in the fiscal year of 2021 to RMB1,636.1 million (US\$258.1 million) in the fiscal year of 2022.

Retail vehicle sales revenue. Retail vehicle sales revenue was RMB780.4 million (US\$123.1 million) in the fiscal year of 2022, compared to RMB463.5 million in the fiscal year of 2021. Retail transaction volume was 5,211 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 RMB823.4 million (US\$129.9 million) in the fiscal year of 2022, compared to RMB51.3 million in the fiscal year of 2021. 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 was RMB42.0 million in the fiscal year of 2021.

Value-added service revenue. Value-added service revenue was RMB35.2 million in the fiscal year of 2021. We ceased offering value-added service and began to recognize vehicle sales revenue instead since September 2020 due to the implementation of our inventory-owning model.

Others. Our other revenues were RMB32.3 million (US\$5.1 million) in the fiscal year of 2022, compared with RMB65.4 million in the fiscal year of 2021. The decrease was mainly due to revenue declines from both the advertising and the vehicle transportation businesses.

Cost of revenues

Cost of revenues were RMB1,588.4 million (US\$250.6 million) in the fiscal year of 2022, representing an increase of 135.8% from RMB673.7 million in the fiscal year of 2021. The increase was primarily due to the growth of our retail vehicle sales volume and wholesale vehicle sales volume.

Gross profit

Our total gross profit was RMB47.7 million (US\$7.5 million) in the fiscal year of 2022, compared to a gross loss of RMB16.3 million in the fiscal year of 2021. Our gross profit margin increased from negative 2.5% in the fiscal year of 2021 to 2.9% in the fiscal year of 2022. The difference in gross margin was primarily the result of the change of our business model. We adopted the inventory-owning model since September 2020, leading to increased gross margin in the fiscal year of 2022 compared to that of 2021.

Sales and marketing expenses

Our sales and marketing expenses decreased by 34.5% from RMB339.0 million in the fiscal year of 2021 to RMB222.1 million (US\$35.0 million) in the fiscal year of 2022. The decrease was mainly due to a decrease in employee compensation and benefits as well as a decrease in brand promotion costs.

Research and development expenses

Our research and development expenses decreased by 51.2% from RMB74.1 million in the fiscal year of 2021 to RMB36.2 million (US\$5.7 million) in the fiscal year of 2022, primarily attributable to a decrease in employee compensation and benefits and a decrease in rental expenses and depreciation.

General and administrative expenses

Our general and administrative expenses decreased by 45.7% from RMB277.9 million in the fiscal year of 2021 to RMB151.0 million (US\$23.8 million) in the fiscal year of 2022, primarily attributable to a decrease in employee compensation and benefit and a decrease in severance costs.

Provision for credit losses, net

Our provision for credit losses, net decreased from RMB91.6 million in the fiscal year of 2021 to a slight reversal of RMB0.7 million (US\$0.1 million) in the fiscal year of 2022.

Other operating income, net

Our other operating income decreased from RMB246.3 million in the fiscal year of 2021 to RMB82.0 million (US\$12.9 million) in the fiscal year of 2022, primarily as a result of the decrease 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 RMB45.1 million in the fiscal year of 2021 and RMB3.7 million (US\$0.6 million) in the fiscal year of 2022, 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 decrease of interest income was primarily due to the decrease in the balance of the margin account as a result of our settlement of the remaining guarantee liabilities associated with the historically facilitated loans pursuant to the supplemental agreement with WeBank.

Interest expenses

We had interest expense of RMB96.0 million in the fiscal year of 2021 and RMB41.2 million (US\$6.5 million) in the fiscal year of 2022, respectively. The decrease in interest expense was mainly attributable to the waiver of interest related with our previously issued convertible notes.

Other income

Other income decreased from RMB15.7 million in the fiscal year of 2021 to RMB5.2 million (US\$0.8 million) in the fiscal year of 2022.

Other expenses

Other expenses increased from RMB7.9 million in the fiscal year of 2021 to RMB8.9 million (US\$1.4 million) in the fiscal year of 2022.

Foreign exchange losses

We had foreign exchange losses of RMB15.9 million in the fiscal year of 2021, compared to foreign exchange losses of RMB9.3 million (US\$1.5 million) in the fiscal year of 2022.

Fair value impact of the issuance of senior convertible preferred shares

Fair value impact of the issuance of senior convertible preferred shares was RMB186.2 million (US\$29.4 million) in the fiscal year of 2022, compared to nil in the fiscal year of 2021, which was related to the issuance of senior convertible preferred shares, including the second tranche of the transaction with NIO Capital and Joy Capital and the underlying warrants.

Inducement charge of convertible notes

Our inducement charge was nil in the fiscal year of 2022, compared to RMB121.1 million in the fiscal year of 2021, which 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 expense

We had income tax expense of RMB245 thousand (US\$39 thousand) in the fiscal year of 2022, compared to a tax expense of RMB33 thousand in the fiscal year of 2021.

Equity in income of affiliates

Equity in income of affiliates decreased from RMB15.7 million in the fiscal year of 2021 to RMB328 thousand (US\$52 thousand) in the fiscal year of 2022. As we are no longer able to execute significant influence over one of our long-term investment since March 2021, equity in income of affiliates decreased in the fiscal year of 2022.

Net loss from continuing operations, net of tax

As a result of the foregoing, our net loss from continuing operations decreased from RMB717.0 million in the fiscal year of 2021 to RMB143.2 million (US\$22.6 million) in the fiscal year of 2022.

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 in the fiscal year of 2021.

Retail vehicle sales revenue. Retail vehicle sales revenue was RMB463.5 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 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 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 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 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 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 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 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 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 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 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 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 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 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 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 in the fiscal year of 2021.

Foreign exchange gains/(losses)

We had foreign exchange losses of RMB15.9 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 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 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 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 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.”

B. Liquidity and Capital Resources

Cash flows and working capital

In addition to experiencing net losses during the periods presented, we had net cash used in operating activities of RMB1,194.1 million, RMB1,122.3 million and RMB845.0 million (US\$133.3 million) in 2019, and the fiscal years ended March 31, 2021 and 2022, 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 bore 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 remaining principal amount of US\$161 million is subject to customary payment schedules. The noteholders have also irrevocably waived the conversion rights with respect to their respective remaining amount. In July 2022, we issued 183,495,146 Class A ordinary shares to 58.com in exchange for the full release of our obligations to 58.com under the convertible promissory note and certain other historical transactions. The remaining amount of US\$81.9 million has been recognized as debt against other noteholders.

- 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. The second closing in the amount of US\$27.5 million, US\$10 million and US\$7.5 million was completed for Uxin Limited’s issuance of 80,104,865 senior convertible preferred shares, 29,129,042 senior convertible preferred shares and 21,846,781 senior convertible preferred shares senior convertible preferred shares in November 2021, March 2022 and June 2022, respectively. 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 July 2022, NIO Capital assigned its rights and obligations to subscribe for 14,564,520 senior convertible preferred shares under the second closing for the total price of US\$5 million to an independent third party. On the same day, we issued 14,564,520 senior convertible preferred shares to the third party and the second closing of the transaction was completed.
- In June 2022, we entered into definitive agreements with NIO Capital for the subscription of 714,285,714 senior convertible preferred shares of our Company for an aggregate amount of US\$100 million, which will be paid in multiple installments. The 714,285,714 senior convertible preferred shares were issued on July 27, 2022 in connection with the closing and we have received the first installment.

- As of March 31, 2022, we had an outstanding balance of borrowings of RMB233.0 million (US\$36.8 million) due within 12 months, with a fixed annual interest rate of 5.0%.

As of March 31, 2022, we had RMB128.0 million (US\$20.2 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 RMB1,327.7 million, RMB2,034.4 million, RMB717.0 million and RMB143.2 million (US\$22.6 million) for the year ended December 31, 2019, the three months ended March 31, 2020 and the fiscal years ended March 31, 2021 and 2022, respectively. Accumulated deficit amounted to RMB15,910.0 million and RMB16,053.3 million (US\$2,532.3 million) as of March 31, 2021 and 2022, respectively. Net current liabilities amounted to RMB314.3 million and RMB424.3 million as of March 31, 2021 and 2022, respectively.

We are entitled to an investment amount of US\$100 million for the subscription of our senior convertible preferred shares, of which US\$71.4 thousand for par value of the issued shares was received upon the closing. The remaining US\$9.9 million, US\$30 million, US\$20 million and US\$40 million will be received in September, December 2022, March and June 2023, respectively. Concurrently, in order to settle a long-term borrowing due in December 2022, we have entered into a loan agreement (with pledge of an equity interest in an investment) for a total of RMB290 million with a third party in July 2022. We also issued Class A ordinary shares to 58.com Holdings Inc. (“58.com”) in exchange for the full release of our obligations of US\$63 million under the convertible notes restructure which was further modified in July 2021. Meanwhile, we continue to optimize our cost and expense structure to improve the capital and operating efficiency of our business process. 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 (or to be received) from our recent financing transactions and the anticipated cash flows from operations will be sufficient to meet our anticipated working capital requirements and contractual obligations for the next twelve months and the consolidated financial statements have been prepared on a going concern basis.

Additionally, we have a total of RMB173.4 million consideration payable to WeBank and US\$81.9 million (equivalent to RMB519.2 million) long-term debt, among which RMB83.4 million in consideration payable to WeBank and US\$72.8 million (equivalent to RMB461.5 million) in long-term debt will mature after twelve months following the issuance of this annual report. In these obligations, the payments of RMB30 million in consideration payable to WeBank and US\$27.3 million (equivalent to RMB173.1 million) in long-term debt will be due in December 2023. These obligations, the rental commitment post completion of Hefei IRC and the probability that we may continue to incur, for the foreseeable future, net losses and negative cash flows from operation will significantly impact our liquidity at such time in the future. Concurrently, as part of the shares subscription agreement we entered into with NIO Capital and Joy Capital in June 2021, both investors retain their rights to exercise the warrants to purchase senior convertible preferred shares of up to US\$165 million. Our management’s plan to address liquidity matters relating to the maturity of these obligations and expected negative operating cash flows include: (i) negotiating with the warrants holders to exercise their warrants; (ii) restructuring existing obligations to reduce cash payments; and (iii) working on several other initiatives to further improve our working capital efficiency.

As of March 31, 2022, 97.2% 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. Although we consolidated the results of the former VIEs and their subsidiaries, we only had access to the assets or earnings of the former VIEs and their subsidiaries through our historical contractual arrangements with the former VIEs and their shareholders. See “Item 4. Information on the Company—C. Organizational Structure—Historical Contractual Agreements with the Former VIEs and Their Respective Shareholders and the Related Termination Agreements.” 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 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 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 the 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 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.

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 Years Ended March 31,		
	2019	2019	2020	2021	2022	
	RMB	RMB	RMB	RMB	RMB	US\$
Summary Consolidated Statements of Cash Flow Data:						
Net cash used in operating activities	(1,194,101)	(188,061)	(411,271)	(1,122,308)	(844,962)	(133,288)
Net cash (used in)/generated from investing activities	(484,254)	(6,645)	159,898	443,016	(16,769)	(2,646)
Net cash generated from/(used in) financing activities	73,630	(127,066)	(165,519)	130,317	764,422	120,585
Effect of exchange rate changes on cash, cash equivalents and restricted cash	960	(11,983)	4,065	(14,741)	(113)	(18)
Net decrease in cash, cash equivalents and restricted cash	(1,603,765)	(333,755)	(412,827)	(563,716)	(97,422)	(15,367)
Cash, cash equivalents and restricted cash recorded in held for sale assets at beginning of the period	1,001,325	1,001,325	25,074	—	—	—
Cash, cash equivalents and restricted cash at beginning of the year/(period)	1,812,702	1,812,702	1,185,188	797,435	233,719	36,868
Cash, cash equivalents and restricted cash recorded in held for sale assets at end of the period	25,074	1,223,916	—	—	—	—
Cash, cash equivalents and restricted cash at end of the year/(period)	1,185,188	1,256,356	797,435	233,719	136,297	21,501

Operating Activities

Net cash used in operating activities was RMB845.0 million (US\$133.3 million) for the fiscal year ended March 31, 2022. In the fiscal year of 2022, the difference between our net cash used in operating activities and our net loss RMB143.2 million (US\$22.6 million) mainly resulted from certain non-cash expenses and non-operating income, including shared-based compensation of RMB26.5 million, and partially offset by fair value impact of the issuance of senior convertible preferred shares of RMB186.2 million and waiver of operating payables of RMB73.7 million. Changes in the working capital accounts mainly included an increase of inventory of RMB372.1 million, a decrease of payables, accruals and other current liabilities of RMB266.9 million, a decrease in consideration payable to Webank of RMB81.6 million, and partially offset by a decrease in loans recognized as a result of payments under guarantees of RMB148.7 million. The increase in inventory was primarily attributable to the expansion of business scale. The decrease in payables, accruals and other current liabilities and consideration payable to Webank was mainly due to the settlement of our historical payables and instalment payments based on the

agreed-upon schedule with certain suppliers and WeBank. The decrease in loans recognized as a result of payments under guarantees was mainly due to our collection of outstanding balance.

Net cash used in operating activities was RMB1,122.3 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 mainly resulted from certain non-cash expenses and non-operating income, including impairment of net assets transferred of RMB420.0 million, inducement charges of RMB121.1 million, and partially offset by transaction gain from divestiture of transactions of RMB721.2 million and guarantee income of RMB207.8 million, and changes in certain working capital accounts. Changes in the working capital accounts mainly included a decrease in consideration payable to Webank of RMB334.3 million, a decrease in payables, accruals and other current liabilities of RMB354.7 million, partially offset by decrease in loans recognized as a result of payments under guarantees of RMB134.4 million and increase in amounts due to related parties of RMB69.4 million. The decrease in consideration payable 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 loans recognized as a result of payments under guarantees was mainly due to our cease of providing loan-facilitation business and balance of loans recognized as a result of payments under guarantees 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 loans recognized as a result of payments under guarantees 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 loans recognized as a result of payments under guarantees 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 loans recognized as a result of payments under guarantees 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 loans recognized as a result of payments under guarantees 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.

Investing Activities

Net cash used in investing activities was RMB16.8 million (US\$2.6 million) for the fiscal year ended March 31, 2022, primarily attributable to the purchase of property, equipment and software which was aligned with the expansion of our business scale.

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

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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.

Financing Activities

Net cash generated from financing activities was RMB764.4 million (US\$120.6 million) for the fiscal year ended March 31, 2022, primarily attributable to the proceeds from issuance of senior convertible preferred shares and partially offset by the repayments of borrowings and long-term debt.

Net cash generated from financing activities was RMB130.3 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.

Off-Balance Sheet Arrangements

We entered into a strategic partnership with Changfeng County Government of Hefei City (“Hefei”) on September 24, 2021 to jointly invest in and build a used car inspection and reconditioning plant. We expect the investment to be approximately RMB2.5 billion (including the investment from us and Hefei). After the completion of the plant, we plan to lease the plant from Hefei and are obligated to pay the rentals for the plant after the right-of-use is transferred to us.

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.

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 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 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 WFOEs 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. 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.

Material Cash Requirements

We made capital expenditures of RMB46.8 million, RMB0.3 million, RMB0.4 million and RMB18.7 million (US\$2.9 million) in 2019, three months ended March 31, 2020 and fiscal years ended March 31, 2021 and 2022, 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.

We intend to fund our future capital expenditures with our existing cash balance and anticipated cash flows from operations and financing activities. We will continue to make well-planned capital expenditures to meet the expected growth of our business.

Our material cash requirements as of March 31, 2022 and any subsequent interim period primarily include our borrowings, long-term debt obligations, interest payables, operating lease commitments contractual operating payables and capital expenditures.

Our borrowings primarily represent borrowing with original maturity of five years.

Our long-term debt obligations primarily consist of the remaining amount of US\$144.9 million convertible notes after a conversion of US\$69 million notes on July 12, 2021 and our consideration payable to Webank of RMB107.6 million to settle our historically facilitated loan's remaining guarantee obligations with Webank.

Our interest payable primarily relate to the cash interest in connection with our borrowing.

Our operating lease commitments primarily consist of our obligations under the lease agreements for our offices and IRCs.

Our contractual operating payables primarily relate to the instalment payment made to a certain supplier. The last payment will be made by December 2022.

Our capital expenditure is mainly related with the strategic partnership we entered into with Changfeng County Government of Hefei City on September 24, 2021 to jointly invest in and build a used car inspection and reconditioning center.

Other than the above, we did not have any significant capital and other commitments, long-term obligations, or guarantees as of March 31, 2022.

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, 2022 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. Critical Accounting Estimates

Our management's discussion and analysis of our financial condition and results of operations is based on our consolidated financial statements, which have been prepared in accordance with U.S. GAAP. The preparation of these consolidated financial statements requires us to make judgments and estimates that affect the reported amounts of assets, liabilities, revenue, expenses and related disclosures. We evaluate our judgments and estimates on an ongoing basis. Our estimates are based on historical experience and various other assumptions that we believe to be reasonable under the circumstances. Our actual results could differ from these estimates.

We consider an accounting estimate to be critical if: (i) the accounting estimate requires us to make assumptions about matters that were highly uncertain at the time the accounting estimate was made, and (ii) changes in the estimate that are reasonably likely to occur from period to period or use of different estimates that we reasonably could have used in the current period, would have a material impact on our financial condition or results of operations. There are other items within our financial statements that require estimation but are not deemed critical, as defined above. Changes in estimates used in these

and other items could have a material impact on our financial statements. For a detailed discussion of our significant accounting policies and related judgments, see Note 2 to our consolidated financial statements included elsewhere in this annual report on.

Warrant liabilities

In July 2021, we issued warrants to each of NIO Capital and Joy Capital to purchase up to 240,314,593 senior convertible preferred shares for an aggregate amount of US\$165 million. As the senior convertible preferred shares are considered contingently redeemable, the warrants are warrants on redeemable shares and fall within the scope of ASC 480. The warrants are recorded initially at fair value and subsequently remeasured to fair value at each reporting date with the changes in fair value recognized in “Fair value impact of the issuance of senior convertible preferred shares.”

The Black-Scholes option pricing model is used to measure the fair value of warrant liabilities. The determination of the fair value is affected by the fair value of senior convertible preferred shares as well as assumptions regarding a number of complex and subjective variables, including risk-free interest rate, expected volatility, dividend yield, expected term, etc. The fair value of warrant liabilities was determined by management with the assistance from an independent valuation firm using management’s estimates and assumptions. The assumptions used in the determination of the fair value of warrant liabilities represent management’s best estimates, but these estimates involve inherent uncertainties and application of management judgment. If factors change or different assumptions are used, the fair value of warrant liabilities could be materially different for any period.

For the purpose of determining the estimated fair value of the warrant liabilities, we believe the expected volatility and expected term are the most critical assumptions. Changes in each assumption could significantly affect the fair value of warrant liabilities and hence the amount of fair value impact of the issuance of senior convertible preferred shares we recognize in our consolidated financial statements. The expected volatility of our future share price was estimated based on the price volatility of the shares of comparable public companies that operate in the same or similar business. Our estimation of the fair value of warrant liabilities is highly sensitive to the expected volatility and expected term. If the expected volatility increased/decreased 10% with all other variables held constant, the loss before taxation for the fiscal year ended March 31, 2022 would have been approximately RMB15.9 million or RMB16.1 million higher/lower. If the expected term was halved with all other variables held constant, the loss before taxation for the fiscal year ended March 31, 2022 would have been approximately RMB49.5 million lower.

Restricted Share Units with Market Condition

We have granted certain management with restricted share units (“RSU”) which vest based upon certain market conditions. The market-based conditions are satisfied upon our achievement of specified fully diluted equity values, as determined based on our stock price.

We account for RSUs with market conditions as equity classified, with the effect of a market condition reflected in the award’s fair value on the grant date, in accordance with applicable accounting standards, and recognize the share-based compensation expense over the derived service period determined based on valuation techniques that are used to estimate fair value.

We determine the grant-date fair value utilizing a Monte Carlo valuation model, which incorporates various assumptions including expected share price volatility, risk-free interest rates, and expected timing and proceeds received due to the exercise of warrant and settlement of forward contract, which requires us to use judgement to evaluate. If our stock price and any of the assumptions used in the Monte Carlo model changes significantly, share-based compensation expense for future awards may differ materially compared with the awards granted previously.

For the purpose of determining the grant day fair value of RSU, we believe the expected volatility is the most critical assumption. Changes in it could significantly affect the grant day fair value of RSU and hence the amount of share-based compensation we recognize in our consolidated financial statements. The expected volatility of our future share price was estimated based on the price volatility of the shares of comparable public companies that operate in the same or similar business. Our estimation of the grant day fair value of RSU is highly sensitive to the expected volatility. The higher the expected volatility, the higher the grant day fair value of the RSU.

Allowance for current expected credit losses

Our primary receivables, namely loans recognized as a result of payments under guarantees which was resulted from the historical loan-facilitation service we provided, are within the scope of ASU No. 2016-13, “Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments” (“ASC Topic 326”). We have identified the relevant risk characteristics and grouped our receivables by credit status, product types, aging schedule, collateral types and other risk characteristics as appropriate in the calibration and adjustments of these parameters. Receivables with similar risk characteristics have been grouped into the same pools. We also incorporate the forward-looking impacts based on our best estimates of macroeconomic forecasts. Quantitative adjustments are applied to key parameters such as the probability of default, loss given default, and loss rates on a collective basis. We estimate loss rate considering the historical loss information, the recent performance of this portfolio, categories of credit status (normal, attention and secondary), the collateral, and the forecasts of selected macroeconomic factors. This is assessed at each quarter based on our specific facts and circumstances.

As of March 31, 2022, the expected credit loss provision for the loan recognized as a result of payment under guarantees amounted to RMB324.4 million (US\$51.1 million).

Recent Accounting Pronouncements

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

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	40	Chairman of the Board of Directors and Chief Executive Officer
Bin Li	48	Director
Erhai Liu	54	Director
Cheng Lu	40	Independent Director
Rong Lu	51	Independent Director
Zhuang Yang	68	Independent Director
Feng Lin	42	Chief Financial Officer
Zhitian Zhang	41	Chief Operating Officer
Wenbing Jing	42	Chief Strategy 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, 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 an extensive focus on China's 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.

Mr. Wenbing Jing rejoined us in November 2021 as our chief strategy officer and has extensive experience in strategy and operation management. Prior to re-joining Uxin, Mr. Jing served as vice president as well as general manager of the used car department at Autohome Inc. (NASDAQ: ATHM). Prior to that, Mr. Jing had served various roles at Uxin from 2011 to 2019, including general manager of Uxin's southern division, and executive president and chief strategy officer of Uxin. Mr. Jing received his master of laws from the school of law of Cardiff University in the United Kingdom.

B. Compensation

Compensation of Directors and Executive Officers

For the year ended March 31, 2022, we paid an aggregate of RMB2.7 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 27, 2022, 19,979,982 share options have been issued and outstanding under the Amended and Restated Plan. We also issued 1,337,502 restricted share units as of July 27, 2022.

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 exercise 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.

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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.

We have granted certain management restricted share units upon the satisfaction of certain market-based conditions, which are the achievement of specified fully diluted equity values, as determined based on our stock price. The aggregate number of restricted share units that may be potentially granted if such conditions are satisfied is 7% of all of the outstanding shares of our company as of the date that the conditions are satisfied. As of March 31, 2022, the conditions have not been satisfied and the underlying awards had not been vested.

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 27, 2022:

	Ordinary Shares Underlying Outstanding Options or Restricted Share units	(US\$/Share) Exercise Price	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
Wenbing Jing	*	0.0001 to 0.00000003	January 1, 2022 and June 14, 2022	August 20, 2028
Total	*			

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

As of July 27, 2022, other grantees as a group held options to purchase 19,282,482 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 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 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.

Board Diversity

Board Diversity Matrix (As of July 27, 2022)				
Country of Principal Executive Offices:	People’s Republic of China			
Foreign Private Issuer	Yes			
Disclosure Prohibited Under Home Country Law	No			
Total Number of Directors	6			
	Female	Male	Non-Binary	Did Not Disclose Gender
Part I: Gender Identity				
Directors	1	5	N/A	N/A
Part II: Demographic Background				
Underrepresented Individual in Home Country Jurisdiction	0			
LGBTQ+	0			

D. Employees

As of March 31, 2022, we had a total of 814 employees. We had a total of 6,455 employees as of December 31, 2019 and 693 employees as of March 31, 2021. The significant decline in the number of employees as of March 31, 2021 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, 2022 by function:

	As of March 31, 2022
Functions:	
Products and technology	90
Operations	144
Car inspection and inventory related personnel	119
Sales and pre-sales customer service	246
Fulfillment and after-sales customer service	82
Finance and legal	57
Human resources	42
Corporate communication and marketing	25
Others	9
Total	814

E. Share Ownership

The following table sets forth information with respect to the beneficial ownership of our ordinary shares as of July 27, 2022 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 3,156,223,997 shares outstanding as of July 27, 2022 (assuming all the outstanding senior convertible preferred shares are converted into Class A ordinary shares at the currently applicable conversion price), comprising of (i) 1,329,699,851 Class A ordinary shares, excluding 5,128,916 Class A ordinary shares issued to our depository 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) 1,151,221,338 senior convertible preferred shares, which can be converted into 1,785,714,285 Class A ordinary shares at the currently 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 (on an as-converted basis)	% †	% of Aggregate Voting Power†
Directors and Executive Officers**:						
Kun Dai ⁽¹⁾	14,764,090	40,809,861	—	55,573,951	1.8	12.0
Bin Li ⁽²⁾	—	—	1,158,503,599	1,454,600,307	42.8	38.6
Erhai Liu ⁽³⁾	—	—	458,782,405	776,028,879	22.8	20.6
Cheng Lu	—	—	—	—	—	—
Rong Lu	*	—	—	*	*	*
Zhuang Yang	—	—	—	—	—	—
Feng Lin	*	—	—	*	*	*
Zhitian Zhang	*	—	—	*	*	*
Wenbing Jing	*	—	—	*	*	*
All Directors and Executive Officers in the aggregate	20,890,810	40,809,861	1,617,286,004	2,292,329,857	62.9	66.3
Principal Shareholders:						
Xin Gao Group Limited ⁽⁴⁾	—	40,809,861	—	40,809,861	1.3	11.6
Nio Capital Entities ⁽²⁾	—	—	1,158,503,599	1,454,600,307	42.8	38.6
Astral Success Limited ⁽³⁾	—	—	458,782,405	776,028,879	22.8	20.6
GIC Private Limited ⁽⁵⁾	220,611,745	—	—	220,611,745	7.0	6.3
58.com Holdings Inc. ⁽⁶⁾	183,495,146	—	—	183,495,146	5.8	5.2

* 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 at the currently applicable conversion price, 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

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ordinary shares, Class B ordinary shares and senior convertible preferred shares, which are convertible into Class A ordinary shares at the currently applicable conversion price, 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 in May 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 1,158,503,599 senior convertible preferred shares, comprising of (i) 889,059,964 senior convertible preferred shares held by Abundant Grace Investment Limited, which are convertible into 1,142,857,143 Class A ordinary shares at the currently applicable conversion price, (ii) 29,129,042 senior convertible preferred shares held by Abundant Glory Investment L.P., which are convertible into 71,428,571 Class A ordinary shares at the currently applicable conversion price, (iii) up to 208,272,647 senior convertible preferred shares that may be acquired upon exercise of the warrant held by Abundant Grace Investment Limited, which are convertible into 208,272,647 Class A ordinary shares at the currently applicable conversion price, and (iv) up to 32,041,946 senior convertible preferred shares that may be acquired upon exercise of the warrant held by Abundant Glory Investment L.P., which are convertible into 32,041,946 Class A ordinary shares at the currently applicable conversion price. 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 Abundant Glory Investment L.P., and Mr. Bin Li is one of the managers of Nio Capital II LLC. The registered offices of Abundant Grace Investment Limited and Abundant Glory Investment L.P. are 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.
- (3) Represents 458,782,405 senior convertible preferred shares, comprising of (i) 218,467,812 senior convertible preferred shares held by Astral Success Limited, which are convertible into 535,714,286 Class A ordinary shares at the currently applicable conversion price, and (ii) 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, which are convertible into 240,314,593 Class A ordinary shares at the currently applicable conversion price. 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, P.O. Box 10240, Grand Cayman KY1-1002, Cayman Islands.
- (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 27, 2022, all Class B ordinary shares held by Xin Gao Group Limited, representing 3.0% of outstanding ordinary shares and 11.6% of voting power of Uxin Limited on a fully converted basis, had been pledged to the Key Investors in connection with the issuance of the Notes. See footnote (1) above.

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- (5) Represents 220,611,745 Class A ordinary shares beneficially owned by GIC Private Limited (“GIC”). 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 181,212,499 securities beneficially owned by the GoS. GIC shares power to vote and dispose of 39,399,246 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 February 8, 2022.
- (6) Represents 183,495,146 Class A ordinary shares beneficially owned by 58.com Holdings Inc., a business company incorporated under the laws of the British Virgin Islands, which is wholly owned by 58.com Inc., an exempted company incorporated under the laws of the Cayman Islands. The business address of both 58.com Holdings Inc. and 58.com Inc. is Building 105, 10 Jiuxianqiao North Road Jia, Chaoyang District, Beijing 100015, People’s Republic of China. The above is based on the Schedule 13D/A filed by 58.com Holdings Inc. and 58.com Inc. on July 20, 2022.

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 27, 2022, 1,370,509,712 of our ordinary shares and 1,151,221,338 of our senior convertible preferred shares were issued and outstanding. To our knowledge, a total of 921,775,830 Class A ordinary shares were held by five record holders in the United States, representing approximately 29.2% of our total outstanding ordinary shares, assuming the senior convertible preferred shares are converted into Class A ordinary shares at the currently applicable conversion price (including 5,128,916 Class A ordinary shares issued to our depository 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 depository 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

Historical 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, the former VIEs, and their 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.

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—Divestiture of 2B business.” 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. We sold inventory leads of RMB10.9 million for the fiscal year 2021 and 176 thousand to 58.com for the fiscal year 2022 to 58.com.

Other Transactions with 58.com

In 2019, three months ended March 31, 2020 and the fiscal years ended March 31, 2021 and 2022, 58.com provided advertising and other services to us at arm’s length in the amount of RMB47.1 million, RMB23.5 million, RMB89.8 million and nil, respectively.

On July 19, 2022, we issued 183,495,146 Class A ordinary shares to 58.com in exchange for the full release of the our obligations of US\$63 million under the 2024 Notes which was further modified in July 2021. These shares were issued at a price equivalent to US\$0.3433 per Class A ordinary share. In connection with the foregoing transaction, we and 58.com have mutually released the other party from claims arising out of certain obligations under certain historical transactions, primarily including 2B unreceived disposal consideration and accrued advertising expenses.

Transactions with Weiche

In the fiscal year ended March 31, 2022, Weiche provided advertising services to us at arm’s length in the amount of RMB351 thousand (US\$55 thousand).

Transactions with NIO Capital and Joy Capital

The second closing for the amounts of US\$27.5 million, US\$10 million and US\$7.5 million were completed in November 2021, March 2022 and June 2022, respectively, pursuant to the financing transaction entered into among us, NIO Capital and Joy Capital in June 2021.

Transaction with NIO Capital

On June 30, 2022, we entered into a definitive agreement with affiliates of an existing shareholder, NIO Capital, pursuant to which, NIO Capital has agreed to subscribe 714,285,714 senior convertible preferred shares for an aggregate amount of US\$100 million, which will be paid in multiple installments. The 714,285,714 senior convertible preferred shares were issued on July 27, 2022 in connection with the closing and we have received the first installment

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 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 Amended and Restated Certificate of Designation (as defined below). 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 Amended and Restated Certificate of Designation (as defined below), 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.

Amended and Restated Certificate of Designation and Preferred Shares

We have issued senior convertible preferred shares on July 12 2021, which originally had 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 “Prior Certificate of Designation”). On the same day, we also issued warrants to purchase senior convertible preferred shares. We subsequently issued additional senior convertible preferred shares in November 2021, March 2022, and June and July 2022. On July 29, 2022, we approved, authorized and adopted an Amended and Restated Certificate of Designation (the “Amended and Restated Certificate of Designation”), which amended, restated, superseded and replaced in its entirety the Prior Certificate of Designation, to the intent and effect that all senior convertible preferred shares (including all senior convertible preferred shares then issued and outstanding) have the rights, preferences, privileges and restrictions set out in the Amended and Restated Certificate of Designation.

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 or US\$0.14, as applicable. 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 applicable 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 applicable 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 applicable 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 applicable 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, provided that, to the extent that the applicable stated value of a senior preferred share has not been fully paid at the time of the redemption, the redemption price for such senior convertible preferred share shall be calculated based on the part of the applicable stated value that has been paid (including the par value).

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 share purchase agreement with, and issued warrants to, Abundance Grace Investment Limited, an affiliate of NIO Capital, and Astral Success Limited, an affiliate of Joy Capital, in connection with a financing transaction.

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 second closing in the amount of US\$27.5 million and US\$10 million US\$7.5 million was completed for the issuance of 80,104,865, 29,129,042 and 21,846,781 senior convertible preferred shares in November 2021, March 2022 and June 2022, respectively. 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. In July 2022, NIO Capital assigned its rights and obligations to subscribe for 14,564,520 senior convertible preferred shares under the second closing for the total price of US\$5 million to an independent third party. On the same day, we issued 14,564,520 senior convertible preferred shares to the third party and the second closing of the transaction was completed.

Warrant. On July 12, 2021, we 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.

In June 2022, we entered into a share subscription agreement with Abundance Grace Investment Limited, an affiliate of NIO Capital, in connection with another round of financing transaction.

Share Subscription Agreement. On June 30, 2022, we entered into a share subscription agreement with NIO Capital, pursuant to which NIO Capital agreed to subscribe for 714,285,714 of our newly issued senior convertible preferred shares for an aggregate amount of US\$100 million, which will be paid in multiple installments. The 714,285,714 senior convertible preferred shares were issued on July 27, 2022 in connection with the closing.

Set forth below is a summary of certain other agreements in connection with the above transactions.

Amended and Restated Investors' Rights Agreement. On July 27, 2022, we entered into an investors' rights agreement with NIO Capital and Joy Capital, which amended and restated the investor's rights agreement on July 12, 2021. Pursuant to

the amended and restated investors' rights agreement, NIO Capital and Joy Capital enjoy certain information rights, co-sale rights and rights of first refusal. In addition, they agreed to certain lock-up and transfer restrictions. 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 27, 2022, we entered into an additional voting agreement with NIO Capital and Joy Capital, pursuant to which, 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. Mr. Kun Dai is entitled to nominate one director and one independent director under certain conditions.

Registration Rights Agreement. On July 27, 2022, we entered into a registration rights agreement with NIO Capital. Pursuant to the registration rights agreement, on or no later than three business days after the earlier of (i) the date of the filing of the annual report on Form 20-F for the fiscal year ended March 31, 2022 and (ii) July 31, 2022, 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 also has piggyback registration rights under this registration rights agreement.

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, 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 the former 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 the former 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 the former VIEs and their subsidiaries for U.S. federal income tax purposes, and based on the current and anticipated value of our assets and the composition of our income and assets, including goodwill and other unbooked intangibles, we do not believe that we were a PFIC for our taxable year ended March 31, 2022 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). In particular, recent declines in the market price of our ADSs increased our risk of becoming a PFIC for the current taxable year. The market price of our ADSs may continue to fluctuate considerably and, consequently, we cannot assure you of our PFIC status for any taxable year. 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.

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 depository, in the case of ADSs. Because we do not intend to determine our earnings and profits on the basis of U.S. federal income tax principles, any distribution we pay will generally be treated as a “dividend” for U.S. federal income tax purposes. Dividends received on the ADSs or Class A ordinary shares will not be eligible for the dividends received deduction allowed to corporations in respect of dividends received from U.S. corporations.

Individuals and other non-corporate U.S. Holders will be subject to tax at the lower capital gains tax rate applicable to “qualified dividend income,” provided that certain conditions are satisfied, including that (1) the ADSs or Class A ordinary shares on which the dividends are paid are readily tradable on an established securities market in the United States, or, in the event that we are deemed to be a PRC resident enterprise under the PRC tax law, we are eligible for the benefit of the United States-PRC income tax treaty (the “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, and (3) certain holding period requirements are met. Our ADSs are listed on the Nasdaq Global Select Market, which is an established securities market in the United States, and the ADSs are expected to be readily tradable. 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 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 Treaty 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. The rules governing foreign tax credits are complex and U.S. Holders are urged to consult their tax advisors regarding the availability of the foreign tax credit under their particular circumstances.

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.

As described in “Item 10. Additional Information—E. Taxation—People’s Republic of China Taxation,” if we are deemed to be a PRC resident enterprise under the PRC Enterprise Income Tax Law, gains from the disposition of the ADSs or Class A ordinary shares may be subject to PRC income tax and will generally be U.S. source, which may limit the ability to receive a foreign tax credit. If a U.S. Holder is eligible for the benefits of the Treaty, such holder may be able to elect to treat such gain as PRC source income under the Treaty. Pursuant to recently issued United States Treasury regulations, however, if a U.S. Holder is not eligible for the benefits of the Treaty or does not elect to apply the Treaty, then such holder may not be able to claim a foreign tax credit arising from any PRC tax imposed on the disposition of the ADSs or Class A ordinary shares. The rules regarding foreign tax credits and deduction of foreign taxes are complex. U.S. Holders should consult their tax advisors regarding the availability of a foreign tax credit or deduction in light of their particular circumstances, including their eligibility for benefits under the Treaty, and the potential impact of the recently issued United States Treasury regulations.

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, the former VIEs or any of the subsidiaries of the former 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, the former VIEs or any of the subsidiaries of the former 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. Our ADSs, but not our Class A ordinary shares, are traded on the NASDAQ Global Select Market, which is a qualified exchange for these purposes, and, consequently, we anticipate that our ADSs should qualify as being regularly traded, 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.

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Because a mark-to-market election cannot technically 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.

E. 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 March 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 depository 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 depository 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 depository 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, 2022, we had RMB-denominated cash and cash equivalents and restricted cash RMB132.7 million, and U.S. dollar-denominated cash balances of US\$0.6 million. Assuming we had converted RMB132.7 million into U.S. dollars at the exchange rate of RMB6.3393 for US\$1.00 as of March 31, 2022, our U.S. dollar cash balance would have been US\$20.9 million. If the RMB had depreciated by 10% against the U.S. dollar, our U.S. dollar cash balance would have been US\$19.0 million instead. Assuming we had converted US\$0.6 million into RMB at the exchange rate of RMB6.3393 for US\$1.00 as of March 31, 2022, our RMB cash balance would have been RMB3.6 million. If the RMB had depreciated by 10% against the U.S. dollar, our RMB cash balance would have been RMB3.96 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 2019, 2020 and 2021 were increases of 4.5%, 0.2% and 1.5%, respectively. Although we have not been materially affected by inflation in the past, we can provide no assurance that we will not be affected in the future by higher rates of inflation in the PRC. For example, certain operating costs and expenses, such as employee compensation and office operating expenses may increase as a result of higher inflation. Additionally, because a substantial portion of our assets consists of cash and cash equivalents and short-term investments, high inflation could significantly reduce the value and purchasing power of these assets. We are not able to hedge our exposure to higher inflation in China.

Item 12. Description of Securities Other than Equity Securities

A. Debt Securities

Not applicable.

B. Warrants and Rights

Not applicable.

C. Other Securities

Not applicable.

D. American Depositary Shares

Fees and Charges Our ADS holders May Have to Pay

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

Persons depositing or withdrawing Class A ordinary shares or ADS holders must pay:	For:
\$5.00 (or less) per 100 ADSs (or portion of 100 ADSs)	Issuance of ADSs, including issuances resulting from a distribution of Class A ordinary shares or rights or other property
	Cancellation of ADSs for the purpose of withdrawal, including if the deposit agreement terminates
\$0.05 (or less) per ADS	Any cash distribution to ADS holders
A fee equivalent to the fee that would be payable if securities distributed to you had been Class A ordinary shares and the Class A ordinary shares had been deposited for issuance of ADSs	Distribution of securities distributed to holders of deposited securities (including rights) that are distributed by the depositary to ADS holders
\$0.05 (or less) per ADS per calendar year	Depositary services
Registration or transfer fees	Transfer and registration of Class A ordinary shares on our share register to or from the name of the depositary or its agent when you deposit or withdraw Class A ordinary shares
Expenses of the depositary	Cable and facsimile transmissions (when expressly provided in the deposit agreement) Converting foreign currency to U.S. dollars
Taxes and other governmental charges the depositary or the custodian has to pay on any ADSs or Class A ordinary shares underlying ADSs, such as stock transfer taxes, stamp duty or withholding taxes	As necessary
Any charges incurred by the depositary or its agents for servicing the deposited securities	As necessary

Fees and Other Payments Made by the Depositary to Us

The depositary has agreed to reimburse us annually for our expenses incurred in connection with investor relationship programs and any other program related to our ADS facility and the travel expense of our key personnel in connection with such programs. The depositary has also agreed to provide additional payments to us based on the applicable performance indicators relating to our ADS facility. There are limits on the amount of expenses for which the depositary will reimburse us, but the amount of reimbursement available to us is not necessarily tied to the amount of fees the depositary collects from investors. In April 2022, we received approximately US\$2.0 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

None.

Item 15. Controls and Procedures

A. 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, 2022, because of the material weakness 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.

B. 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, 2022, 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, 2022 due to a material weakness identified in our internal control over financial reporting as described below.

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.

Internal Control Over Financial Reporting

During the audit of our financial statements for the fiscal year ended March 31, 2022, we determined that one material weakness (initially identified in connection with the audit for the years ended December 31, 2016 and 2017) remains unremediated at the end of fiscal year 2022. As defined in the standards established by the Public Company Accounting Oversight Board of the United States, a "material weakness" is a deficiency, or a combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis. The material weakness identified is related to the lack of sufficient accounting staff and management resources with appropriate knowledge of U.S. GAAP and SEC reporting and compliance requirements.

We are in the process of implementing a number of measures to address the material weakness identified, including: (i) hire more qualified financial and reporting personnel, including financial reporting manager, 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; and (iii) enhance our process and controls in dealing with non-recurring and complex transactions.

Another material weakness (also initially identified in connection with the audit for the years ended December 31, 2016 and 2017) was related to insufficient documented financial closing policies and procedures, specifically those related to period end expenses cut-off and accruals. This material weakness was remediated as of March 31, 2022 through the implementation of a number of measures, including: (1) the establishment of sufficient and formal financial closing policies and procedures, especially those related to period end expenses cut-off and accruals, and (2) the allocation of resources to enhance the internal audit function to ensure proper design and implementation of our accounting policies and financial reporting procedures.

We cannot assure you that we will remediate our remaining material weakness in a timely manner. The process of designing and implementing an effective financial reporting system is a continuous effort that requires us to anticipate and react to changes in our business and the economic and regulatory environments and to expend significant resources to maintain a financial reporting system that is adequate to satisfy our reporting obligation. 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.”

C. Attestation Report of the Registered Public Accounting Firm

Our independent registered public accounting firm, PricewaterhouseCoopers Zhong Tian LLP, has audited the effectiveness of our company’s internal control over financial reporting as of March 31, 2022, as stated in its report, which appears on page F-2 of this annual report on Form 20-F.

D. 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.

	<u>In the Fiscal Year ended March 31, 2021</u>	<u>In the Fiscal Year ended March 31, 2022</u>
Audit fees ⁽¹⁾	US\$818,096	US\$1,381,856
All other fees ⁽²⁾	—	—

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- (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 the fiscal year of 2021 and 2022, 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 connection with the transaction with Nio Capital and Joy Capital in June 2021, the transaction with NIO Capital in July 2022 and the adoption of 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.

Item 16I. Disclosure Regarding Foreign Jurisdiction that Prevent Inspections

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 the former VIEs, as applicable, 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 (incorporated by reference to Exhibit 1.2 of the annual report on Form 20-F filed by the Registrant with the Securities and Exchange Commission on July 30, 2021)
1.3	Form of Warrant to Purchase Senior Convertible Preferred Shares of the Registrant dated July 12, 2021 (incorporated by reference to Exhibit 1.3 of the annual report on Form 20-F filed by the Registrant with the Securities and Exchange Commission on July 30, 2021)
1.4*	Amended and Restated Certificate of Designation of Senior Convertible Preferred Shares of the Registrant dated July 27, 2022
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 depository 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)

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- 4.5 [English translation of the Fourth Amended and Restated Equity Interest Pledge Agreement among Youxinpai, Youxin Hulian and Mr. Kun Dai dated November 23, 2016 \(incorporated by reference to Exhibit 10.5 of the registration statement on Form F-1 \(file no. 333-225266\), as amended, filed by the Registrant with the Securities and Exchange Commission on May 29, 2018\)](#)
- 4.6 [English translation of the Fourth Amended and Restated Power of Attorney issued by Mr. Kun Dai to Youxinpai dated November 23, 2016 \(incorporated by reference to Exhibit 10.6 of the registration statement on Form F-1 \(file no. 333-225266\), as amended, filed by the Registrant with the Securities and Exchange Commission on May 29, 2018\)](#)
- 4.7 [English translation of the Fifth Amended and Restated Exclusive Option Agreement among Youxinpai, Youxin Hulian and Mr. Kun Dai dated February 4, 2018 \(incorporated by reference to Exhibit 10.7 of the registration statement on Form F-1 \(file no. 333-225266\), as amended, filed by the Registrant with the Securities and Exchange Commission on May 29, 2018\)](#)
- 4.8 [English translation of the Equity Interest Pledge Agreement among Youxinpai, Youxin Hulian and Beijing Min Si Lian Hua Investment Management Co., Ltd. dated September 11, 2014 \(incorporated by reference to Exhibit 10.8 of the registration statement on Form F-1 \(file no. 333-225266\), as amended, filed by the Registrant with the Securities and Exchange Commission on May 29, 2018\)](#)
- 4.9 [English translation of the Power of Attorney issued by Beijing Min Si Lian Hua Investment Management Co., Ltd. to Youxinpai dated September 11, 2014 \(incorporated by reference to Exhibit 10.9 of the registration statement on Form F-1 \(file no. 333-225266\), as amended, filed by the Registrant with the Securities and Exchange Commission on May 29, 2018\)](#)
- 4.10 [English translation of the Amended and Restated Exclusive Option Agreement among Youxinpai, Youxin Hulian and Beijing Min Si Lian Hua Investment Management Co., Ltd. dated February 4, 2018 \(incorporated by reference to Exhibit 10.10 of the registration statement on Form F-1 \(file no. 333-225266\), as amended, filed by the Registrant with the Securities and Exchange Commission on May 29, 2018\)](#)
- 4.11 [English translation of the Loan Agreement between Youxinpai and Mr. Kun Dai dated November 23, 2016 \(incorporated by reference to Exhibit 10.11 of the registration statement on Form F-1 \(file no. 333-225266\), as amended, filed by the Registrant with the Securities and Exchange Commission on May 29, 2018\)](#)
- 4.12 [English translation of the Exclusive Business Cooperation Agreement between Yougu and Yishouche dated April 9, 2016 \(incorporated by reference to Exhibit 10.12 of the registration statement on Form F-1 \(file no. 333-225266\), as amended, filed by the Registrant with the Securities and Exchange Commission on May 29, 2018\)](#)
- 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\)](#)

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- 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\)](#)

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- 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](#)
- 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 \(incorporated by reference to Exhibit 4.32 of the annual report on Form 20-F filed by the Registrant with the Securities and Exchange Commission on May 12, 2020\)](#)

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- 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 \(incorporated by reference to Exhibit 4.34 of the annual report on Form 20-F filed by the Registrant with the Securities and Exchange Commission on May 12, 2020\)](#)
- 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 Co., 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 \(incorporated by reference to Exhibit 4.38 of the annual report on Form 20-F filed by the Registrant with the Securities and Exchange Commission on July 30, 2021\)](#)
- 4.39 [Registration Rights Agreement by and between the Registrant and GIC Private Limited dated October 8, 2020 \(incorporated by reference to Exhibit 4.39 of the annual report on Form 20-F filed by the Registrant with the Securities and Exchange Commission on July 30, 2021\)](#)

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- 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 \(incorporated by reference to Exhibit 4.40 of the annual report on Form 20-F filed by the Registrant with the Securities and Exchange Commission on July 30, 2021\)](#)
- 4.41 [Share Subscription Agreement by and among the Registrant, Astral Success Limited and Abundant Grace Investment Limited dated June 14, 2021 \(incorporated by reference to Exhibit 4.41 of the annual report on Form 20-F filed by the Registrant with the Securities and Exchange Commission on July 30, 2021\)](#)
- 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 \(incorporated by reference to Exhibit 4.42 of the annual report on Form 20-F filed by the Registrant with the Securities and Exchange Commission on July 30, 2021\)](#)
- 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 \(incorporated by reference to Exhibit 4.43 of the annual report on Form 20-F filed by the Registrant with the Securities and Exchange Commission on July 30, 2021\)](#)
- 4.44 [Registration Rights Agreement by and among the Registrant, Astral Success Limited and Abundant Grace Investment Limited dated July 12, 2021 \(incorporated by reference to Exhibit 4.44 of the annual report on Form 20-F filed by the Registrant with the Securities and Exchange Commission on July 30, 2021\)](#)

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- 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 \(incorporated by reference to Exhibit 4.45 of the annual report on Form 20-F filed by the Registrant with the Securities and Exchange Commission on July 30, 2021\)](#)
- 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 \(incorporated by reference to Exhibit 4.46 of the annual report on Form 20-F filed by the Registrant with the Securities and Exchange Commission on July 30, 2021\)](#)
- 4.47 [English Summary of Material Contract Terms of the Investment Cooperation Agreement between Changfeng County Government of Hefei City and Uxin \(Hefei\) Automobile Intelligent Remanufacturing Co., Ltd. \(incorporated by reference to Exhibit 4.8 of the current report on Form 6-K filed by the Registrant with the Securities and Exchange Commission on December 7, 2021\)](#)
- 4.48* [English Translation of Termination Agreement among Youxinpai, Youxin Hulian and its shareholders dated March 31, 2022](#)
- 4.49* [English Translation of Termination Agreement among Yougu, Yishouche and its shareholders dated March 31, 2022](#)
- 4.50*† [Share Subscription Agreement between the Registrant and Abundant Grace Investment Limited on June 30, 2022](#)
- 4.51* [Amended and Restated Investors' Rights Agreement by and among the Registrant, Kun Dai, Xin Gao Group Limited, Astral Success Limited, Abundant Grace Investment Limited and Abundant Glory Investment L.P. dated July 27, 2022](#)
- 4.52* [Registration Rights Agreement by and among the Registrant and Abundant Grace Investment Limited dated July 27, 2022](#)
- 4.53*† [Voting Agreement by and among the Registrant, Kun Dai, Xin Gao Group Limited, Astral Success Limited, Abundant Grace Investment Limited and Abundant Glory Investment L.P. dated July 27, 2022](#)
- 4.54*† [Framework Agreement among the Registrant, 58.com and other parties dated July 18, 2022](#)
- 4.55* [Note Conversion and Share Exchange Letter dated July 18, 2022](#)

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8.1*	List of Principal Subsidiaries 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*	Inline XBRL Instance Document
101.SCH*	Inline XBRL Taxonomy Extension Schema Document 140
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104*	Cover Page Interactive Data File (embedded within the Inline XBRL document)

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* 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: August 1, 2022

UXIN LIMITED

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Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders of Uxin Limited

Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying consolidated balance sheets of Uxin Limited and its subsidiaries (the “Company”) as of March 31, 2022 and 2021, and the related consolidated statements of comprehensive loss, changes in shareholders’ equity/(deficit) and cash flows for the fiscal years ended March 31, 2022 and 2021, for the three months ended March 31, 2020, and for the year ended December 31, 2019, including the related notes (collectively referred to as the “consolidated financial statements”). We also have audited the Company’s internal control over financial reporting as of March 31, 2022, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of March 31, 2022 and 2021, and the results of its operations and its cash flows for the fiscal years ended March 31, 2022 and 2021, for the three months ended March 31, 2020, and for the year ended December 31, 2019 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company did not maintain, in all material respects, effective internal control over financial reporting as of March 31, 2022, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the COSO because a material weakness in internal control over financial reporting existed as of that date related to the Company’s lack of sufficient accounting staff and management resources with appropriate knowledge of U.S. GAAP and SEC reporting and compliance requirements.

A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the annual or interim financial statements will not be prevented or detected on a timely basis. The material weakness referred to above is described in Management’s Annual Report on Internal Control over Financial Reporting appearing under Item 15B. We considered this material weakness in determining the nature, timing, and extent of audit tests applied in our audit of the fiscal year 2022 consolidated financial statements, and our opinion regarding the effectiveness of the Company’s internal control over financial reporting does not affect our opinion on those consolidated financial statements.

Basis for Opinions

The Company’s management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting included in management’s report referred to above. Our responsibility is to express opinions on the Company’s consolidated financial statements and on the Company’s internal control over financial reporting 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 in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements 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. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness

of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed 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. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness 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 or procedures may deteriorate.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the consolidated financial statements that were communicated or required to be communicated to the audit committee and that (i) relate to accounts or disclosures that are material to the consolidated financial statements and (ii) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Fair value of warrant liabilities

As described in Notes 17 and 21 to the consolidated financial statements, the Company issued warrants to each of NIO Capital and Joy Capital to purchase senior convertible preferred shares in July 2021. As of March 31, 2022, the Company had warrant liabilities of RMB196.4 million. For the year ended March 31, 2022, the Company recognized a decrease in estimated fair value of the warrant liabilities in the amount of RMB424.5 million. The fair value of warrant liabilities was estimated by management based on the Black-Scholes option pricing model. As the Company's warrant liabilities are not traded in an active market with readily observable prices, the use of this model includes significant unobservable inputs to measure the fair value of the warrant liabilities which required management to make judgments and assumptions relating to expected volatility and expected term.

The principal considerations for our determination that performing procedures relating to fair value of warrant liabilities is a critical audit matter are the significant judgment by management when developing the fair value measurement of the warrants, which in turn led to a high degree of auditor judgment, subjectivity and effort in performing procedures and evaluating audit evidence relating to management's significant assumptions. The audit effort also involved the use of professionals with specialized skill and knowledge.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to management's estimation of the fair value of warrant liabilities, including controls over the development of the significant assumptions related to the fair value measurement. These procedures included, among others, (a) reading the senior convertible preferred shares subscription agreement and warrants issuance letter; (b) evaluating the competence, capability and objectivity of the independent valuation firm engaged by the Company; (c) testing management's process to estimate the fair value of the warrant liabilities; (d) evaluating the appropriateness of the Black-Scholes option pricing model; (e) testing the completeness, accuracy and relevance of underlying data used in the model; (f) testing the mathematical accuracy of the fair value estimation; and (g) evaluating management's significant assumptions, including expected volatility and expected term by: (i) considering the reasonableness of relevant industry companies selected for comparison; (ii) considering the reliability and objectivity of data sources; and (iii) considering whether the assumptions and estimates used were consistent

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with evidence obtained in other areas of the audit. In addition, the audit effort involved the use of professionals with specialized skill and knowledge to assist in performing these procedures and evaluating the audit evidence obtained from these procedures.

Going concern assessment

As described in Note 1 to the consolidated financial statements, the Company's consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and liquidation of liabilities during the normal course of operations. The Company has an extended history of net losses, net cash used in operating activities, and accumulated deficits. Such adverse conditions and events, before consideration of management's liquidity plans, raised substantial doubt about the Company's ability to continue as a going concern. Management has developed its liquidity plans to mitigate these adverse conditions and events and has incorporated the expected impacts of these plans within its forecasted cash flows for the twelve months period immediately following the date of issuance of the Company's fiscal year 2022 consolidated financial statements (the "Period"). Management has concluded that its liquidity plans, when implemented effectively, will alleviate the substantial doubt regarding the Company's ability to continue as a going concern. Such conclusion required management to make estimations and judgements that: (i) the start date, and related operating cash outflows, for the lease of the new inspection and reconditioning center ("IRC") in Hefei will not commence during the Period; (ii) a borrowing in the amount of RMB290 million, including principal and unpaid interest, will be settled within the Period using proceeds under a third-party borrowing agreement that is available to the Company; (iii) proceeds of US\$100 million will be paid to the Company on a timely basis under the terms of a senior convertible preferred shares subscription agreement; and (iv) all other capital and operating activities of the Company will not require significant use of cash flows within the Period.

The principal considerations for our determination that performing procedures relating to going concern assessment is a critical audit matter are the significant estimations and judgments by management when developing its forecasted cash flows included in the going concern assessment. This in turn led to a high degree of auditor judgment, subjectivity, and effort in performing procedures and evaluating audit evidence relating to management's forecasted cash flows.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of internal controls relating to management's going concern assessment, including the Company's controls over the preparation of the liquidity plans and its impact upon forecasted cash flows. These procedures also included, among others, (i) understanding and testing management's process for developing the forecasted cash flows included in the going concern assessment; (ii) testing the completeness, accuracy, and relevance of underlying data used in developing the forecasted cash flows; and (iii) evaluating the reasonableness of the estimations and judgements made by management in evaluating whether the liquidity plans will be effectively implemented including (a) evaluating the reasonableness of the expected commencement date for capital expenditures and operational expenses of the Hefei IRC by inspection of the agreements signed in relation to the Hefei IRC; (b) corroborating the construction period as specified in the infrastructure design agreement with the Company's forecasted cash flows; (c) observing the current construction status through a site visit on the location of the future Hefei IRC; (d) reading the third-party borrowing agreement dated July 28, 2022 and confirming key terms with the third-party and timing of the payment to the Company; (e) reading the senior convertible preferred shares subscription agreement dated June 30, 2022 and confirming key terms with the third-party, including the timing of payments to the Company during the Period; and (f) considering the Company's current and past performance, reviewing management's schedule of commitments and Note 25 Contingencies and Commitments to the consolidated financial statements, and reading minutes of meetings of the Company's Board of Directors and its committees, to confirm no significant use of cash flow within the Period for all other capital and operating activities of the Company.

/s/PricewaterhouseCoopers Zhong Tian LLP
Shanghai, the People's Republic of China
August 1, 2022

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

UXIN LIMITED

CONSOLIDATED BALANCE SHEETS
AS OF MARCH 31, 2021 AND 2022

(All amounts in thousands, except for share and per share data, unless otherwise noted)

	March 31, 2021	March 31, 2022	
	RMB	RMB	US\$ (Note 2.7)
ASSETS			
Current assets:			
Cash and cash equivalents	192,605	128,021	20,195
Restricted cash	41,114	8,276	1,306
Accounts receivable, net	2,446	832	131
Amounts due from related parties, net of provision for credit losses of RMB6,456 as of March 31, 2021	129,383	—	—
Loans recognized as a result of payments under guarantees, net of provision for credit losses of RMB1,182,609 and RMB324,371 as of March 31, 2021 and 2022, respectively	179,947	54,888	8,658
Other receivables, net of provision for credit losses of RMB20,980 and RMB30,251 as of March 31, 2021 and 2022, respectively	110,025	166,006	26,187
Inventory, net	69,587	426,257	67,240
Forward contract assets	—	36	6
Prepaid expenses and other current assets	107,836	90,012	14,199
Total current assets	832,943	874,328	137,922
Non-current assets:			
Property, equipment and software, net	29,306	34,531	5,447
Intangible assets, net	27	—	—
Long-term investments	288,428	288,756	45,550
Other non-current assets	36,000	24,000	3,786
Right-of-use assets, net	46,829	29,584	4,667
Total non-current assets	400,590	376,871	59,450
Total assets	1,233,533	1,251,199	197,372

UXIN LIMITED

CONSOLIDATED BALANCE SHEETS
AS OF MARCH 31, 2021 AND 2022

(All amounts in thousands, except for share and per share data, unless otherwise noted)

	March 31, 2021	March 31, 2022	
	RMB	RMB	US\$ (Note 2.7)
LIABILITIES, MEZZANINE EQUITY AND SHAREHOLDERS' DEFICIT			
Current liabilities			
Accounts payable	101,205	92,534	14,597
Guarantee liabilities	2,441	179	28
Amounts due to related parties	69,434	—	—
Other payables and other current liabilities	894,565	674,333	106,373
Warrant liabilities	—	196,390	30,980
Current portion of long-term borrowings	79,560	233,000	36,755
Current portion of long-term debt	—	102,206	16,123
Total current liabilities	1,147,205	1,298,642	204,856
Non-current liabilities			
Consideration payable to WeBank	200,778	107,642	16,980
Operating lease liabilities	34,365	10,866	1,714
Convertible notes	1,614,040	—	—
Long-term borrowings	233,000	—	—
Long-term debt	—	817,648	128,981
Total non-current liabilities	2,082,183	936,156	147,675
Total liabilities	3,229,388	2,234,798	352,531

UXIN LIMITED

CONSOLIDATED BALANCE SHEETS
AS OF MARCH 31, 2021 AND 2022

(All amounts in thousands, except for share and per share data, unless otherwise noted)

	March 31, 2021	March 31, 2022	
	RMB	RMB	US\$ (Note 2.7)
Contingencies and commitments			
Mezzanine equity			
Senior convertible preferred shares (US\$0.0001 par value, nil and 1,000,000,000 shares authorized as of March 31, 2021 and 2022, respectively; nil and 400,524,323 shares issued and outstanding as of March 31, 2021 and 2022, respectively)	—	526,484	83,051
Total Mezzanine equity	—	526,484	83,051
Shareholders' deficit			
Ordinary shares (US\$0.0001 par value, 10,000,000,000 and 9,000,000,000 shares authorized as of March 31, 2021 and 2022, respectively; 1,071,621,698 Class A ordinary shares and 1,146,044,859 Class A ordinary shares issued and outstanding as of March 31, 2021 and 2022, respectively; 40,809,861 Class B ordinary shares issued and outstanding as of March 31, 2021 and 2022)	733	782	123
Additional paid-in capital	13,695,877	14,254,109	2,248,530
Accumulated other comprehensive income	217,747	288,461	45,504
Accumulated deficit	(15,910,049)	(16,053,272)	(2,532,341)
Total UXIN LIMITED shareholders' deficit	(1,995,692)	(1,509,920)	(238,184)
Non-controlling interests	(163)	(163)	(26)
Total shareholders' deficit	(1,995,855)	(1,510,083)	(238,210)
Total liabilities, mezzanine equity and shareholders' deficit	1,233,533	1,251,199	197,372

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, 2019, THE THREE MONTHS ENDED MARCH 31, 2020, THE FISCAL YEARS ENDED MARCH 31, 2021 AND 2022
(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 years ended March 31,		
	2019	2020	2021	2022	
	RMB	RMB	RMB	RMB	US\$ (Note 2.7)
Revenues:					
Retail vehicle sales	—	—	463,547	780,371	123,101
Wholesale vehicle sales	—	—	51,249	823,466	129,899
Commission revenue	711,362	48,038	41,939	—	—
Value-added service revenue	636,046	40,456	35,248	—	—
Others (including RMB10,869 and RMB176 from related party during the fiscal years ended March 31, 2021 and 2022, respectively)	240,623	15,367	65,425	32,279	5,092
Total revenues	1,588,031	103,861	657,408	1,636,116	258,092
Cost of revenues	(689,292)	(110,714)	(673,711)	(1,588,398)	(250,564)
Gross profit/ (loss)	898,739	(6,853)	(16,303)	47,718	7,528
Operating expenses:					
Sales and marketing	(1,184,997)	(189,503)	(339,013)	(222,139)	(35,042)
Research and development	(140,006)	(31,176)	(74,137)	(36,200)	(5,710)
General and administrative	(402,040)	(74,926)	(277,925)	(151,024)	(23,823)
Losses from guarantee liabilities	(194,385)	—	—	—	—
(Provision for)/reversal of credit losses, net	(271,372)	(1,939,570)	(91,593)	687	108
Total operating expenses	(2,192,800)	(2,235,175)	(782,668)	(408,676)	(64,467)
Other operating income, net	1,925	56,043	246,346	82,017	12,938
Loss from continuing operations	(1,292,136)	(2,185,985)	(552,625)	(278,941)	(44,001)
Interest income	14,958	3,081	45,140	3,660	577
Interest expenses	(112,587)	(29,029)	(95,953)	(41,222)	(6,503)
Other income	71,142	2,420	15,672	5,227	825
Other expenses	(36,569)	(10,118)	(7,890)	(8,925)	(1,408)
Foreign exchange gains/ (losses)	4,247	(388)	(15,887)	(9,336)	(1,473)
Fair value impact of the issuance of senior convertible preferred shares	—	—	—	186,231	29,377
Gain from disposal of investments, net	28,257	—	—	—	—
Impairment of long-term investment	(37,775)	—	—	—	—
Gain from disposal of subsidiaries	—	179,020	—	—	—
Inducement charge of convertible notes	—	—	(121,056)	—	—
Loss from continuing operations before income tax expense	(1,360,463)	(2,040,999)	(732,599)	(143,306)	(22,606)
Income tax benefit/ (expense)	2,554	(326)	(33)	(245)	(39)
Equity in income of affiliates, net of tax	30,231	6,940	15,657	328	52
Net loss from continuing operations	(1,327,678)	(2,034,385)	(716,975)	(143,223)	(22,593)
Less: net loss attributable to non-controlling interests shareholders	(1,452)	(5,383)	(9)	—	—
Net loss from continuing operations, attributable to UXIN LIMITED's ordinary shareholders	(1,326,226)	(2,029,002)	(716,966)	(143,223)	(22,593)
Discontinued operations					
Net (loss)/ income from discontinued operations before income tax	(659,458)	(455,177)	295,744	—	—
Income tax expense	(2,992)	—	—	—	—
Net (loss)/ income from discontinued operations	(662,450)	(455,177)	295,744	—	—
Net (loss)/ income from discontinued operations attributable to UXIN LIMITED's ordinary shareholders	(662,450)	(455,177)	295,744	—	—

UXIN LIMITED

CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2019, THE THREE MONTHS ENDED MARCH 31, 2020, THE FISCAL YEARS ENDED MARCH 31, 2021 AND 2022

(All amounts in thousands, except for share and per share data, unless otherwise noted)

	For the	For the	For the fiscal years ended March 31,		
	year ended December 31,	three months ended March 31,	2021	2022	US\$
	2019	2020	2021	2022	(Note 2.7)
	RMB	RMB	RMB	RMB	
Net loss	(1,990,128)	(2,489,562)	(421,231)	(143,223)	(22,593)
Less: net loss attributable to non-controlling interests shareholders	(1,452)	(5,383)	(9)	—	—
Net loss attributable to UXIN LIMITED's ordinary shareholders	(1,988,676)	(2,484,179)	(421,222)	(143,223)	(22,593)
Net loss	(1,990,128)	(2,489,562)	(421,231)	(143,223)	(22,593)
Other comprehensive (loss)/ income					
Foreign currency translation, net of tax nil	(17,976)	40,028	110,983	70,714	11,155
Total comprehensive loss	(2,008,104)	(2,449,534)	(310,248)	(72,509)	(11,438)
Less: total comprehensive loss attributable to non-controlling interests shareholders	(1,558)	(3,927)	(9)	—	—
Total comprehensive loss attributable to UXIN LIMITED's ordinary shareholders	(2,006,546)	(2,445,607)	(310,239)	(72,509)	(11,438)
Net loss from continuing operations, attributable to UXIN LIMITED's ordinary shareholders	(1,326,226)	(2,029,002)	(716,966)	(143,223)	(22,593)
Net (loss)/ income from discontinued operations, attributable to UXIN LIMITED's ordinary shareholders	(662,450)	(455,177)	295,744	—	—
Net loss attributable to UXIN LIMITED's ordinary shareholders	(1,988,676)	(2,484,179)	(421,222)	(143,223)	(22,593)
Weighted average shares outstanding – basic	886,613,598	888,460,868	1,100,650,208	1,168,419,750	1,168,419,750
Weighted average shares outstanding – diluted	886,613,598	888,460,868	1,330,913,033	1,354,506,021	1,354,506,021
Net (loss)/ income per share for ordinary shareholders, basic					
Continuing operations	(1.50)	(2.28)	(0.65)	(0.12)	(0.02)
Discontinued operations	(0.75)	(0.51)	0.27	—	—
Net (loss)/ income per share for ordinary shareholders, diluted					
Continuing operations	(1.50)	(2.28)	(0.65)	(2.07)	(0.33)
Discontinued operations	(0.75)	(0.51)	0.22	—	—

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, 2019, THE THREE MONTHS ENDED MARCH 31, 2020,
THE FISCAL YEARS ENDED MARCH 31, 2021 AND 2022
(All amounts in thousands, except for share and per share data, unless otherwise noted)

	Ordinary share (US \$0.0001 par value)		Additional paid- in capital RMB	Accumulated other comprehensive income RMB	Accumulated deficit RMB	Total UXIN LIMITED shareholders' equity/ (deficit) RMB	Non- controlling interests RMB	Total shareholders' equity/ (deficit) RMB
	Number of shares	Amount RMB						
Balance as of December 31, 2018	880,659,899	575	12,967,986	86,061	(10,680,489)	2,374,133	(2,490)	2,371,643
Foreign currency translation adjustments	—	—	—	(17,869)	—	(17,869)	(106)	(17,975)
Net loss	—	—	—	—	(1,988,676)	(1,988,676)	(1,452)	(1,990,128)
Issuance of ordinary shares due to exercise of the share 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	<u>887,617,391</u>	<u>581</u>	<u>13,069,560</u>	<u>68,192</u>	<u>(12,669,165)</u>	<u>469,168</u>	<u>(4,048)</u>	<u>465,120</u>
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 2.26)	—	—	—	—	(319,036)	(319,036)	—	(319,036)
Balance as of January 1, 2020	<u>887,617,391</u>	<u>581</u>	<u>13,069,560</u>	<u>68,192</u>	<u>(12,988,201)</u>	<u>150,132</u>	<u>(4,048)</u>	<u>146,084</u>
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	<u>887,667,457</u>	<u>581</u>	<u>13,036,989</u>	<u>106,764</u>	<u>(15,488,827)</u>	<u>(2,344,493)</u>	<u>(154)</u>	<u>(2,344,647)</u>

*Less than 1.

UXIN LIMITED

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY/ (DEFICIT)
FOR THE YEAR ENDED DECEMBER 31, 2019, THE THREE MONTHS ENDED MARCH 31, 2020,
THE FISCAL YEARS ENDED MARCH 31, 2021 AND 2022
(All amounts in thousands, except for share and per share data, unless otherwise noted)

	Ordinary share (US \$0.0001 par value)		Additional paid- in capital RMB	Accumulated other comprehensive income RMB	Accumulated deficit RMB	Total UXIN LIMITED shareholders' equity/ (deficit) RMB	Non- controlling interests RMB	Total shareholders' equity/ (deficit) RMB
	Number of shares	Amount RMB						
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 18)	84,692,839	57	169,442	—	—	169,499	—	169,499
Share-based compensation	—	—	(19,122)	—	—	(19,122)	—	(19,122)
Conversion of convertible notes (Note 12)	136,279,973	93	506,659	—	—	506,752	—	506,752
Balance as of March 31, 2021	<u>1,112,431,559</u>	<u>733</u>	<u>13,695,877</u>	<u>217,747</u>	<u>(15,910,049)</u>	<u>(1,995,692)</u>	<u>(163)</u>	<u>(1,995,855)</u>
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)
Foreign currency translation adjustments	—	—	—	70,714	—	70,714	—	70,714
Net loss	—	—	—	—	(143,223)	(143,223)	—	(143,223)
Issuance of ordinary shares due to exercise of the share options	7,432,870	6	15,707	—	—	15,713	—	15,713
Share-based compensation	—	—	26,534	—	—	26,534	—	26,534
Debt restructuring gain from equity holders of the Company (Note 12)	—	—	61,018	—	—	61,018	—	61,018
Contribution from a shareholder due to the Restructuring (Note 2.3)	—	—	8,000	—	—	8,000	—	8,000
Conversion of convertible notes (Note 12)	66,990,291	43	446,973	—	—	447,016	—	447,016
Balance as of March 31, 2022	<u>1,186,854,720</u>	<u>782</u>	<u>14,254,109</u>	<u>288,461</u>	<u>(16,053,272)</u>	<u>(1,509,920)</u>	<u>(163)</u>	<u>(1,510,083)</u>

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, 2019, THE THREE MONTHS ENDED MARCH 31, 2020, THE FISCAL YEARS ENDED MARCH 31, 2021 AND 2022

(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 years ended March 31,		
	2019	2020	2021	2022	US\$
	RMB	RMB	RMB	RMB	(Note 2.7)
Cash flows from operating activities:					
Net loss (continuing and discontinued operations)	(1,990,128)	(2,489,562)	(421,231)	(143,223)	(22,593)
Adjustments to reconcile net loss to net cash generated from operating activities:					
Shared-based compensation	100,295	(32,571)	(19,122)	26,534	4,186
Depreciation and amortization of property, equipment and software	88,939	21,339	46,391	14,265	2,250
Amortization of intangible assets	6,892	87	111	27	4
Amortization of right-of-use assets	75,924	1,252	10,950	15,373	2,425
Loss/(gains) from disposal of property, equipment and software	2,710	1,210	6,568	(1,494)	(236)
Equity in income of affiliates	(30,231)	(6,940)	(15,657)	(328)	(52)
Write-down of inventory	—	—	16,279	14,223	2,244
Provision for/ (reversal of) credit losses	272,783	1,954,516	91,593	(687)	(108)
Guarantee income	—	(44,471)	(207,825)	(126)	(20)
Discounting impact of the consideration payable to WeBank	—	—	(30,898)	11,986	1,891
Fair value impact of the issuance of senior convertible preferred shares (Note 12, 17)	—	—	—	(186,231)	(29,377)
Gains from waiver of operating payables (Note 13)	—	—	—	(73,747)	(11,633)
Losses from guarantee liabilities	362,597	—	—	—	—
Deferred income tax liabilities	(1,678)	—	—	—	—
Impairment of long-term investment	37,775	—	—	—	—
Gains from disposal of long-term investment, net	(28,257)	—	—	—	—
Gain from disposal of salvage car related business	—	(179,020)	—	—	—
Goodwill impairment	—	—	9,541	—	—
Impairment of net assets transferred	—	407,710	420,000	—	—
Transaction gain from divestiture transactions, net (Note 3)	—	—	(721,211)	—	—
Inducement charge of convertible notes	—	—	121,056	—	—

UXIN LIMITED

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2019, THE THREE MONTHS ENDED MARCH 31, 2020, THE FISCAL YEARS ENDED MARCH 31, 2021 AND 2022

(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 years ended March 31,		
	2019	2020	2021	2022	US\$
	RMB	RMB	RMB	RMB	(Note 2.7)
Changes in operating assets and liabilities:					
Receivables, prepaid expenses and other current assets	315,726	138,588	48,250	51,824	8,175
Amounts due from related parties	(51,590)	23,520	36,664	3,817	602
Amounts due to related parties	—	—	69,434	—	—
Advance to consumers on behalf of financing partners	519,773	2,135	—	—	—
Loans recognized as a result of payments under guarantees	(1,533,259)	(251,163)	134,380	148,708	23,458
Advance to sellers	347,402	58,185	83,537	—	—
Financial lease receivables	156,301	102,680	8,510	10	2
Inventory	5,588	3,478	(75,552)	(372,120)	(58,700)
Payables, accruals and other current liabilities	679,335	(101,829)	(354,669)	(266,922)	(42,105)
Deposit of interests from consumers and payable to financing partners	(470,105)	(16,496)	(18,032)	—	—
Deferred revenue	(60,893)	(3,919)	(27,052)	(5,247)	(828)
Consideration payable to WeBank	—	—	(334,323)	(81,604)	(12,873)
Net cash used in operating activities	(1,194,101)	(411,271)	(1,122,308)	(844,962)	(133,288)
Cash flows from investing activities:					
Proceeds from disposal of property, equipment and software	43,611	451	13,357	1,885	297
Purchase of property, equipment and software	(46,820)	(307)	(413)	(18,654)	(2,943)
Proceeds from disposal of long-term investments	96,838	2,741	—	—	—
Proceeds from disposal short-term investments	597,984	—	—	—	—
Cash deposits transferred to Golden Pacer (Note 3)	(1,175,867)	—	—	—	—
Proceeds from disposal of subsidiaries, net of cash disposed	—	157,013	130,000	—	—
Proceeds from disposal of 2B business	—	—	300,072	—	—
Net cash (used in)/ generated from investing activities	(484,254)	159,898	443,016	(16,769)	(2,646)

UXIN LIMITED

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2019, THE THREE MONTHS ENDED MARCH 31, 2020, THE FISCAL YEARS ENDED MARCH 31, 2021 AND 2022

(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 years ended March 31,		
	2019	2020	2021	2022	US\$
	RMB	RMB	RMB	RMB	(Note 2.7)
Cash flows from financing activities:					
Repayment of borrowings	(602,485)	(159,148)	(41,094)	(79,560)	(12,550)
Net proceeds from issuance of convertible notes	1,853,381	—	—	—	—
Repayment of convertible notes	(1,190,182)	—	—	—	—
Repayment of long-term debt	—	—	—	(58,956)	(9,300)
Proceeds from exercise of share options	12,916	629	1,912	15,713	2,479
Proceeds from issuance of Class A ordinary shares	—	—	169,499	—	—
Repurchase of ordinary shares from Fairlubo's minority interest	—	(7,000)	—	—	—
Proceeds from the issuance of senior convertible preferred shares in conjunction with warrants	—	—	—	887,225	139,956
Net cash generated from/ (used in) financing activities	73,630	(165,519)	130,317	764,422	120,585
Effect of exchange rate changes on cash, cash equivalents and restricted cash	960	4,065	(14,741)	(113)	(18)
Net decrease in cash, cash equivalents and restricted cash	(1,603,765)	(412,827)	(563,716)	(97,422)	(15,367)
Cash, cash equivalents and restricted cash recorded in held for sale assets at beginning of the period	1,001,325	25,074	—	—	—
Cash, cash equivalents and restricted cash at beginning of the period	1,812,702	1,185,188	797,435	233,719	36,868
Cash, cash equivalents and restricted cash recorded in held for sale assets at end of the period	25,074	—	—	—	—
Cash, cash equivalents and restricted cash at end of the period	1,185,188	797,435	233,719	136,297	21,501

UXIN LIMITED

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2019, THE THREE MONTHS ENDED MARCH 31, 2020, THE FISCAL YEARS ENDED MARCH 31, 2021 AND 2022
(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 years ended March 31,		
	2019	2020	2021	2022	US\$
	RMB	RMB	RMB	RMB	(Note 2.7)
Supplemental disclosure of cash flow information					
- Cash paid for income tax	7,754	1,115	22	179	28
- Cash paid for interest	77,924	—	19,717	5,111	806
Supplemental schedule of non-cash investing and financing activities					
- Unreceived disposal consideration	—	130,000	129,307	—	—
- Unpaid purchase consideration to minority interest	—	8,319	—	—	—
- Net settlement of long-term debt with unreceived disposal consideration(Note 5)	—	—	—	45,350	7,154
	For the year ended December 31,	For the three months ended March 31,	For the fiscal years ended March 31,		
	2019	2020	2021	2022	US\$
	RMB	RMB	RMB	RMB	
Cash and cash equivalents	478,200	342,504	192,605	128,021	20,195
Restricted cash	706,988	454,931	41,114	8,276	1,306
Cash, cash equivalents and restricted cash reclassified as held for sale assets	25,074	—	—	—	—
Total cash, cash equivalents and restricted cash	<u>1,210,262</u>	<u>797,435</u>	<u>233,719</u>	<u>136,297</u>	<u>21,501</u>

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 its former variable interest entities (“VIEs”). The Company, its subsidiaries and its former 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.

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-owning” model where the Group builds-up and sells its own inventory of used vehicles. Prior to these Divestiture Transactions disclosed in the 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).

China’s used car market follows clear seasonal patterns where the fourth quarter is typically the peak season and the first quarter is typically slower due to the Chinese New Year Holiday. The Company decided to change its fiscal year end from December 31 to March 31, effective April 1, 2020, in order to focus on strategic planning for each new fiscal year during off peak first quarter.

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 a 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 the salvage cars related business and accordingly deconsolidated the 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.

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 guarantees 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 primarily operated its cross-regional online used car transaction business (2C). Since September 2020, the Group started to shift to the “inventory-owning” model where the Group sells its own inventory of used vehicles, and this model has been further updated since March 2021 when the Group started to acquire used vehicles directly from individuals.

UXIN LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in thousands, except for share and per share data, unless otherwise noted)

As of March 31, 2022, the Company's principal subsidiaries are as follows:

Subsidiaries	Place of incorporation	Date of incorporation or acquisition	Percentage of direct or indirect	Principal activities
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
Youxin (Hefei) Automobile Intelligent Remanufacturing Co., Ltd.	Hefei	September 8, 2021	100 %	Vehicle sales
Hefei Youquan Information Technology Co., Ltd.	Hefei	December 13, 2021	100 %	Vehicle sales

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 used to operate online platforms that provided internet information services and engaged in other foreign-ownership-restricted businesses through certain PRC domestic companies, whose equity interests were 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, including exclusive options agreements, power of attorney, exclusive business cooperation agreements (which includes arrangements which provide for services to these domestic companies), equity pledge agreements and loan agreements, with these PRC domestic companies and their respective Nominee Shareholders. As a result, the Company which maintained the ability to control these PRC domestic companies was entitled to substantially all of the economic benefits from these PRC domestic companies and was obligated to absorb the expected losses of these PRC domestic companies. Management concluded that these PRC domestic companies were VIEs of the Company, of which the Company was the ultimate primary beneficiary. As such, the Group consolidated the financial results of these PRC domestic companies and their subsidiaries during the relevant periods.

Prior to the Divestiture Transactions, the Group primarily operated 2B and 2C online platforms through one of the former VIEs, Youxin Internet (Beijing) Information Technology Co., Ltd. ("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 eligible WFOEs and subsidiaries of WFOEs applied for and obtained the VATS Licenses to conduct E-commerce in 2015 and 2016, and they operated the 2B and 2C online platforms since then. After the Divestiture Transactions, current business is operated by the Company's subsidiaries.

In March 2022, in order to streamline the corporate structure and considering the changing regulatory environment and the Group's current business does not require the use of VIE structure, the Company terminated the historical contractual arrangements with its former VIEs ("Restructuring"). Pursuant to the Restructuring, the wholly owned subsidiaries that previously had contractual arrangements with the former VIEs and their respective shareholders purchased all equity interests held by such shareholders in the former VIEs. Accordingly, all contractual arrangements that enabled such shareholders to exercise effective control over the former VIEs, receive substantially all of the economic benefits of the former VIEs and have exclusive options to purchase all or part of the equity interests in the former VIEs, were effectively terminated.

UXIN LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in thousands, except for share and per share data, unless otherwise noted)

As a result of the Restructuring, the former VIEs have become wholly owned subsidiaries as of March 31, 2022. The Group currently operates its business in China directly through subsidiaries, and the Restructuring does not have significant impact on the Group's current business. For the year ended December 31, 2019, the three months ended March 31, 2020, and the fiscal years ended March 31, 2021 and 2022, financial position, result of operations and cash flow activities of former VIEs were immaterial to the consolidated financial statements. In all periods presented, no service fee was accrued or paid by the former VIEs as the services provided were not material and no mandatory fee was provided for under prior VIE service arrangements.

Liquidity

The Company has incurred net losses from continuing operations since the inception. The Company incurred net losses from continuing operations of RMB1,327.7 million, RMB2,034.4 million, RMB717.0 million and RMB143.2 million for the year ended December 31, 2019, for the three months ended March 31, 2020 and for the fiscal years ended March 31, 2021 and 2022, respectively. Accumulated deficit amounted to RMB15,910.0 million and RMB16,053.3 million as of March 31, 2021 and 2022, respectively. Net current liabilities amounted to RMB314.3 million and RMB424.3 million as of March 31, 2021 and 2022, respectively.

As of the issuance date of the annual consolidated financial statements for the fiscal year ended March 31, 2022, the Company believes the rental commitment for the new inspection and reconditioning center ("IRC") in Hefei will not commence in the next 12 months, and despite projected ongoing negative operating cash flows, its cash and cash equivalents, and cash proceeds received or expected to be received from its recent financing transactions are sufficient to fund its operating expenses, capital requirements and other contractual obligations for the next 12 months. The Company is entitled to an investment amount of US\$100 million for the subscription of its senior convertible preferred shares, of which US\$71.4 thousand for par value of the issued shares was received upon the closing. The remaining US\$9.9 million, US\$30 million, US\$20 million and US\$40 million will be received in September, December 2022, March and June 2023, respectively (Note 26). Concurrently, in order to settle a long-term borrowing due in December 2022, the Company has entered into a loan agreement (which pledges an equity interest in an investment) for a total of RMB290 million with a third party in July 2022 (Note 8). The Company also issued Class A ordinary shares to 58.com Holdings Inc. ("58.com") in exchange for the full release of the Company's obligations of US\$63 million under the 2024 Notes which was further modified in July 2021 (Note 12). Meanwhile, the Company continues to optimize its cost and expense structure to improve the capital and operating efficiency of its business process.

Considering all the actions mentioned above, which have alleviated the substantial doubt of the ability to continue as a going concern, the Company believes that its current cash and cash equivalents, cash proceeds received (or to be received) from recent financing transactions and the anticipated cash flows from operations will be sufficient to meet its anticipated working capital requirements and contractual obligations for the next twelve months and the consolidated financial statements of the Company have been prepared on a going concern basis.

Additionally, as discussed in Note 10 and Note 12, the Company has a total of RMB173.4 million consideration payable to WeBank and US\$81.9 million (equivalent to RMB519.2 million) long-term debt, among which RMB83.4 million in consideration payable to WeBank and US\$72.8 million (equivalent to RMB461.5 million) in long-term debt will mature after twelve months following the issuance of the consolidated financial statements. In these obligations, the payments of RMB30 million in consideration payable to WeBank and US\$27.3 million (equivalent to RMB173.1 million) in long-term debt will be due in December 2023. These obligations, the rental commitment post completion of the Hefei IRC as disclosed in Note 25, and the probability that the Company will continue to incur, for the foreseeable future, net losses and negative cash flows from operations will significantly impact the Company's liquidity at such time in the future. Concurrently, as part of the shares subscription agreement the Company entered into with NIO Capital and Joy Capital in June 2021, both investors retain their rights to exercise the warrants to purchase senior convertible preferred shares of up to US\$165 million. Management's plan to address liquidity matters relating to the maturity of these obligations and expected negative operating cash flows include: 1) negotiating with the warrants holders to exercise their warrants; 2) restructuring existing obligations to reduce cash payments; and 3) working on several other initiatives to further improve its working capital efficiency.

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 Sheets.

In the consolidated statements of comprehensive loss, results from discontinued operations are 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 guarantees starting from the three months ended December 31, 2019 (Note 3). Results of operations related to the discontinued operations have been 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)

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 (Note 3). Results of operations related to discontinued operations have been recorded in “loss from discontinued operations” in the Consolidated Statements of Comprehensive Loss.

2.3 Basis of consolidation

The Group’s consolidated financial statements include the financial statements of the Company, its subsidiaries and its former VIEs for which the Company is the primary beneficiary.

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.

A VIE is an entity in which the Company, or its subsidiary, through contractual arrangements, bears the risks of, and enjoys the rewards normally associated with, ownership of the entity, and therefore the Company or its subsidiary is the primary beneficiary of the entity.

All transactions and balances among the Company, its subsidiaries, and its former VIEs have been eliminated upon consolidation.

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. 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. Accounting estimates reflected in the Group’s consolidated financial statements include, but are not limited to, the fair value of senior convertible preferred shares, warrant liabilities, forward contracts, share-based compensation arrangements, fair value of the long-term investment, provision for credit losses for loans recognized as a result of payments under guarantees and other receivables, the useful lives of property, equipment and software, incremental borrowing rate applied in lease accounting, inventory provision and valuation allowances for deferred tax assets. Given that changes in circumstances, facts and experience may cause the Group to revise its estimates, actual results could differ from those estimates.

2.5 Fair value measurements

Accounting guidance defines fair value as the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When determining the fair value measurements for assets and liabilities required or permitted to be recorded at fair value, the Group considers the principal or most advantageous market in which it would transact and it considers assumptions that market participants would use when pricing the asset or liability.

Accounting guidance establishes a fair value hierarchy that requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. A financial instrument’s categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement. Accounting guidance establishes three levels of inputs that may be used to measure fair value:

Level 1 — Quoted prices (unadjusted) for identical assets or liabilities in active markets

UXIN LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in thousands, except for share and per share data, unless otherwise noted)

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 are primarily comprised of cash and cash equivalents, accounts receivable, loans recognized as a result of payments under guarantees, current portion of long-term borrowings, accounts payable, guarantee liabilities, warrant liabilities and forward contracts. As of March 31, 2021 and 2022, except for warrant liabilities and forward contracts which are measured at fair value, the carrying values approximated the fair values of these instruments because of their generally short maturities. The warrant liabilities and forward contracts were recorded at the fair value at the inception date and classified as a Level 3 measurement.

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 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 accumulated other comprehensive income as a component of shareholders’ deficit.

2.7 Convenience translation

Translations of Consolidated Balance Sheets, the Consolidated Statements of Comprehensive Loss and the Consolidated Statements of Cash Flows from RMB into US\$ as of and for the fiscal year ended March 31, 2022 are solely for the convenience of the readers and were calculated at the rate of US\$1.00=RMB6.3393 on March 31, 2022 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, 2022, or at any other rate.

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.

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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 2.11). 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 provided loan facilitation related services through its online platform.

As of March 31, 2022, restricted cash primarily represents cash reserved in relation to certain litigations.

2.10 Inventory

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 in the cost of revenues in the Consolidated Statements of Comprehensive Loss. Total carrying amount of used vehicles was RMB69.6 million and RMB426.3 million as of March 31, 2021 and 2022, respectively. Total amount of inventory provision recorded for used vehicles were nil for both the year ended December 31, 2019 and the three months ended March 31, 2020, and RMB4.7 million and RMB 14.2 million, the fiscal years ended March 31, 2021 and 2022, respectively.

2.11 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.

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.

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Effective on January 1, 2020, the Company adopted ASU 2016-13 using the modified retrospective transition approach (Note 2.26). 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.

2.12 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 recognizes the gain or loss on the disposal of property, equipment and software in the Consolidated Statements of Comprehensive Loss.

2.13 Intangible assets, net

Intangible assets mainly represent acquired software copyrights. 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.

2.14 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.

The Company holds investments in privately held companies in the form of equity securities without readily determinable fair values and in which the Company does not have a controlling interest or significant influence. In accordance with ASC 321 Investment- Equity Securities, investments in equity securities without readily determinable fair values are initially recorded at cost and are subsequently adjusted to fair value for impairments and price changes from observable transactions in the same or a similar security from the same issuer.

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Pursuant to ASC 321, for equity investments measured at fair value with changes in fair value recorded in earnings, the Company does not assess whether those securities are impaired. For equity investments without readily determinable fair value for which the Company has elected to use the measurement alternative, at each reporting period, the Company makes a qualitative assessment of whether the investment is impaired at each reporting date, applying significant judgement in considering various factors and events including a) adverse performance of investees, credit rating, asset quality, or business prospects of the investee; b) adverse industry developments affecting investees; and c) adverse regulatory, social, economic or other developments affecting investees. If a qualitative assessment indicates that the investment is impaired, the Company estimates the investment's fair value in accordance with the principles of ASC 820. If the fair value is less than the investment's carrying value, the Company recognizes an impairment loss in earnings equal to the difference between the carrying value and fair value.

2.15 Impairment of long-lived assets

Long-lived assets including property, equipment and software 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. When these events occur, the Group will assess whether an impairment of the long-lived assets in question exists by comparing the carrying value of the assets to an estimate of future undiscounted cash flows expected to be generated from the use of the asset and its eventual disposition. If the sum of the expected future undiscounted cash flows is less than the carrying value of the asset, the Group recognizes an impairment loss based on the excess of the carrying value of the asset over the fair value of the asset. No impairment of long-lived assets was recognized for the year ended December 31, 2019, the three months ended March 31, 2020, or the fiscal years ended March 31, 2021 and 2022.

2.16 Revenue recognition

Prior to the Divestiture Transactions 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 services. Therefore, the cross-regional business was renamed as the Online used car transaction business. Accordingly, the revenues generated from the Online used car transaction business were 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-owning" model where the Group sells 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 2B and 2C business, the Group presented the results as discontinued operations for all the related 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.

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The Group adopted ASC Topic 606, “Revenue from Contracts with Customers” for all periods presented. Consistent with the criteria of Topic 606, the Group recognizes revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to receive in exchange for those goods or services. To achieve that core principle, an entity should apply five steps defined under Topic 606. The Group assesses its revenue arrangements against specific criteria in order to determine if it is acting as principal or agent. Revenue arrangements with multiple performance obligations are divided into separate units of accounting. The Company considered appropriate method to allocate the transaction price to each performance obligations, based on the relative standalone selling prices of the services provided. In estimating the standalone selling price for the services that are not directly observable, the Company considered the suitable methods included in ASC 606-10-21-34, and determined the adjusted market assessment approach is the most appropriate method. When estimating the relative standalone selling prices, the Group considers selling prices of similar services. Revenue is recognized upon transfer of control of these promised services to a customer.

The Group, from time to time, provides incentives to consumers. These incentives are given in the form of discount coupon to consumers. As these incentives were provided without any distinct good or service in return, these incentives have been recorded as reduction of revenue, pursuant to the guidance under ASC 606.

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

Online used car transaction services (formerly known as “2C cross-regional business”) after the divestiture of intra-regional business and loan facilitation business

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 certificate program to provide certain warranty service, including 1-year or 20,000-kilometer warranty covering repair of 15 major structural components.

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. The Company may sell the Broker transaction service alone but does not sell the Value-added service or warranty service individually. Value-added service and warranty service are sold together with the Commission-related service. 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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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.

Vehicle sales business since September 2020

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 delivery when the Consumer obtains control of the underlying vehicles. The Company receives payment for used vehicle sales directly from the Consumer 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 e-commerce platform, and therefore, sold through offline dealership. The Company satisfies its performance obligation and recognizes revenue for wholesale vehicle sales at the point in time when the wholesale purchasers obtain control of the underlying vehicles. The payments are received when the vehicles are sold.

Others

Other revenue is mainly comprised of 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. Since September 2020, warranty service revenue is recorded in the "Others".

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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:

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, 2021 and 2022, the aggregate amount of the transaction price allocated to remaining performance obligations was RMB5.4 million and RMB4.1 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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2.17 Value-added-tax (“VAT”) and surcharges

The Company’s subsidiaries and former 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% - 6%
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.

2.18 Cost of revenues

Prior to September 2020, 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 revenues include the cost to acquire used vehicles and direct and indirect vehicle reconditioning costs associated with preparing the vehicles for resale. Cost of revenues also includes any necessary adjustments to reflect vehicle inventory at the lower of cost or net realizable value.

2.19 Sales and marketing expenses

Sales and marketing expenses primarily consist of salaries and benefits expenses for sales and marketing personnel, advertising and promotion expenses and warranty 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 aftersales services and 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 RMB443.6 million, RMB50.0 million, RMB128.9 million and RMB58.7 million for the year ended December 31, 2019, the three months ended March 31, 2020, the fiscal years ended March 31, 2021 and 2022, respectively.

2.20 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 the consolidated financial statements.

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2.21 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.

2.22 Share-based compensation

The Company grants share options, restricted shares and restricted share units (“RSUs”) to eligible employees, director and executive officers. All share-based awards are measured at fair value on the grant date. The share-based compensation expenses have been categorized as either cost of revenues, sales and marketing expenses research and development expenses, or general and administrative expenses, depending on the job functions of the grantees.

Share Options Granted

The Company follows ASC 718 to determine whether a share option should be classified and accounted for as a liability award or equity award. All grants of share-based awards 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.

The binomial option-pricing model is used to measure the value of share options. The determination of the fair value is affected by the fair value of the ordinary shares as well as assumptions regarding a number of complex and subjective variables, including the expected share price volatility, actual and projected employee and nonemployee share option exercise behavior, risk-free interest rates and expected dividend yield. Binomial option-pricing model incorporates the assumptions about grantees’ future exercise patterns. The fair value of these awards was determined by management with the assistance from an independent valuation firm using management’s estimates and assumptions.

Restricted Shares and RSUs

For the restricted shares, the awards are measured at fair value on the grant date. Share-based compensation expense is recognized using the straight-line method over the requisite service period or immediately at the grant date if no vesting conditions are required.

For grants of RSUs with certain market conditions, it is classified as equity awards and recognized in the financial statements based on their grant date fair values which are determined using the Monte Carlo valuation model, which incorporates various assumptions including expected stock price volatility, risk-free interest rates, and expected timing and proceeds received due to the exercise of warrants and settlement of forward contracts (Note 17). Related expenses are recognized over the derived service period determined based on valuation techniques that are used to estimate fair value, and is not adjusted if the market condition is not met, so long as the requisite service is provided.

The assumptions used in share-based compensation expense recognition represent management’s best estimates, but these estimates involve inherent uncertainties and application of management judgment. If factors change or different assumptions are used, the share-based compensation expenses could be materially different for any period. Moreover, the estimates of fair value of the awards are not intended to predict actual future events or the value that ultimately will be realized by grantees who receive share-based awards. In accordance with ASU 2016-09, the Group made an entity-wide accounting policy election to account for forfeitures when they occur.

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2.23 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 statements of comprehensive loss in the period of the enactment of the change.

The Group considers positive and negative evidence when determining whether a portion or all of its deferred tax assets will more likely than not be realized. This assessment considers, among other matters, the nature, frequency and severity of current and cumulative losses, forecasts of future profitability, the duration of statutory carry-forward periods, its experience with tax attributes expiring unused, and its tax planning strategies. The ultimate realization of deferred tax assets is dependent upon its ability to generate sufficient future taxable income within the carry-forward periods provided for in the tax law and during the periods in which the temporary differences become deductible. When assessing the realization of deferred tax assets, the Group has considered possible sources of taxable income including (i) future reversals of existing taxable temporary differences, (ii) future taxable income exclusive of reversing temporary differences and carry-forwards, (iii) future taxable income arising from implementing tax planning strategies, and (iv) specific known trend of profits expected to be reflected within the industry.

The Group recognizes a tax benefit associated with an uncertain tax position when, in its judgment, it is more likely than not that the position will be sustained upon examination by a taxing authority. For a tax position that meets the more-likely-than-not recognition threshold, the Group initially and subsequently measures the tax benefit as the largest amount that the Group judges to have a greater than 50% likelihood of being realized upon ultimate settlement with a taxing authority. The Group's liability associated with unrecognized tax benefits is adjusted periodically due to changing circumstances, such as the progress of tax audits, case law developments and new or emerging legislation. Such adjustments are recognized entirely in the period in which they are identified. The Group's effective tax rate includes the net impact of changes in the liability for unrecognized tax benefits and subsequent adjustments as considered appropriate by management. The Group classifies interest and penalties recognized on the liability for unrecognized tax benefits as income tax expense. Undistributed earnings are expected to be indefinitely reinvested for the foreseeable future, if any.

2.24 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, including senior convertible preferred shares, 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. The diluted loss per share is calculated by giving effect to all potentially dilutive securities outstanding for the period using the treasury stock method or the if-converted method based on the nature of such securities. Ordinary equivalent shares are not included in the denominator of the diluted loss per share calculation when inclusion of such shares would be anti-dilutive.

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2.25 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 Sheets. 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 Sheets. 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.

2.26 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 accounts receivable, loans recognized as a result of payments under guarantees and other receivables as of the balance sheet dates. 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.

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 loans recognized as a result of payments under guarantees and financial lease receivables, the loss rate method is applied as the comprehensive product impact of Probability of Default ("PD") and Loss Given Default ("LGD").
- The roll rate model is adopted for accounts receivable; while for some other receivables which cannot be pooled with financial assets with similar risk characteristics, the reserve for credit losses is 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, accounts receivable aging schedule, collateral types and other risk characteristics as appropriate in the calibration and adjustments of these parameters.

Loans recognized as a result of payments under guarantees

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Assumptions Used: The credit loss allowance of Loans recognized as a result of payments under guarantees 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.

Sensitivity Analysis:

Changes in certain key assumptions would affect the provision for credit loss of Loans recognized as a result of payments under guarantees. The effect of the indicated change in the assumptions for the Company was as follows (in thousands) as of March 31, 2022:

Assumption	Basis Point Change	Increase/ (Decrease)
Loss rate	+/- 100	1,312/ (3,790)

2.27 Recent accounting pronouncements

New and Amended Standards Adopted by the Group

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 instrument guidance in Topic 825. The standard is effective for the Company for fiscal years beginning after December 15, 2021, with early adoption permitted. The Group adopted the ASU prospectively on April 1, 2021. The impact of the adoption was not material.

New and Amended Standards not yet Adopted by the Group

In August 2020, the FASB issued ASU 2020-06, "Debt—Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging—Contracts in Entity's Own Equity (Subtopic 815-40): Accounting for Convertible Instruments and Contracts in an Entity's Own Equity,". For convertible instruments, the accounting update reduces the number of accounting models for convertible debt instruments and convertible preferred stock. Limiting the accounting models results in fewer embedded conversion features being separately recognized from the host contract as compared with current U.S. GAAP. The accounting update amends the guidance for the derivatives scope exception for contracts in an entity's own equity to reduce form-over-substance-based accounting conclusions. The accounting update also simplifies the diluted earnings per share calculation in certain areas. For public business entities, the update is effective for fiscal years beginning after December 15, 2021, including interim periods within those fiscal years. Early adoption is permitted for fiscal years beginning after December 15, 2020 and interim periods within those fiscal years. The ASU is currently not expected to have a material impact on the Group's consolidated financial statements.

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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,
	2019	2020	2021
	RMB	RMB	RMB
Revenues			
To consumers			
Transaction facilitation revenue	391,447	—	—
Loan facilitation revenue	1,141,981	—	—
Total revenues	1,533,428	—	—
Cost of revenues	(296,347)	—	—
Gross profit	1,237,081	—	—
Operating expenses			
Sales and marketing	(1,018,483)	—	—
Research and development	(155,168)	—	—
General and administrative	(486,098)	—	—
Losses from guarantee liabilities	(168,212)	—	—
Impairment for net assets transferred	—	(407,709)	(420,000)
Total operating expenses	(1,827,961)	(407,709)	(420,000)
Loss from operations	(590,880)	(407,709)	(420,000)
Interest income, net	(14,355)	—	—
Other expenses, net	(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	(609,169)	(407,709)	(434,745)
Income tax expense	(2,992)	—	—
Net loss from discontinued operations	(612,161)	(407,709)	(434,745)

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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, 2019
	RMB
Net cash used in operating activities	(821,185)
Net cash generated from investing activities	(187)

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

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

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

4. LOANS RECOGNIZED AS A RESULT OF PAYMENTS UNDER GUARANTEES

The Group used to provide loan facilitation related guarantee service. 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.

	<u>March 31, 2021</u>	<u>March 31, 2022</u>
	RMB	RMB
Loans recognized as a result of payments under guarantees	1,362,556	379,259
Less: provision for credit losses	(1,182,609)	(324,371)
	<u>179,947</u>	<u>54,888</u>

An aging analysis of loans recognized as result of payments under guarantees was as follows:

	<u>March 31, 2021</u>	<u>March 31, 2022</u>
	RMB	RMB
Up to 6 months	145,639	70,188
6 months to 12 months	307,224	7,555
Over 12 months	909,693	301,516
	<u>1,362,556</u>	<u>379,259</u>

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The Group 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 loans recognized as result of payments under guarantees by grade of monitored credit risk quality indicator as of March 31, 2021 and 2022 were listed as below:

	March 31, 2021	March 31, 2022
	RMB	RMB
Normal	66,924	10,267
Attention	252,572	121,209
Secondary	1,043,060	247,783
	1,362,556	379,259

The movement of provision for credit losses for the year ended December 31, 2019, the three months ended March 31, 2020, the fiscal years ended March 31, 2021 and 2022 was as follows:

	For the year ended December 31,	For the three months ended March 31,	For the fiscal years ended March 31,	
	2019	2020	2021	2022
	RMB	RMB	RMB	RMB
Beginning balance of the period	(256,639)	(763,122)	(2,190,575)	(1,182,609)
Changes on initial application of ASU 2016-13 (i)	—	(172,843)	—	—
Additions	(398,167)	(326,204)	(68,578)	—
Provision for credit losses (i)	(255,105)	(1,039,367)	(29,272)	(94)
Write-off	—	48,908	252,508	13,093
Bought out by certain non-bank financing institutions without recourse	—	—	845,305	821,496
Payments from the borrowers or other recoveries	146,789	62,053	8,003	23,743
Ending balance of the period	(763,122)	(2,190,575)	(1,182,609)	(324,371)

(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 loans recognized as a result of payments under guarantees 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 loans recognized as a result of payments under guarantees has been adversely affected further, which resulted in further provision for credit losses in the three months ended March 31, 2020.

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The following table explains the changes in the provision of credit losses by grade of monitored credit risk quality indicator as of March 31, 2022:

	<u>Normal</u> RMB	<u>Attention</u> RMB	<u>Secondary</u> RMB	<u>Total</u> RMB
Beginning balance of the period	(11,787)	(149,220)	(1,021,602)	(1,182,609)
Reversal of/ (Provision for) credit losses	6,483	49,903	(56,480)	(94)
Write-off	36	1,589	11,468	13,093
Bought out by certain non-bank financing institutions without recourse	1,286	38,599	781,611	821,496
Payments from the borrowers or other recoveries	14	6,105	17,624	23,743
Transfer from Normal to Attention	2,358	(2,358)	—	—
Transfer from Normal to Secondary	514	—	(514)	—
Transfer from Attention to Secondary	—	22,040	(22,040)	—
Transfer from Attention to Normal	(343)	343	—	—
Transfer from Secondary to Attention	—	(41,784)	41,784	—
Transfer from Secondary to Normal	(366)	—	366	—
Ending balance of the period	<u>(1,805)</u>	<u>(74,783)</u>	<u>(247,783)</u>	<u>(324,371)</u>

5. OTHER RECEIVABLES, NET

	<u>March 31,</u> 2021 RMB	<u>March 31,</u> 2022 RMB
Unreceived disposal consideration (i)	—	93,988
Rental and other deposits	44,892	39,697
Deposits in non-bank financing partners (ii)	19,919	310
Staff advance	16,268	15,742
Others	49,926	46,520
	131,005	196,257
Less: provision for credit losses	(20,980)	(30,251)
	<u>110,025</u>	<u>166,006</u>

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(i) As of March 31, 2021, unreceived consideration of RMB129.4 million from the divestiture of 2B business was due from 58.com and was recorded in “amounts due from related parties”. Since July 12, 2021, 58.com was no longer the Company’s related party, unreceived 2B disposal consideration was recorded as “other receivables, net”. A total of US\$7 million (equivalent to RMB45.4 million) was net settled with a portion of long-term debt due to the same counterparty during the fiscal year ended March 31, 2022. In addition to remaining amounts due from 58.com, the other receivables balance at March 31, 2022 included RMB9.7 million due from Boche related to that entity’s acquisition of the Company’s salvage care related business. The remaining amount due from 58.com related to the 2B transaction was fully settled in July 2022 (Note 26).

(ii) 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, was required to deposit a separate guarantee fund with those financial institutions.

The movement of the provision for credit loss for the year ended December 31, 2019, the three months ended March 31, 2020, and for the fiscal years ended March 31, 2021 and 2022 was as follows:

	For the year ended December 31,	For the three months ended March 31,	For the fiscal years ended March 31,	
	2019	2020	2021	2022
	RMB	RMB	RMB	RMB
Beginning balance of the period	(6,457)	(6,119)	(51,666)	(20,980)
Changes on initial application of ASU 2016-13	—	(8,434)	—	—
Addition	(1,411)	(39,748)	(1,104)	(3,494)
Write-off	—	2,635	31,790	679
Reclassified from amounts due from related parties	—	—	—	(6,456)
Reclassified as assets held for sale	1,749	—	—	—
Ending balance of the period	(6,119)	(51,666)	(20,980)	(30,251)

6. PREPAID EXPENSES AND OTHER CURRENT ASSETS

	March 31, 2021	March 31, 2022
	RMB	RMB
VAT-input deductible	71,989	54,728
Prepaid financial advisory service fee (i)	12,000	12,000
Prepaid marketing expense	3,955	7,877
Prepaid consulting and professional service fees	6,495	5,383
Prepaid insurance cost	4,325	4,973
Prepaid rental expense	2,207	2,469
Prepayment for used vehicles	4,689	—
Others	2,176	2,582
	107,836	90,012

(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, 2022, RMB12.0 million was recorded in prepaid expenses and other current assets, and RMB24.0 million was recorded in “other non-current assets”.

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7. PROPERTY, EQUIPMENT AND SOFTWARE, NET

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

	March 31, 2021	March 31, 2022
	RMB	RMB
Cost		
Leasehold improvement	167,073	174,466
Electronic equipment	61,758	53,194
Software	26,018	26,018
Furniture	3,650	3,508
Vehicle and motor	2,254	4,478
Construction in progress	—	7,218
Total property, equipment and software	<u>260,753</u>	<u>268,882</u>
Less: accumulated depreciation and amortization		
Leasehold improvement	(159,103)	(165,858)
Computer equipment	(56,961)	(50,651)
Software	(11,561)	(14,055)
Furniture	(2,738)	(2,518)
Vehicle and motor	(1,084)	(1,269)
Total accumulated depreciation and amortization	<u>(231,447)</u>	<u>(234,351)</u>
Net book value	<u><u>29,306</u></u>	<u><u>34,531</u></u>

The total amounts charged to the Consolidated Statements of Comprehensive Loss for depreciation and amortization expenses amounted are approximately RMB88.9 million, RMB21.3 million, RMB46.4 million and RMB14.3 million for the year ended December 31, 2019, the three months ended March 31, 2020, the fiscal years ended March 31, 2021 and 2022, respectively.

8. LONG-TERM INVESTMENTS

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

	March 31, 2021	March 31, 2022
	RMB	RMB
<i>Equity investments accounted for using the equity method</i>		
Beijing Gangjian Shoubao Cultural Media Center LLP ("Gangjian Shoubao")	4,500	4,500
Weiche Information Technology Co., Ltd. ("Weiche")	1,167	1,495
	<u>5,667</u>	<u>5,995</u>
<i>Equity investments accounted for using the measurement alternative</i>		
Jincheng Consumer Finance (Sichuan) Co., Ltd. ("Jincheng")	282,761	282,761
Total long-term investments	<u><u>288,428</u></u>	<u><u>288,756</u></u>

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Major investments of the Company as of March 31, 2021 and 2022 are summarized as follows:

Equity investments accounted for using the equity method

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 acquired 40% of ordinary equity interest of Weiche, a professional information technology company focusing on technology development and technology consulting service. The Company exercises significant influence in Weiche and therefore accounts for this as a long-term investment using equity method.

Equity investments accounted for using the measurement alternative

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 RMB233.0 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 divestiture 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 the alternative method measurement, and no measurement events were identified during the fiscal year ended March 31, 2022.

On July 28, 2022, the Company entered into a borrowing agreement with a third-party to obtain a total of RMB290 million loan with 5% annum interest rate due in December 2024. The equity interest of Jincheng, with carrying amount of RMB282.8 million, is pledged in order to obtain this new loan.

9. BORROWINGS

The following table presents borrowings from commercial banks or other institutions as of March 31, 2021 and 2022.

	March 31, 2021	March 31, 2022
	RMB	RMB
Long-term borrowings:	312,560	233,000
Minus: current portion of long-term borrowings	(79,560)	(233,000)
	<u>233,000</u>	<u>—</u>

A total of RMB233.0 million long-term borrowing with interest rate of 5.0% per annum will be due on December 15, 2022.

The weighted average interest rate for the outstanding borrowings was approximately 5.9% and 5.0% as of March 31, 2021 and 2022, respectively.

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10. GUARANTEE LIABILITIES

	March 31, 2021	March 31, 2022
	RMB	RMB
Guarantee liabilities – stand ready	172	46
Guarantee liabilities – contingent (i)	2,269	133
	<u>2,441</u>	<u>179</u>

(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 terms of the guarantee range from 2 years to 3 years.

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 years ended March 31,	
	2019	2020	2021	2022
	RMB	RMB	RMB	RMB
Beginning balance of the period	321,255	388,307	207,997	172
Changes on initial application of ASU 2016-13	—	(135,839)	—	—
Fair value of guarantee liabilities upon the inception of new guarantees	405,084	—	—	—
Guarantee liabilities settled	(398,167)	—	—	—
Losses from guarantee liabilities	362,597	—	—	—
Net assets transferred (Note 3)	(302,462)	—	—	—
Guarantee income (i) (Note 13)	—	(44,471)	(207,825)	(126)
Ending balance of the period	<u>388,307</u>	<u>207,997</u>	<u>172</u>	<u>46</u>

The movement of guarantee liabilities - contingent was as follows:

	For the three months ended March 31,	For the fiscal years ended March 31,	
	2020	2021	2022
	RMB	RMB	RMB
Beginning balance of the period	—	702,952	2,269
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/(reversal of) credit losses	804,322	(1,372)	(2,136)
Ending balance of the period	<u>702,952</u>	<u>2,269</u>	<u>133</u>

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(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 2020 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 with WeBank and under this supplemental agreement a total of RMB48 million instalment payments was waived immediately upon the effectiveness of this supplemental agreement. The effectiveness of this supplemental agreement was conditioned on the closing of the first tranche of financing with NIO Capital and Joy Capital. The first tranche of financing closed on July 12, 2021 and therefore this supplemental agreement became effective on July 12, 2021, and related waived payment, total amount of RMB73.7 million, was recorded in "other operating income".

Pursuant to the July agreement, total outstanding payables was RMB160.8 million as of March 31, 2022, out of which RMB107.6 million was recorded in "consideration payable to WeBank" and the remaining was recorded in "other payables and other current liabilities" (Note 11).

11. OTHER PAYABLES AND OTHER CURRENT LIABILITIES

	March 31, 2021	March 31, 2022
	RMB	RMB
Accrued advertising expenses (i)	305,217	268,455
Tax payables	77,862	68,720
Deposits	55,770	60,014
Accrued service fee for IT and office support	114,762	53,285
Consideration payable to WeBank, current (Note 10)	71,309	53,162
Interest payable	39,280	50,969
Accrued service fee for transaction support	80,740	39,132
Deferred revenue	23,296	18,049
Accrued salaries and benefits	46,991	13,815
Operating lease liabilities, current	11,657	10,994
Accrued legal proceedings and litigations	17,812	420
Others	49,869	37,318
	894,565	674,333

(i) Pursuant to a contractual payment schedule contained in a supplemental agreement signed with one of the Company's suppliers in June 2021, in order to settle all payables, due to this supplier, a total of RMB56.1 million, will be waived after full payment is made by the Company as long as the Company makes payments on schedule. As of March 31, 2022, a total of RMB154.3 million was recorded as "accrued advertising expense", out of which, RMB50.0 million was subsequently paid by the Company on April 1, 2022, and the last payment will be made by December 2022. Currently, the Company made the payments on schedule.

As of March 31, 2022, accrued advertising expenses included a total of RMB69.4 million due to 58.com, which was subsequently settled in July 2022 (Note 26).

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12. CONVERTIBLE NOTES/ LONG-TERM DEBT

	<u>March 31,</u> <u>2021</u>	<u>March 31,</u> <u>2022</u>
	<u>RMB</u>	<u>RMB</u>
<i>Convertible notes</i>		
2024 Notes	1,614,040	—
<i>Long-term debt</i>		
-Current portion	—	102,206
-Non-Current portion	—	817,648
	<u>—</u>	<u>919,854</u>

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 2024 Notes (which represents an initial conversion price of US\$3.09 per ADS) upon maturity.

The Company accounted for 2024 Notes as a single instrument each. The value of the 2024 Notes is measured by the cash received.

On June 14, 2021, the Company entered into agreements with NIO Capital and Joy Capital, pursuant to which both investors have agreed to invest in the Company’s senior convertible preferred shares a total of up to US\$315 million in the Company. As one of the pre-closing conditions of the new round financing, on the same day, the Company entered into a supplemental agreement with the 2024 Notes holders. Pursuant to the supplemental agreement, 30% of the outstanding 2024 Notes principal amount, a total of US\$69 million, would be automatically converted into a total of 66,990,291 Class A ordinary shares at a price of US\$1.03 per Class A ordinary share (US\$3.09 per ADS) upon the first closing date of the new round of financing. On July 12, 2021, date of the issuance of senior convertible preferred shares, the aforementioned conversion was completed, and related Class A ordinary shares were issued. The remaining principal amount, a total of US\$161 million, was also modified to be repaid by instalments by the Company from July 2021 to June 2024, recorded as “long-term debt”, and the 2024 Notes holders are not able to execute conversion rights anymore.

Additionally, interest terms were modified, such that the 2024 Notes bear no interest from the original issuance date and going forward. The modifications to the 2024 Notes were accounted for as a troubled debt restructuring (“TDR”) and resulted in an economic gain of RMB116.9 million (US\$18.0 million). RMB55.9 million (US\$8.6 million) of the gain related to non-equity holders of the Company was recorded in the “fair value impact of the issuance of senior convertible preferred shares” in the statement of comprehensive loss, and RMB61.0 million (US\$9.4 million) of the gain related to equity holders of the Company was recorded to additional paid-in capital.

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13. OTHER OPERATING INCOME, NET

	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	For the fiscal year ended March 31, 2022 RMB
Guarantee income (Note 10)	—	44,471	207,825	126
Government grant	—	11,572	15,392	1,895
VAT in super deduction	1,925	—	—	—
Gains from waiver of operating payables (i)	—	—	2,010	73,747
Income from sale of loans recognized as a result of payments under guarantees	—	—	21,119	26,279
Transfer-out of unused VAT-input deductible	—	—	—	(20,030)
	<u>1,925</u>	<u>56,043</u>	<u>246,346</u>	<u>82,017</u>

(i) The Company entered into supplemental agreements with several suppliers in May and June 2021, pursuant to which the Company would be exempted from the repayment of other payables of approximately RMB120.4 million after all instalment pursuant to contractual payment schedule contained in the supplemental agreement are made by the Company. During the fiscal year ended March 31, 2022, a total of RMB73.7 million gains from waiver of operating payables were realized.

14. OPERATING LEASE

The Group has operating leases primarily for office and operation space. The Group's operating lease arrangements have remaining terms of one year to three years.

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

	March 31, 2021 RMB	March 31, 2022 RMB
Right-of-use assets	46,829	29,584
Operating lease liabilities - current	11,657	10,994
Operating lease liabilities - non-current	34,365	10,866
Total operating lease liabilities	<u>46,022</u>	<u>21,860</u>
Weighted average remaining lease term	4.33	2.25
Weighted average discount rate	5.40 %	5.19 %

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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 RMB75.3 million for the year ended December 31, 2019, including RMB10.6 million recorded from continuing business and RMB64.7 million from discontinued operations.

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.

Total operating lease costs were RMB19.8 million for the fiscal year ended March 31, 2022. Total short-term lease costs were RMB3.3 million for the fiscal year ended March 31, 2022.

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

	<u>For the year ended December 31,</u> <u>2019</u> RMB	<u>For the three months ended March 31,</u> <u>2020</u> RMB	<u>For the fiscal year ended March 31,</u> <u>2021</u> RMB	<u>For the fiscal year ended March 31,</u> <u>2022</u> RMB
Cash paid for amounts included in the measurement of lease liabilities	134,071	8,503	13,599	23,547
Right-of-use assets obtained in exchange for operating lease liabilities	87,350	311	46,829	23,628

Maturities of operating lease liabilities are as follows:

	<u>March 31, 2022</u> RMB
The fiscal year ended March 31, 2023	11,796
The fiscal year ended March 31, 2024	5,450
The fiscal year ended March 31, 2025	5,886
Total operating lease payments	23,132
Less: imputed interest	(1,272)
Total lease liabilities	<u>21,860</u>

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15. 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 and 2022:

<u>Name of related parties</u>	<u>Relationship with the Group</u>
58.com	2024 Notes holder who appointed one of the Board members of the Company before July 12, 2021
NIO Capital and Joy Capital	Holders of senior convertible preferred shares
Weiche	Equity-method investee of the Company

Except for 2024 Notes balance as disclosed in details of related party balances as of March 31, 2022 (Note 12), and senior convertible preferred shares, warrants and forward contracts issued to NIO Capital and Joy Capital (Note 17), major related party balance as of March 31, 2021 and 2022 and major related parties' transactions for the year ended December 31, 2019, the three months ended March 31, 2020, and the fiscal years ended March 31, 2021 and 2022 were as follows:

Amounts due from related party

	<u>March 31,</u> <u>2021</u> <u>RMB</u>	<u>March 31,</u> <u>2022</u> <u>RMB</u>
<i>Consideration receivables, net (Note 3)</i>		
58.com	129,383	—

Amounts due to related party

	<u>March 31,</u> <u>2021</u> <u>RMB</u>	<u>March 31,</u> <u>2022</u> <u>RMB</u>
<i>Unpaid advertising expenses</i>		
58.com	69,434	—

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Transactions with related parties

	<u>For the year ended December 31, 2019 RMB</u>	<u>For the three months ended March 31, 2020 RMB</u>	<u>For the fiscal year ended March 31, 2021 RMB</u>	<u>For the fiscal year ended March 31, 2022 RMB</u>
<i>Advertising service provided by the related parties</i>				
58.com	47,054	23,520	89,843	—
Weiche	—	—	—	351
	<u>47,054</u>	<u>23,520</u>	<u>89,843</u>	<u>351</u>
<i>Inventory leads sold to the related party</i>				
58.com	—	—	10,869	176
<i>Gain from the divestiture of 2B business (Note 3)</i>				
58.com	—	—	735,956	—

16. 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".

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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 HNTE and enjoys a preferential income tax rate of 15% from 2020 to 2022.

The Group’s other PRC subsidiaries, former VIEs and VIEs’ subsidiaries are subject to the statutory income tax rate of 25%.

As of March 31, 2022, the major tax jurisdictions of the Group are China and Hong Kong, and the tax year is the calendar year.

Composition of income tax expense

The current and deferred portions of income tax expense included in the Consolidated Statements of Comprehensive Loss during the year ended December 31, 2019, the three months ended March 31, 2020, the fiscal years ended March 31, 2021 and 2022 were as follows:

	<u>For the year ended December 31,</u> <u>2019</u> <u>RMB</u>	<u>For the three months ended March 31,</u> <u>2020</u> <u>RMB</u>	<u>For the fiscal year ended March 31,</u> <u>2021</u> <u>RMB</u>	<u>For the fiscal year ended March 31,</u> <u>2022</u> <u>RMB</u>
<i>Continuing operations:</i>				
- Current income tax benefit/ (expense)	876	(326)	(33)	(245)
- Deferred income tax expense	1,678	—	—	—
	<u>2,554</u>	<u>(326)</u>	<u>(33)</u>	<u>(245)</u>
<i>Discontinued operations:</i>				
- Current income tax expense	(2,992)	—	—	—
Total income tax expense	<u>(438)</u>	<u>(326)</u>	<u>(33)</u>	<u>(245)</u>

Reconciliation of the differences between statutory tax rate and the effective tax rate

The following table sets forth a reconciliation between the statutory PRC EIT rate of 25% and the effective tax rate:

	<u>For the year ended December 31,</u> <u>2019</u>	<u>For the three months ended March 31,</u> <u>2020</u>	<u>For the fiscal year ended March 31,</u> <u>2021</u>	<u>For the fiscal year ended March 31,</u> <u>2022</u>
Statutory income tax rate 25.0%	25.0%	25.0%	25.0%	25.0%
Permanent differences	(8.9)%	(6.7)%	(17.0)%	(42.0)%
Effect of different tax rate (i)	(2.1)%	(0.7)%	(0.7)%	12.4%
Change of valuation allowance	(13.9)%	(17.6)%	(7.3)%	4.8%
Effective tax rate	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>0.2%</u>

(i) The effect of different tax rate is attributed to varying rates in other jurisdictions where the Group is established, such as the Cayman Islands or Hong Kong, and the preferential tax rate certain entities in the Group enjoys.

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Deferred tax assets and deferred tax liabilities

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

	<u>March 31,</u> <u>2021</u>	<u>March 31,</u> <u>2022</u>
	RMB	RMB
Deferred tax assets		
Net accumulated losses-carry forward	904,496	1,449,953
Deductible advertising expense	543,743	551,431
Provision for credit losses	511,528	94,706
Accruals	46,097	—
Less: valuation allowance	(2,005,864)	(2,096,090)
Net deferred tax assets	<u>—</u>	<u>—</u>

Movement of valuation allowance

	<u>For the year</u> <u>ended December</u> <u>31,</u> <u>2019</u>	<u>For the three</u> <u>months ended</u> <u>March 31,</u> <u>2020</u>	<u>For the fiscal year</u> <u>ended March 31,</u> <u>2021</u>	<u>For the fiscal year</u> <u>ended March 31,</u> <u>2022</u>
	RMB	RMB	RMB	RMB
Balance at beginning of the period	(1,252,253)	(1,534,011)	(1,974,108)	(2,005,864)
Changes of valuation allowance	(281,758)	(440,097)	(31,756)	(90,226)
Balance at end of the period	<u>(1,534,011)</u>	<u>(1,974,108)</u>	<u>(2,005,864)</u>	<u>(2,096,090)</u>

As of March 31, 2022, the Group had net operating loss carries forwards of approximately RMB5,912.6 million which arose from the subsidiaries established in the PRC. For Youxinpai and Youfang, which have been qualified as HNTE, its loss carries forwards will expire from 2021 to 2030 according to newly issued Caishui 2018[78]. For all other remaining subsidiaries in China, the loss carries forwards will expire from 2021 to 2024.

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, 2021 and 2022.

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17. SENIOR CONVERTIBLE PREFERRED SHARES AND WARRANTS

In June 2021, the Company entered into shares subscription 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. On the same day, the Company also issued warrants to each of NIO Capital and Joy Capital to purchase up to 240,314,593 senior convertible preferred shares for an aggregate amount of US\$165 million which was included in the aforementioned US\$315 million. Each investor will be able to exercise the warrants within 18 months of the first closing date. 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.

In November 2021 and March 2022, the Company completed the second closing of US\$27.5 million and US\$10 million through the issuance of a total of 80,104,865 senior convertible preferred shares and 29,129,042 senior convertible preferred shares, respectively. Both investors still retain their rights to purchase the senior convertible preferred shares for the remaining amount of US\$12.5 million.

The major rights, preferences and privileges of the senior convertible preferred shares are as follows:

Conversion rights

Each senior convertible preferred share shall be convertible, at any time and from time to time from and after the applicable original issue date. The conversion price for each senior convertible preferred share shall be US\$0.3433 per Class A ordinary share or US\$1.03 per ADS. The conversion price is adjusted in the occurrence of a) share dividends and share splits; b) subsequent equity sales; c) subsequent rights offerings.

Voting rights

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 shares could be converted.

Dividends

Each senior convertible preferred share shall have the right to receive dividends, on as converted and non-cumulative basis, when, as and if declared by the Board. No dividend shall be paid on the ordinary shares at any time unless and until all dividends on the senior convertible preferred share have been paid in full. No dividends on preferred and ordinary shares have been declared since the issuance date until September 30, 2021.

Liquidation Preference

Upon any liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, each senior convertible preferred shareholder 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, or US\$0.3433, per senior convertible preferred share held by such holder, plus any accrued and unpaid dividends, before any distribution or payment shall be made to the holders of any junior securities.

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Redemption Rights

At any time and from time to time, upon written notice of each holder of senior convertible preferred share, the Company shall redeem all or part of the senior convertible preferred share 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; (ii) any conviction of breaches or violation of Applicable Law by the Company which is reasonably expected to have a material adverse effect; (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; (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; (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".

Redemption price is defined as sum of the aggregate amount of the stated value (as adjusted for any share dividends, combinations, splits, recapitalizations and the like), plus 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 and ending on the redemption closing date plus any accrued but unpaid dividends.

Accounting for senior convertible preferred share and warrants

The Company classified the senior convertible preferred shares in the mezzanine equity section of the consolidated balance sheets because certain redemption features allow the senior convertible preferred shareholders to force the Company to redeem the preferred shares and therefore, the senior convertible preferred shares are considered contingently redeemable upon the occurrence of certain liquidation events outside of the Company's control. The senior convertible preferred share is carried at the amount recorded at inception and no accretion to the redemption value is needed until it becomes probable that the preferred shares will become redeemable. Continual evaluation is performed to assess whether probable of becoming redeemable.

The Company classified the warrants in the warrant liabilities and recorded at fair value initially with subsequent changes in fair value recorded in the profit and loss as warrants issued with redeemable share are liabilities within the scope of ASC 480. Warrants issued in connection with debt or equity, if the warrants are classified as a liability and recorded at fair value with changes in fair value recorded in the profit and loss, then the proceeds should be allocated first to the warrants based on their fair value (not relative fair value). The residual should be allocated to the base debt or equity instrument. Therefore, all proceeds were allocated to warrants on July 12, 2021 as the fair value of the warrants on that day was higher than total proceeds received. Besides, financial liabilities that are required to be measured at fair value should be recorded at fair value with the excess of the fair value over the net proceeds received recognized as a loss in the profit and loss.

The Company classified the obligation for the second closing as forward contracts as the investors were obligated to purchase and the Company was required to issue the shares within that twelve-month period since the first closing date. Forward contracts were recorded at fair value initially with subsequent fair value changes to be recorded through profit and loss.

The Company received a total of US\$27.5 million and US\$10.0 million in November 2021 and March 2022 as part of the second closing, respectively. As a result, a total of RMB526.5 million (US\$83.1 million) related with the second closing was recorded at "Mezzanine equity" at the corresponding fair values on the applicable closing dates. The total fair value impact during the fiscal year ended March 31, 2022 was RMB130.4 million (US\$20.6 million) and recorded under "Fair value impact of the issuance of senior convertible preferred shares".

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The Company's senior convertible preferred shares activities for the fiscal year ended March 31, 2022 are summarized below:

	<u>Mezzanine Equity</u> RMB
Balance as of March 31, 2021	—
Issuance of senior convertible preferred shares	239,452
Fair value impact recorded in the applicable issuance days	287,032
Balance as of March 31, 2022	<u>526,484</u>

The roll forward of Level 3 financial instruments, including both warrant liabilities and forward contracts, during the fiscal year ended March 31, 2022 was as follows:

	<u>Warrant liabilities</u> RMB	<u>Forward contract assets</u> RMB
Fair value of Level 3 financial instruments as of March 31, 2021	—	—
Issuance of warrants	647,850	—
Fair value of warrants and forward contracts at issuance	1,800,147	735,244
Settlement of forward contracts	—	(287,032)
The change in fair value of financial instruments	(2,224,660)	(441,088)
Foreign currency translation	(26,947)	(7,160)
Fair value of Level 3 liabilities/(assets) as of March 31, 2022	<u>196,390</u>	<u>(36)</u>

The composition of the fair value impact of the issuance of senior convertible preferred shares during the fiscal year ended March 31, 2022 was as follows:

	<u>For the fiscal year ended</u> <u>March 31, 2022</u> RMB
Fair value impact of the warrants	424,513
Fair value impact of the forward contracts	(294,156)
Gain from the TDR of the 2024 Notes (Note 12)	55,874
	<u>186,231</u>

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The forward contracts and warrants are not traded in an active securities market. In terms of forward contracts, discounted cash flow model was applied to estimate its fair value using the risk-free interest rate as the discount rate.

For the warrants, with the assistance from an independent valuation firm, the Company estimated its fair value using the Black-Scholes option pricing model using the following main assumptions:

	For the fiscal year ended March 31, 2022
Risk-free interest rate	0.12%~1.39%
Expected volatility	43.08%~55.29%
Dividend yield	0%
Expected term (in years)	0.78~1.50
Fair value of underlying senior convertible preferred share	US\$0.34 ~ US\$1.12

18. ORDINARY SHARES

As of March 31, 2021 and 2022, 10,000,000,000 and 9,000,000,000 ordinary shares had been authorized respectively. A total of 1,186,854,720 ordinary shares, par value US\$0.0001 per share, consists of 1,146,044,859 Class A ordinary shares and 40,809,861 Class B ordinary shares, had been issued and outstanding as of March 31, 2022. 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. Each Class B ordinary share was entitled to 10 votes, while each Class A ordinary shares was entitled to one vote.

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.

On July 23, 2020, certain convertible notes holders, including PacificBridget Diamond, amended the terms of the convertible notes in an aggregate principal amount of US\$50 million that the Company issued between July and November 2019, and a total of RMB121.1 million inducement charge was recorded due to the amendment of conversation price. Those convertible 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.

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 would 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, the aforementioned conversion was completed and a total of 66,990,291 Class A ordinary shares were issued.

19. SHARE-BASED COMPENSATION**(a) Share options**

On March 26, 2013, the Company adopted the 2013 Stock Incentive Plan ("2013 Plan").

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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 a graded-vesting 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 4,247,500, 2,175,300, 6,700,665 and 1,266,357 stock options to Grantees for the year ended December 31, 2019, the three months ended March 31, 2020, the fiscal years ended March 31, 2021 and 2022, respectively.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in thousands, except for share and per share data, unless otherwise noted)

The following table sets forth the share options activities for the year ended December 31, 2019, the three months ended March 31, 2020, the fiscal years ended March 31, 2021 and 2022:

	<u>Number of shares</u>	<u>Weighted- average exercise price</u> US\$	<u>Weighted average remaining contractual term</u> YEARS	<u>Aggregate intrinsic value</u> US\$'000	<u>Weighted average fair value of options</u> US\$
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	<u>35,342,046</u>	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	<u>32,330,838</u>	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	<u>25,754,673</u>	1.79	6.18	3,974.57	1.20
Granted	1,266,357	0.01	—	—	0.57
Forfeited	(1,681,323)	1.34	—	—	2.58
Exercised	(6,826,300)	0.36	—	—	0.67
Outstanding as of March 31, 2022	<u>18,513,407</u>	0.75	6.01	2,405.17	1.23
Vested and expected to vest as of March 31, 2022	<u>18,513,407</u>	0.75	6.01	2,405.17	1.23
Exercisable as of March 31, 2022	<u>17,375,277</u>	0.56	5.93	2,282.78	1.26

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.

As of March 31, 2022, there were RMB2.9 million of unrecognized compensation expenses related to share options, which are expected to be recognized over a weighted-average period of 0.53 years and may be adjusted for future forfeitures.

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Options granted to Grantees were measured at fair value on the dates of grant using the Binomial Option Pricing Model with the following assumptions:

	<u>For the year ended December 31,</u> 2019	<u>For the three months ended March 31,</u> 2020	<u>For the fiscal year ended March 31,</u> 2021	<u>For the fiscal year ended March 31,</u> 2022
Expected volatility	44%~45%	46%~49%	48%~61%	34%~68%
Risk-free interest rate (per annum)	1.6%~1.9%	0.3%~0.7%	0%~1.4%	0%~2.4%
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.

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(b) Restricted shares

The following table sets forth the restricted shares activity for the year ended December 31, 2019, the three months ended March 31, 2020, the fiscal years ended March 31, 2021 and 2022:

	<u>Number of shares</u>	<u>Weighted average grant date fair value</u> US\$
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	<u>33,334</u>	2.26
Granted	50,066	0.51
Vested	(50,066)	0.51
Unvested as of March 31, 2020	<u>33,334</u>	2.26
Granted	275,850	0.45
Vested	(309,184)	0.65
Unvested as of March 31, 2021	<u>—</u>	—
Granted	606,570	0.42
Vested	(606,570)	0.42
Unvested as of March 31, 2022	<u>—</u>	—

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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(c) Performance Awards

In December 2021, the Company issued certain restricted share units with market conditions to certain management (“Performance Awards”). The market conditions are satisfied upon the Company’s achievement of a certain specified market capitalization subject to continuous employment of each recipient. Total numbers of shares to be granted would be certain percentage of issued and outstanding shares on a fully diluted basis as of the date when the market conditions are fulfilled. The amount of share-based compensation recorded will vary depending on the Company’s attainment of performance-targets and amortized during the requisite service period.

The total aggregated grant-date fair values of Performance Awards with market conditions in the fiscal year ended March 31, 2022 was RMB96.2 million. The average derived service periods for Performance Awards with market conditions was 3.4 years. The fair value of Performance Awards with market conditions granted was determined using a Monte Carlo model with the following assumptions:

	For the fiscal year ended March 31, 2022
Risk-free interest rate	1.12 %
Expected volatility	46 %
Expected dividend yield	0 %

For the fiscal year ended March 31, 2022, RMB7.7 million related with Performance Awards was recorded in the general and administrative expenses. As of March 31, 2022, total amount of unrecognized expense related with the Performance Awards was RMB88.5 million.

(d) Share-based compensation expenses by function

The following table sets forth the amounts of share-based compensation expenses continuing operations included in each of the relevant financial statement line items:

	For the year ended December 31,	For the three months ended March 31,	For the fiscal year ended March 31,	For the fiscal year ended March 31,
	2019	2020	2021	2022
	RMB	RMB	RMB	RMB
Cost of revenues	—	—	2,149	—
Sales and marketing expenses	—	—	5,036	—
Research and development expenses	194	(2,158)	(2,216)	—
General and administrative expenses	84,265	(29,925)	(24,091)	26,534
Total	84,459	(32,083)	(19,122)	26,534

20. 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

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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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.

21. FAIR VALUE MEASUREMENTS*Assets and liabilities disclosed at fair value*

The Company measures its cash and cash equivalents, accounts receivable, and loans recognized as a result of payments under guarantees at amortized cost, which were approximated to their fair values due to the short-term maturity of these instruments. 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.

Assets measured at fair value on a nonrecurring basis

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

The equity investment without readily determinable fair value was recorded at fair value only if an impairment or observable price adjustment was recognized in the current period. If an impairment or observable price adjustment was recognized on the equity investment during the period, the Company classified these assets as Level 3 within the fair value hierarchy based on the nature of the fair value inputs.

Assets measured at fair value on a recurring basis

The Company measured its warrant liabilities and forward contracts at fair value on a recurring basis. As the Company's warrant liabilities and forward contracts are not traded in an active market with readily observable prices, the Company uses significant unobservable inputs to measure the fair value of warrant liabilities and forward contracts. These instruments are categorized in the Level 3 valuation hierarchy based on the significance of unobservable factors in the overall fair value measurement. The Company did not transfer any assets or liabilities in or out of level 3 during the fiscal year ended March 31, 2022.

The following table summarizes the Company's financial assets and liabilities measured and recorded at fair value on recurring basis as of March 31, 2022:

	March 31, 2022			
	Active market (Level 1) RMB	Observable input (Level 2) RMB	Non- observable input (Level 3) RMB	Total RMB
Assets:				
Forward contract assets	—	—	36	36
Liabilities:				
Warrant liabilities	—	—	196,390	196,390

Refer to Note 17 for additional information about warrant liabilities and forward contracts measured at fair value on a recurring basis for the fiscal year ended March 31, 2022.

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(All amounts in thousands, except for share and per share data, unless otherwise noted)

22. NET LOSS 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 years ended March 31,	
	2019 RMB	2020 RMB	2021 RMB	2022 RMB
Basic net loss per share	(1,327,678)	(2,034,385)	(716,975)	(143,223)
<i>Numerator:</i>				
Net loss from continuing operations	(1,327,678)	(2,034,385)	(716,975)	(143,223)
Less: net loss from continuing operations attributable to non-controlling interests shareholders	(1,452)	(5,383)	(9)	—
Net loss from continuing operations, attributable to ordinary shareholders	(1,326,226)	(2,029,002)	(716,966)	(143,223)
<i>Denominator:</i>				
Weighted average number of ordinary shares outstanding - basic	886,613,598	888,460,868	1,100,650,208	1,168,419,750
Net loss per share from continuing operations attributable to ordinary shareholders, basic	(1.50)	(2.28)	(0.65)	(0.12)
Diluted net loss per share				
<i>Numerator:</i>				
Net loss attributable to ordinary shareholders from continuing operations	—	—	—	(143,223)
Add: the change in fair value of warrant liabilities	—	—	—	(2,224,660)
Add: the change in fair value of forward contract assets	—	—	—	(441,088)
Diluted net loss from continuing operations attributable to ordinary shareholders	—	—	—	(2,808,971)

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	For the year ended December 31,	For the three months ended March 31,	For the fiscal years ended March 31,	
	2019	2020	2021	2022
	RMB	RMB	RMB	RMB
Denominator:				
Weighted average number of ordinary shares outstanding - basic	886,613,598	888,460,868	1,100,650,208	1,168,419,750
Weighted average effect of potential dilutive securities outstanding from continuing operations				
- Warrants	—	—	—	147,895,143
- Forward contracts	—	—	—	38,191,128
Weighted average number of ordinary shares outstanding from continuing operations, diluted	<u>886,613,598</u>	<u>888,460,868</u>	<u>1,100,650,208</u>	<u>1,354,506,021</u>
Net loss per share from continuing operations attributable to ordinary shareholders, diluted	(1.50)	(2.28)	(0.65)	(2.07)

As the Company incurred losses for the year ended December 31, 2019, the three months ended March 31, 2020, and the fiscal years ended March 31, 2021 and 2022, 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 senior convertible preferred shares, convertible notes and options granted excluded from the calculation of diluted net loss per share of the Company of the respective periods were as follows:

	For the year ended December 31,	For the three months ended March 31,	For the fiscal years ended March 31,	
	2019	2020	2021	2022
Senior convertible preferred shares	—	—	—	240,274,690
Convertible notes	253,165,870	253,165,870	223,300,971	—
Outstanding weighted average share options	4,096,724	4,662,702	6,961,854	5,114,834
Non-vested restricted shares	33,331	33,329	—	—
Total	<u>257,295,925</u>	<u>257,861,901</u>	<u>230,262,825</u>	<u>245,389,524</u>

23. 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, former 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 RMB169.8 million and RMB32.4 million, RMB76.1 million and RMB25.8 million for the for the year ended December 31, 2019, the three months ended March 31, 2020, the fiscal years ended March 31, 2021 and 2022, respectively.

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24. 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.

25. CONTINGENCIES AND COMMITMENTS

Contingencies

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 still 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, 2022 in respect of this case.

Commitments

The Company and Changfeng County Government of Hefei City ("Hefei") entered into a strategic partnership on September 24, 2021 to jointly invest in and build a used car inspection and reconditioning center ("IRC"). Total investment would be RMB2.5 billion (including the investment of both Hefei and the Company). After the completion of the IRC, the Company will lend the IRC from Hefei and is obligated to pay the rentals for IRC after the right-of-use transfers to the Company.

26. SUBSEQUENT EVENTS

On June 30, the Company entered into a definitive agreement with affiliates of an existing shareholder, NIO Capital. Pursuant to the definitive agreement, NIO Capital has agreed with the Company for the subscription of 714,285,714 senior convertible preferred shares for an aggregate amount of US\$100 million, which will be paid in multiple installments. The first payment for the par value of these preferred shares of US\$71.4 thousand was received by the Company. The remaining four installments of US\$9.9 million, US\$30 million, US\$20 million and US\$40 million will be received in September, December 2022, March and June 2023, respectively.

On June 30, 2022, pursuant to the shares subscription agreements the Company entered into with NIO Capital and Joy Capital, respectively, in June 2021 (Note 17), the Company received a total of US\$7.5 million from Joy Capital for the subscription of 21,846,781 senior convertible preferred shares as the remaining part of the second tranche.

On July 19, 2022, the Company issued 183,495,146 Class A ordinary shares (par value US\$0.0001 per share) to 58.com Holdings Inc. ("58.com") in exchange for the full release of the Company's obligations of US\$63 million under the 2024 Notes which was further modified in July 2021 (Note 12). These shares were issued at a price equivalent to US\$0.3433 per Class A ordinary share. In connection with the foregoing transaction, the Company and 58.com have mutually released the other party from claims arising out of certain obligations under certain historical transactions, primarily including 2B unreceived disposal consideration and accrued advertising expenses. The related impact to the Company's fiscal year 2023 second quarter results are not expected to be material.

On July 27, 2022, NIO Capital assigned its rights and obligations to an independent third party to subscribe for 14,564,520 senior convertible preferred shares for a total price of US\$5 million under the second tranche of the financing transaction with NIO Capital and Joy Capital entered into in June 2021 (Note 17). On the same day, the Company received and closed

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the US\$5 million through the issuance of a total of 14,564,520 senior convertible preferred shares to the independent third party. Following this closing, the second tranche of this financing transaction for the amount of US\$50 million has been completed.

On July 28, 2022, the Company entered into a borrowing agreement with a third-party to obtain a total of RMB290 million loan with 5% annum interest rate due in December 2024. The equity interest in Jincheng is pledged in order to obtain this new loan (Note 8).

27. RESTRICTED NET ASSETS

Pursuant to laws applicable to entities incorporated in the PRC, the Group's subsidiaries in the PRC must make appropriations from after-tax profit to non-distributable reserve funds. These reserve funds include one or more of the following: (i) a general reserve, (ii) an enterprise expansion fund and (iii) a staff bonus and welfare fund. Subject to certain cumulative limits, the general reserve fund requires an annual appropriation of 10% of after-tax profit (as determined under accounting principles generally accepted in the PRC at each year-end) until the accumulative amount of such reserve fund reaches 50% of a company's registered capital; the other fund appropriations are at the subsidiaries' discretion. These reserve funds can only be used for specific purposes of enterprise expansion and staff bonus and welfare and are not distributable as cash dividends. During the year ended December 31, 2019, the three months ended March 31, 2020, and the fiscal years ended March 31, 2021 and 2022, no appropriations to the statutory reserve, enterprise expansion fund and staff welfare and bonus fund have been made by the Group.

Since the Company has a consolidated shareholders' deficit, its net asset base for purposes of calculating the proportionate share of restricted net assets of consolidated subsidiaries should be zero. Therefore, the restrictions placed on the net assets of the Company's PRC subsidiaries with positive equity would result in the 25% threshold being exceeded and a corresponding requirement to provide parent company financial information (see Note 28).

28. CONDENSED FINANCIAL INFORMATION OF THE PARENT COMPANY

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 dividends to the Company for the periods presented. For the purpose of presenting parent company 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 losses of subsidiaries". Certain information and footnote disclosures generally included in financial statements prepared in accordance with US GAAP have been condensed and omitted. The footnote disclosures contain supplemental information relating to the operations of the Company, as such, these statements should be read in conjunction with the notes to the consolidated financial statements of the Company.

The parent company did not have significant capital and other commitments, long-term obligations, other long-term debt, or guarantees as of March 31, 2021 and 2022.

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Balance sheets	March 31, 2021	March 31, 2022
	RMB	RMB
ASSETS		
Current assets:		
Cash and cash equivalents	346	599
Amounts due from intra-Group entities	8,753,029	8,438,565
Other receivables	2,415	2,170
Forward contract assets	—	36
Prepaid expenses	4,189	5,104
Total assets	8,759,979	8,446,474
LIABILITIES, MEZZANINE EQUITY AND SHAREHOLDERS' DEFICIT		
Current liabilities:		
Other payables and other current liabilities	46,866	22,678
Investment deficit in subsidiaries	10,618,691	9,120,730
Amounts due to intra-Group entities	90,114	90,112
Warrant liabilities	—	196,390
Total liabilities	10,755,671	9,429,910

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(All amounts in thousands, except for share and per share data, unless otherwise noted)

Balance sheets(Continued)	<u>March 31, 2021</u> RMB	<u>March 31, 2022</u> RMB
Mezzanine equity		
Senior convertible preferred shares (US\$0.0001 par value, nil and 1,000,000,000 shares authorized as of March 31, 2021 and 2022, respectively; nil and 400,524,323 shares issued and outstanding as of March 31, 2021 and 2022, respectively)	—	526,484
Total mezzanine equity	<u>—</u>	<u>526,484</u>
Shareholders' deficit		
Ordinary shares (US\$0.0001 par value, 10,000,000 shares authorized as of March 31, 2021 and 2022, respectively; 1,071,621,698 Class A ordinary shares and 40,809,861 Class B ordinary shares issued and outstanding as of March 31, 2021; 1,146,044,859 Class A ordinary shares and 40,809,861 Class B ordinary shares issued and outstanding as of March 31, 2022)	733	782
Additional paid-in capital	13,695,877	14,254,109
Accumulated other comprehensive income	217,747	288,461
Accumulated deficit	<u>(15,910,049)</u>	<u>(16,053,272)</u>
Total shareholders' deficit	<u>(1,995,692)</u>	<u>(1,509,920)</u>
Total liabilities, mezzanine equity and shareholders' deficit	<u>8,759,979</u>	<u>8,446,474</u>

UXIN LIMITED

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(All amounts in thousands, except for share and per share data, unless otherwise noted)

Statements of comprehensive loss	For the year	For the three	For the fiscal	For the fiscal
	ended	months ended	year ended	year ended
	December 31,	March 31,	March 31,	March 31,
	2019	2020	2021	2022
	RMB	RMB	RMB	RMB
Operation expense				
Sales and marketing	(24,622)	—	(5,036)	—
Research and development	(258)	2,158	2,217	—
General and administrative	(136,459)	19,018	(21,161)	(39,398)
Provision for credits losses, net	—	(3,490)	—	—
Total operating expenses	(161,339)	17,686	(23,980)	(39,398)
Loss from operations	(161,339)	17,686	(23,980)	(39,398)
Share of loss of subsidiaries	(1,818,665)	(2,491,563)	(275,229)	(293,128)
Interest expense, net	(47,677)	(10,727)	(14,041)	—
Other income, net	39,131	426	13,075	3,303
Foreign exchange (loss)/ gain	(126)	(1)	9	(231)
Fair value impact of the issuance of senior convertible preferred shares	—	—	—	186,231
Inducement charge of convertible notes	—	—	(121,056)	—
Net loss	(1,988,676)	(2,484,179)	(421,222)	(143,223)
Other comprehensive (loss)/ income				
Foreign currency translation	(17,869)	38,572	110,983	70,714
Total comprehensive loss	(2,006,545)	(2,445,607)	(310,239)	(72,509)

UXIN LIMITED

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(All amounts in thousands, except for share and per share data, unless otherwise noted)

Statements of cash flow	For the year	For the three	For the fiscal	For the fiscal
	ended	months ended	year ended	year ended
	December 31,	March 31,	March 31,	March 31,
	2019	2020	2021	2022
	RMB	RMB	RMB	RMB
Net cash generated from/ (used in) operating activities	18,977	(218)	(35,016)	(52,104)
Net cash generated from investing activities	755,553	—	—	—
Net cash (used in)/ generated from financing activities	(781,527)	(2,058)	34,308	52,379
Effect of exchange rate changes on cash and cash equivalents	50	16	(27)	(22)
Net (decrease)/increase in cash and cash equivalents	(6,947)	(2,260)	(735)	253
Cash and cash equivalents at beginning of the period	10,288	3,341	1,081	346
Cash and cash equivalents at end of the period	3,341	1,081	346	599

UXIN LIMITED
AMENDED AND RESTATED 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) 9,600,000,000 Class A Ordinary Shares, (ii) 100,000,000 Class B Ordinary Shares; and (iii) 300,000,000 shares of a par value of 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 authorize the division of 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 (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, pursuant to and by virtue of various resolutions adopted by the Board of Directors, including the resolutions passed at the meeting of the Board of Directors held on June 14, 2021 which authorized the adoption of a Certificate of Designation of Senior Convertible Preferred Shares (the “**Prior Certificate of Designation**”) to create and issue a new series of senior convertible preferred shares of the Company with preference, priority, special privilege and other rights provided therein and that 1,000,000,000 of the authorized but unissued shares in the authorized share capital of the Company were designated as Senior Preferred Shares, 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 Senior Preferred Shares.

FIFTH, the Board of Directors desires to and, pursuant to the authority designated to it under the Memorandum and Articles, has authorized, by the resolutions passed at the meeting of the Board of Directors held on July 27, 2022, (a) the re-designation of 720,000,000 authorized (but unissued) Class A Ordinary Shares as 720,000,000 Senior Preferred Shares, having the rights, preferences, privileges and restrictions attaching thereto as set out in the Certificate of Designation, and (b) the adoption of this Amended and Restated Certificate of Designation of Senior Convertible Preferred Shares (this “**Certificate of Designation**”) to amend, restate, supersede and replace in their entirety the Prior Certificate of Designation. Following such re-designation and adoption of this Certificate of Designation and together with the 1,000,000,000 Senior Preferred Shares under the Prior Certificate of Designation, the authorized share capital of the Company is US\$1,000,000 divided into 10,000,000,000 comprising of (i) 8,180,000,000 Class A Ordinary Shares, (ii) 100,000,000 Class B Ordinary Shares, and (iii) 1,720,000,000 Senior Preferred Shares with preference, priority, special privilege and other rights provided herein.

NOW, THEREFORE, a 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.

“**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 Certificate of Designation 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.

“**Closing**” shall have the meaning set forth in the 2022 Subscription Agreement.

“**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.

“**Depository**” 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).

“**Distribution**” shall have the meaning set forth in Section 7(d).

“**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 applicable 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.

“**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 Agreements 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 2022 Subscription Agreement, provided that such securities have not been amended since the date of the 2022 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.

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

“**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 Companies**” means the Company and its Subsidiaries.

“**HKIAC**” shall have the meaning given to such term in Section 9(e).

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

“**Investor Directors**” shall have the meaning set forth in the 2021 Voting Agreement and the 2022 Voting Agreement.

“**Investors’ Rights Agreement**” means the restated and amended investors’ rights agreement dated as the date hereof, entered or to be entered into by and among, the Company, the Holders and certain other parties thereto at the 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 2022 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 June 30, 2025.

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

“**Purchase Rights**” shall have the meaning set forth in Section 7(c).

“**Redemption Closing Date**” shall have the meaning set forth in Section 8(c).

“**Redemption Notice**” shall have the meaning set forth in Section 8(c).

“**Redemption Notice Date**” shall have the meaning set forth in Section 8(c).

“**Redemption Price**” shall have the meaning set forth in Section 8(b).

“**Registration Rights Agreement(s)**” means each of and collectively, the 2021 Registration Rights Agreement and the 2022 Registration Rights Agreement.

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

“**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)(i).

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

“**Subscription Agreement(s)**” means each of and collectively, the 2021 Share Subscription Agreement and the 2022 Share Subscription Agreement.

“**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 Agreements, the Investors’ Rights Agreement, the Warrants, the Registration Rights Agreements, the 2021 Voting Agreement, the 2022 Voting Agreement, all exhibits and schedules thereto and hereto and any other documents or agreements executed on or after the date of the respective Subscription Agreement in connection with the transactions contemplated under the respective 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.

“**Warrants**” means, collectively, the warrant to purchase certain Senior Preferred Shares delivered to Astral Success Limited dated July 12, 2021 and the warrants to purchase certain Senior Preferred Shares delivered to Abundant Grace Investment Limited and Abundant Glory Investment L.P. respectively dated November 15, 2021, each as amended, modified or supplemented from time to time in accordance with its terms.

“**2019 Notes**” means any of the convertible notes originally in the aggregate principal amount of \$230,000,000 issued by the Company (as supplemented, amended or restated from time to time) 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 (including as supplemented and amended by the Supplementary Agreement dated June 17, 2021 by and among the Company, Redrock Holding Investments Limited, TPG Growth III SF Pte. Ltd., 58.com Holdings Inc. and certain other parties thereto).

“**2021 Registration Rights Agreement**” means the Registration Rights Agreement dated July 12, 2021, by and among the Company and certain Holders thereto, as amended, modified or supplemented from time to time in accordance with its terms.

“**2021 Subscription Agreement**” means the Share Subscription Agreement dated June 14, 2021 in respect of subscription of Senior Preferred Shares by and among the Company and certain Holders thereto, as amended, modified or supplemented from time to time in accordance with its terms.

“**2021 Voting Agreement**” means the Voting Agreement dated July 12, 2021, by and among the Company and certain Holders and other parties thereto, as amended, modified or supplemented from time to time in accordance with its terms.

“**2022 Registration Rights Agreement**” means the Registration Rights Agreement dated as the date hereof, entered or to be entered into by and among the Company and certain Holders thereto at the Closing, as amended, modified or supplemented from time to time in accordance with its terms.

“**2022 Subscription Agreement**” means the Share Subscription Agreement dated June 30, 2022 in respect of subscription of Senior Preferred Shares by and among the Company and certain Holders thereto, as amended, modified or supplemented from time to time in accordance with its terms.

“**2022 Voting Agreement**” means the Voting Agreement dated as the date hereof, entered or to be entered into by and among, the Company, the Holders and certain other parties thereto at the Closing, as amended, modified or supplemented from time to time in accordance with its terms.

Section 2. Designation, Amount and Par Value.

The series of preferred shares shall be designated as the Company’s senior convertible preferred shares with preference, priority, special privilege and other rights provided herein (the “**Senior Preferred**”

Shares”) and the number of shares so designated shall be 1,720,000,000, which shall not be subject to increase, other than as contemplated under the Subscription Agreements, without the written consent of the holders of a majority of the then outstanding Senior Preferred Shares (such holder 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, with respect to each Senior Preferred Share issued or issuable pursuant to the 2021 Subscription Agreement and/or upon the exercise of the Warrants, a stated value equal to \$0.3433, and with respect to each Senior Preferred Share issued or issuable pursuant to the 2022 Subscription Agreement, a stated value equal to \$0.14 (in each case as applicable, 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 applicable 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 2021 Voting Agreement and the 2022 Voting 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 the applicable 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 Original Issue Date for such Senior Preferred Share, 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 applicable Stated Value of such Senior Preferred Share by the applicable Conversion Price as defined below. 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 the 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, the applicable Stated Value, 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 issued or to be issued pursuant to the 2021 Subscription Agreement and/or upon the exercise of the Warrants shall initially be \$0.3433 per Class A Ordinary Share or \$1.03 per ADS, and the conversion price for each Senior Preferred Share to be issued pursuant to the 2022 Subscription Agreement on or after the date of this Certificate of Designation shall initially be \$0.14 per Class A Ordinary Share or \$0.42 per ADS (in each case as applicable, the “**Conversion Price**”), in each case as adjusted from time to time in accordance with Section 7. For avoidance of doubt, the Conversion Price for each Senior Preferred Share issued pursuant to the 2021 Subscription Agreement and outstanding as of the Closing shall be adjusted to \$0.14 per Class A Ordinary Share or \$0.42 per ADS upon the Closing by operation of and in accordance with Section 7(b). Further for avoidance of doubt, the Conversion Price for each Senior Preferred Share which may be issued upon the exercise of the Warrants **after** the Closing shall initially be \$0.3433 per Class A Ordinary Share or \$1.03 per ADS as adjusted from time to time in accordance with Section 7.

(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 Depository'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 applicable Effective Date as specified above and in the applicable Registration Rights Agreement, on or after the applicable 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 applicable 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. In the event 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 Agreements) 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 applicable 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 be 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 "**Depository**") 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 applicable 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 Depository 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 applicable 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 applicable Conversion Price (such lower price, the "**Base Conversion Price**" and such issuances, collectively, a "**Dilutive Issuance**") of such Senior Preferred Share (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 applicable Conversion Price of such Senior Preferred Share, such issuance shall be deemed to have occurred for less than the applicable Conversion Price of such Senior Preferred Share on such date of the Dilutive Issuance), then simultaneously with the consummation (or, if earlier, the announcement) of each Dilutive Issuance, the applicable Conversion Price for such Senior Preferred Share 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 Senior 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 applicable 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 applicable 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 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 applicable 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 applicable 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 applicable 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; provided further that the Senior Preferred Shares shall be automatically redeemed at the Redemption Price without any further action from the Holder or the Company immediately before the commencement of the Liquidation of the Company.

(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;

(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”; or

(ix) with respect to the Senior Preferred Shares issued pursuant to the 2022 Subscription Agreement only, the Company shall receive any notice (whether written or not) from any holder of a 2019 Note declaring accelerate payment of its outstanding principal and interests accruing thereon under the 2019 Notes held by it based on occurrence of any Event of Default under the 2019 Notes (whether actual or alleged).

(b). **Redemption Price.** The applicable “**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 applicable Stated Value (as adjusted for any share dividends, combinations, splits, recapitalizations and the like) of such Senior Preferred Share, plus (y) an amount accruing at a compound annual rate of eight percent (8%) of such applicable 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, provided that, to the extent that the applicable Stated Value of a Senior Preferred Share has not been fully paid at the time of the redemption, the Redemption Price for such Senior Preferred Share shall be calculated based on the part of the applicable Stated Value that has been paid (including the par value).

(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 2022 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 appointed 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 Certificate of Designation 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 Certificate of Designation, 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 Agreements and/or the Warrants. 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 Preferred Shares.

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

IN WITNESS WHEREOF, the undersigned have executed this Certificate this 27th day of July 2022.

/s/ Kun Dai

Name : Kun Dai

Title: Chairman of the Board of Directors

[Signature Page to Uxin Limited
Amended and Restated 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 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**")], 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: _____

Applicable Stated Value: _____

Applicable Conversion Price: _____

Number of Senior Preferred Shares subsequent to Conversion: _____

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

Address for Delivery: _____

or

DWAC Instructions: _____

Broker no: _____

Account no: _____

[HOLDER]

By: _____

Name:

Title:

Annex A

Termination Agreement
of
The Agreement Control Documents

among

Dai Kun

and

Beijing Minsi Lianhua Investment Management Co., Ltd

and

Youxinpai (Beijing) Information Technology Co., Ltd.

and

Youxin Internet (Beijing) Information Technology Co., Ltd.

March 31, 2022

Termination Agreement of the Agreement Control Documents

This Termination Agreement of the Agreement Control Document (hereinafter referred to as the "**Agreement**") is made and entered into by the following parties in Beijing, People's Republic of China (hereinafter referred to as the "**P.R.C.**", excluding Hong Kong, Macau and Taiwan regions for the purposes of the Agreement) on March 31, 2022 (hereinafter referred to as the "**Signing Date**").

1. **Dai Kun**, a natural person of Chinese nationality, ID number is [*] (together with Minshi Lianhua, the "**Existing Shareholders**");
2. **Beijing Minsi Lianhua Investment Management Co., Ltd.**, a company established and validly existing under the laws of the P.R.C., with its registered office at No.5704, 5/F, Shenchang Building, No.51 Zhichun Road, Haidian District, Beijing, China (hereinafter referred to as "**Minsi Lianhua**", together with Dai Kun, the "**Existing Shareholders**");
3. **Youxinpai (Beijing) Information Technology Co., Ltd.**, a limited liability company established and validly existing under the laws of the P.R.C., with its registered office at 3/F, No.60-13, Building 10, Lot No.7, No. A38 Xiaoguan Street, Chaoyang District, Beijing, China (hereinafter referred to as the "**WFOE**"); and
4. **Youxin Internet (Beijing) Information Technology Co., Ltd.**, a limited liability company established and validly existing under the laws of the P.R.C., with its registered office at 3/F, No.60-13, Building 10, Lot No.7, No. A38 Xiaoguan Street, Chaoyang District, Beijing, China (hereinafter referred to as the "**VIE Company**").

For the purposes of the Agreement, each of the VIE Company, WFOE and the Existing Shareholders is hereinafter referred to as the "**Party**" and collectively as the "**Parties**".

Whereas:

1. Youxinpai (Beijing) Information Technology Co., Ltd., Dai Kun and Youxin Internet (Beijing) Information Technology Co., Ltd. entered into the Fourth Revised and Restated Equity Pledge Agreement, the Fourth Revised and Restated Exclusive Purchase Right Agreement and the Fourth Revised and Restated Power of Attorney on November 23, 2016; Youxinpai (Beijing) Information Technology Co., Ltd., Minsi Lianhua and Youxin Internet (Beijing) Information Technology Co., Ltd. entered into the Equity Pledge Agreement, the Exclusive Purchase Right Agreement and the Power of Attorney on September 11, 2014; Youxinpai (Beijing) Information Technology Co., Ltd. and Youxin Internet (Beijing) Information Technology Co., Ltd. entered into the Exclusive Business Cooperation Agreement on June 15, 2012; and Youxinpai (Beijing) Information Technology Co., Ltd. and Dai Kun entered into the Loan Contract on November 23, 2016 (the above documents are collectively referred to as the "**Existing Control Documents**").
2. It is hereby agreed that WFOE shall complete its equity control over VIE Company by acquiring all equities of VIE Company held by the Existing

Shareholders, sign an equity transfer agreement satisfactory to the other Parties, and terminate all the Existing Control Documents in accordance with the Agreement.

Now Therefore, the Parties have reached the following agreement through consultation:

1. Terminate the Existing Control Documents

- 1.1 The Parties hereby irrevocably agree and confirm that the Existing Control Documents shall be terminated and cease to have any effect as of the Signing Date, and WFOE and the VIE Company (and other Parties shall provide necessary assistance) shall go through the registration of cancellation of equity pledge with the administrative authorities for industry and commerce within two (2) working days after the Signing Date and submit necessary documents.
- 1.2 From the Signing Date, each Party shall no longer enjoy the rights under the Existing Control Documents and shall no longer be liable to fulfill the obligations thereunder. Each Party hereto shall not be required to reinstate or return the part (if any) that has been fulfilled according to the Existing Control Documents.
- 1.3 From the Signing Date, the Parties hereto irrevocably and unconditionally exempt from any dispute, claim, demand, right, obligation, liability, action, contract or cause of action of any kind or nature that was, is or may be owned by the other Parties hereto, directly or indirectly related to or arising from the Existing Control Documents.
- 1.4 Without prejudice to the generality of Section 1.3 of the Agreement, from the Signing Date, the Parties hereby exempt itself, its heirs, successors, assigns or executors from any past, present or future commitment, debt, claim, demand, obligation and liability of any kind or nature whatsoever to the other Parties hereto (and any present and former directors, officers, employees, legal advisors and agents of such other Parties, the affiliates of such persons, and the respective successors and assignees of such Parties) that has or may have in connection with or arising out of the Existing Control Documents, which may include legal and equality-based reasons for claims and prosecutions, whether such claims or prosecutions have been or have not been filed, absolute or contingent, known or unknown.

2. Representations and Warranties

On the Signing Date, Each Party hereby jointly and severally represents and warrants to the other Parties as follows:

- 2.1 It has obtained the necessary authorization and has the right to enter into the Agreement; Its execution and performance of the Agreement shall not constitute a conflict, restriction or violation of laws, regulations or agreements binding or affecting it.

2.2 The Agreement, once being signed by the Parties hereto, shall constitute a legal, valid and binding obligation of the Parties and shall be enforceable against such Parties in accordance with the Agreement.

2.3 There is no litigation, arbitration, or legal, administrative or other proceeding or government investigation in connection with the subject matter of the Agreement.

3. **Commitments**

For the purpose of successfully completing the termination of rights and obligations under the Existing Control Documents, each Party shall sign all such documents and take all such actions that are necessary or appropriate to actively cooperate with the other Parties to obtain relevant government approval or/and registration documents and go through relevant termination procedures.

4. **Liability for Breach of Contract**

If either Party hereto breaches the Agreement and fails to perform its obligations hereunder, whether in whole or in part, it shall bear the liability for breach of contract and make compensation to the other Parties for the losses thus suffered.

5. **Duty of Confidentiality**

The Parties acknowledge and confirm that any information exchanged with each other in relation to the Agreement, whether oral or written, shall be deemed as Confidential Information. All the Confidential Information shall be kept confidential and shall not be disclosed to any third party without the written consent of the other Parties hereto, except (a) information that is or will be known to the public not due to unauthorized disclosure by either Party hereto; (b) information required to be disclosed by applicable laws or regulations; or (c) information required to be disclosed by any Party hereto to its affiliates, the directors, officers, employees, potential investors, financing sources or professional advisors of such Party or its affiliates in connection with the transactions contemplated by the Agreement, provided that such potential investors, legal or financial advisor shall also be subject to confidentiality obligations similar to those set forth in this Section. Disclosure by the staff or the employing agency of either Party shall be deemed as such Party's disclosure, and such Party shall bear the liability for breach of contract according to the Agreement. This Section shall survive termination of the Agreement for whatsoever reason.

6. **Applicable Law and Dispute Resolution**

6.1 The conclusion, validity, interpretation, performance, modification and termination of the Agreement and the settlement of disputes hereunder shall be governed by Chinese laws.

6.2 In the event of any dispute, claim, controversy, breach of contract, termination or invalidity (hereinafter referred to as the "**Dispute**") concerning the

interpretation or performance of the Agreement, the Parties hereto shall first settle it through friendly negotiation. If the Parties fail to settle the dispute through friendly negotiation after either Party sends a written notice requesting negotiation, unless otherwise agreed in writing, the dispute shall be submitted to the China International Economic and Trade Arbitration Commission (hereinafter referred to as the “CIETAC”) for arbitration in accordance with its arbitration rules then in effect, and the place of arbitration shall be Beijing. Any arbitral award made in accordance with this Section shall be final and binding upon the Parties.

6.3 In the event of any dispute arising out of the interpretation or performance of the Agreement, or while any dispute is being arbitrated, the Parties hereto shall continue to exercise other rights and perform other obligations under the Agreement, except with respect to the matters in dispute.

7. **Miscellaneous**

7.1 The Agreement shall come into force immediately after being signed or sealed by all the Parties hereto on the Signing Date first written above.

7.2 The Agreement may be executed in one or more counterparts, each of which shall have the same legal effect.

7.3 The Parties hereto may amend and supplement the Agreement by written agreement. Any amendment agreement and/or supplementary agreement reached among the Parties hereto shall be an integral part of the Agreement and shall have the same legal effect as the Agreement.

7.4 The invalidity or unenforceability of any provision under the Agreement shall not affect the legal effect of the remaining provisions under the Agreement.

[The remainder of this page is intentionally left blank]

(Signature Page of the Termination Agreement of the Agreement Control Documents)

IN WITNESS WHEREOF, the Parties hereto have caused the Agreement to be executed by their duly authorized representatives on the date first written above.

Dai Kun

Signature: /s/ Dai Kun

Signing Page of the Termination Agreement

(Signature Page of the Termination Agreement of Agreement Control Documents)

IN WITNESS WHEREOF, the Parties hereto have caused the Agreement to be executed by their duly authorized representatives on the date first written above.

Youxinpai (Beijing) Information Technology Co., Ltd. (Seal)

[Company seal is affixed]

Signature: /s/ Zeng Zhen
Name: Zeng Zhen
Title: Legal Representative

Youxin Internet (Beijing) Information Technology Co., Ltd. (Seal)

[Company seal is affixed]

Signature: /s/ Zeng Zhen
Name: Zeng Zhen
Title: Legal Representative

Signing Page of the Termination Agreement

(Signature Page of the Termination Agreement of Agreement Control Documents)

IN WITNESS WHEREOF, the Parties hereto have caused the Agreement to be executed by their duly authorized representatives on the date first written above.

Beijing Minsi Lianhua Investment Management Co., Ltd (Seal)

[Company seal is affixed]

Signature: /s/ Xu Bo

Name: Xu Bo

Title: Legal Representative

Signing Page of the Termination Agreement

Termination Agreement
of
The Agreement Control Documents

among

Dai Kun

and

Beijing Minsi Lianhua Investment Management Co., Ltd

and

Yougu (Shanghai) Information Technology Co., Ltd.

and

Youxin Yishouche (Beijing) Information Technology Co., Ltd.

March 31, 2022

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1. **Dai Kun**, a natural person of Chinese nationality, ID number is [*] (together with Minshi Lianhua, the "**Existing Shareholders**");
2. **Beijing Minsi Lianhua Investment Management Co., Ltd.**, a company established and validly existing under the laws of the P.R.C., with its registered office at No.5704, 5/F, Shenchang Building, No.51 Zhichun Road, Haidian District, Beijing, China (hereinafter referred to as "**Minsi Lianhua**", together with Dai Kun, the "**Existing Shareholders**");
3. **Yougu (Shanghai) Information Technology Co., Ltd.**, a limited liability company established and validly existing under the laws of the P.R.C., with its registered office at Room 368, Part 302, 211 North Road, China (Shanghai) Pilot Free Trade Zone. (hereinafter referred to as the "**WFOE**"); and
4. **Youxin Yishouche (Beijing) Information Technology Co., Ltd.**, a limited liability company established and validly existing under the laws of the P.R.C., with its registered office at 3/F, No.60-13, Building 10, Lot No.7, No. A38 Xiaoguan Street, Chaoyang District, Beijing, China (hereinafter referred to as the "**VIE Company**").

For the purposes of the Agreement, each of the VIE Company, WFOE and the Existing Shareholders is hereinafter referred to as the "**Party**" and collectively as the "**Parties**".

Whereas:

1. Yougu (Shanghai) Information Technology Co., Ltd., Dai Kun and Youxin Yishouche (Beijing) Information Technology Co., Ltd. entered into the Equity Pledge Agreement, the Exclusive Purchase Right Agreement and the Power of Attorney on 2016; Yougu (Shanghai) Information Technology Co., Ltd., Minsi Lianhua and Youxin Yishouche (Beijing) Information Technology Co., Ltd. entered into the Equity Pledge Agreement, the Exclusive Purchase Right Agreement and the Power of Attorney on 2016; Yougu (Shanghai) Information Technology Co., Ltd. and Youxin Yishouche (Beijing) Information Technology Co., Ltd. entered into the Exclusive Business Cooperation Agreement on 2016; (the above documents are collectively referred to as the "**Existing Control Documents**").
2. It is hereby agreed that WFOE shall complete its equity control over VIE Company by acquiring all equities of VIE Company held by the Existing Shareholders, sign an equity transfer agreement satisfactory to the other Parties, and terminate all the Existing Control Documents in accordance with the Agreement.

Now Therefore, the Parties have reached the following agreement through consultation:

1. Terminate the Existing Control Documents

- 1.1 The Parties hereby irrevocably agree and confirm that the Existing Control Documents shall be terminated and cease to have any effect as of the Signing Date, and WFOE and the VIE Company (and other Parties shall provide necessary assistance) shall go through the registration of cancellation of equity pledge with the administrative authorities for industry and commerce immediately after the Signing Date and submit necessary documents.
- 1.2 From the Signing Date, each Party shall no longer enjoy the rights under the Existing Control Documents and shall no longer be liable to fulfill the obligations thereunder. Each Party hereto shall not be required to reinstate or return the part (if any) that has been fulfilled according to the Existing Control Documents.
- 1.3 From the Signing Date, the Parties hereto irrevocably and unconditionally exempt from any dispute, claim, demand, right, obligation, liability, action, contract or cause of action of any kind or nature that was, is or may be owned by the other Parties hereto, directly or indirectly related to or arising from the Existing Control Documents.
- 1.4 Without prejudice to the generality of Section 1.3 of the Agreement, from the Signing Date, the Parties hereby exempt itself, its heirs, successors, assigns or executors from any past, present or future commitment, debt, claim, demand, obligation and liability of any kind or nature whatsoever to the other Parties hereto (and any present and former directors, officers, employees, legal advisors and agents of such other Parties, the affiliates of such persons, and the respective successors and assignees of such Parties) that has or may have in connection with or arising out of the Existing Control Documents, which may include legal and equality-based reasons for claims and prosecutions, whether such claims or prosecutions have been or have not been filed, absolute or contingent, known or unknown.

2. Representations and Warranties

On the Signing Date, Each Party hereby jointly and severally represents and warrants to the other Parties as follows:

- 2.1 It has obtained the necessary authorization and has the right to enter into the Agreement; Its execution and performance of the Agreement shall not constitute a conflict, restriction or violation of laws, regulations or agreements binding or affecting it.
- 2.2 The Agreement, once being signed by the Parties hereto, shall constitute a legal, valid and binding obligation of the Parties and shall be enforceable against such Parties in accordance with the Agreement.

2.3 There is no litigation, arbitration, or legal, administrative or other proceeding or government investigation in connection with the subject matter of the Agreement.

3. Commitments

For the purpose of successfully completing the termination of rights and obligations under the Existing Control Documents, each Party shall sign all such documents and take all such actions that are necessary or appropriate to actively cooperate with the other Parties to obtain relevant government approval or/and registration documents and go through relevant termination procedures.

4. Liability for Breach of Contract

If either Party hereto breaches the Agreement and fails to perform its obligations hereunder, whether in whole or in part, it shall bear the liability for breach of contract and make compensation to the other Parties for the losses thus suffered.

5. Duty of Confidentiality

The Parties acknowledge and confirm that any information exchanged with each other in relation to the Agreement, whether oral or written, shall be deemed as Confidential Information. All the Confidential Information shall be kept confidential and shall not be disclosed to any third party without the written consent of the other Parties hereto, except (a) information that is or will be known to the public not due to unauthorized disclosure by either Party hereto; (b) information required to be disclosed by applicable laws or regulations; or (c) information required to be disclosed by any Party hereto to its affiliates, the directors, officers, employees, potential investors, financing sources or professional advisors of such Party or its affiliates in connection with the transactions contemplated by the Agreement, provided that such potential investors, legal or financial advisor shall also be subject to confidentiality obligations similar to those set forth in this Section. Disclosure by the staff or the employing agency of either Party shall be deemed as such Party's disclosure, and such Party shall bear the liability for breach of contract according to the Agreement. This Section shall survive termination of the Agreement for whatsoever reason.

6. Applicable Law and Dispute Resolution

6.1 The conclusion, validity, interpretation, performance, modification and termination of the Agreement and the settlement of disputes hereunder shall be governed by Chinese laws.

6.2 In the event of any dispute, claim, controversy, breach of contract, termination or invalidity (hereinafter referred to as the "**Dispute**") concerning the interpretation or performance of the Agreement, the Parties hereto shall first settle it through friendly negotiation. If the Parties fail to settle the dispute through friendly negotiation after either Party sends a written notice requesting negotiation, unless otherwise agreed in writing, the dispute shall be submitted

to the China International Economic and Trade Arbitration Commission (hereinafter referred to as the “CIETAC”) for arbitration in accordance with its arbitration rules then in effect, and the place of arbitration shall be Beijing. Any arbitral award made in accordance with this Section shall be final and binding upon the Parties.

6.3 In the event of any dispute arising out of the interpretation or performance of the Agreement, or while any dispute is being arbitrated, the Parties hereto shall continue to exercise other rights and perform other obligations under the Agreement, except with respect to the matters in dispute.

7. **Miscellaneous**

7.1 The Agreement shall come into force immediately after being signed or sealed by all the Parties hereto on the Signing Date first written above.

7.2 The Agreement may be executed in one or more counterparts, each of which shall have the same legal effect.

7.3 The Parties hereto may amend and supplement the Agreement by written agreement. Any amendment agreement and/or supplementary agreement reached among the Parties hereto shall be an integral part of the Agreement and shall have the same legal effect as the Agreement.

7.4 The invalidity or unenforceability of any provision under the Agreement shall not affect the legal effect of the remaining provisions under the Agreement.

[The remainder of this page is intentionally left blank]

(Signature Page of the Termination Agreement of the Agreement Control Documents)

IN WITNESS WHEREOF, the Parties hereto have caused the Agreement to be executed by their duly authorized representatives on the date first written above.

Dai Kun

Signature: /s/ Dai Kun

Signing Page of the Termination Agreement

(Signature Page of the Termination Agreement of Agreement Control Documents)

IN WITNESS WHEREOF, the Parties hereto have caused the Agreement to be executed by their duly authorized representatives on the date first written above.

Yougu (Shanghai) Information Technology Co., Ltd. (Seal)

[Company seal is affixed]

Signature: /s/ Zeng Zhen
Name: Zeng Zhen
Title: Legal Representative

Youxin Yishouche (Beijing) Information Technology Co., Ltd. (Seal)

[Company seal is affixed]

Signature: /s/ Zeng Zhen
Name: Zeng Zhen
Title: Legal Representative

Signing Page of the Termination Agreement

(Signature Page of the Termination Agreement of Agreement Control Documents)

IN WITNESS WHEREOF, the Parties hereto have caused the Agreement to be executed by their duly authorized representatives on the date first written above.

Beijing Minsi Lianhua Investment Management Co., Ltd (Seal)

[Company seal is affixed]

Signature: /s/ Xu Bo

Name: Xu Bo

Title: Legal Representative

Signing Page of the Termination Agreement

THE SYMBOL “[*]” DENOTES PLACES WHERE CERTAIN IDENTIFIED INFORMATION HAS BEEN EXCLUDED FROM THE EXHIBIT BECAUSE IT IS BOTH (I) NOT MATERIAL, AND (II) IS THE TYPE THAT THE COMPANY TREATS AS PRIVATE OR CONFIDENTIAL

SHARE SUBSCRIPTION AGREEMENT

dated June 30, 2022

by and between

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 30, 2022 by and among:

1. Uxin Limited, a company organized under the laws of the Cayman Islands (the “**Company**”)
2. The Person listed on SCHEDULE I (the “**Investor**”).

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 the Investor, and the Investor desires to subscribe for and be issued from the Company, certain Senior Preferred Shares (the “**Subscription Securities**”), 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.

“**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 Amended and Restated Certificate of Designation of Senior Convertible Preferred Shares with respect to the rights and preferences of the Senior Preferred Shares, in the form attached hereto as EXHIBIT C, as maybe amended from time to time pursuant to its terms.

“**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**” has the meaning assigned to such term in Section 2.02.

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

“**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) 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.

“**Conversion Shares**” means Class A Ordinary Shares issuable upon conversion of the Senior Preferred Shares to be issued or issuable at the Closing.

“**CNPA**” means the Convertible Note Purchase Agreement dated May 29, 2019 by and among the Company, the Noteholders and certain other parties thereto, pursuant to which the convertible promissory notes in the aggregate principal amount of \$230,000,000 were issued by the Company, as amended and/or supplemented by the Supplementary Agreement dated

June 17, 2021 by and among the Company, the Noteholders and certain other parties thereto and as may be further amended, supplemented or restated from time to time.

“**Designated Bank Account**” has the meaning assigned to such terms in Section 6.06(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.

“**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 Investor contained in Sections 4.01, 4.02, 4.03 and 4.04.

“**Group**” or “**Group Companies**” means the Company and its Subsidiaries, and each a “**Group Company**”.

“**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**” has the meaning assigned to such term in the preamble.

“**Investor Designee**” has the meaning assigned to such term in Section 6.06(b).

“**Investors’ Rights Agreement**” means the amended and restated investors’ rights agreement, in the form attached hereto as EXHIBIT A, to be entered into by and among the Company, the Principal Parties and the Investor at the 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(f).

“**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 Investor, (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 Investor 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.

“**NIO Capital**” has the meaning assigned to such term in SCHEDULE I.

“**Noteholders**” means Redrock Holding Investments Limited, TPG Growth III SF Pte. Ltd., 58.com Holdings Inc., ClearVue Uxin Holdings, Ltd. and Magic Carpet International Limited.

“**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(b).

“**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 the amount of aggregate purchase price payable under this Agreement as set forth opposite the Investor’s name of SCHEDULE I, as consideration for that number of Senior Preferred Shares set forth opposite the Investor’s name 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 B, to be entered into by and among the Company and the Investor at the 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.

“**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 having the rights, preferences and privileges provided in the Certificate of Designation of Senior Convertible Preferred Shares dated July 12, 2021, as will be restated 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 (as defined in Rule 200 of Regulation SHO under the Exchange Act)).

“**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).

“**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**” has the meaning assigned to such term in Section 3.12.

“**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 Registration Rights Agreement, the Certificate of Designation 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 D, to be entered into by and among the Company, the Principal Parties and the Investor at the Closing.

“**2019 Notes**” means, collectively, the convertible notes issued by the Company pursuant to the CNPA to the Noteholders, as amended and/or supplemented by the Supplementary Agreement dated June 17, 2021 by and among the Company, the Noteholders

and certain other parties thereto and as may be further amended, supplemented or restated from time to time, and each a “**2019 Note**”.

“**58**” means 58.com Holdings Inc. and its Affiliates.

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 the Closing.* On the terms and subject to the conditions contained in this Agreement, at the Closing (as defined below), the Company agrees to issue and sell to the Investor, and the Investor agrees to subscribe for and purchase that certain number of Senior Preferred Shares for that certain Purchase Price set forth opposite its name of SCHEDULE I in the aggregate amount of \$100,000,000, corresponding to an issue price of \$0.14 per Senior Preferred Share (the “**Stated Value**”) (subject to adjustments for any stock splits, combinations, stock dividends, recapitalizations or the like).

Section 2.02 *Closing.* The consummation of the purchase and sale of the Subscription Securities at the Closing hereunder (the “**Closing**”, and the date of the Closing, the “**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 the Closing conditions specified in Article VII hereof having been satisfied or waived, respectively, by the Investor and the Company (other than those conditions that by their nature are to be satisfied at the Closing, but subject to the satisfaction or, to the extent permissible, waiver thereof at the Closing), or at such other time and place as the Company and the Investor may mutually agree in writing.

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 Investor shall:

(i) pay and deliver \$71,428.58, being the aggregate par value of the Subscription Securities, to the Company in U.S. dollars by wire transfer of immediately available funds to the Designated Bank Account as set forth in EXHIBIT F;

(ii) deliver to the Company the Investors' Rights Agreement, executed by a duly authorized officer of the Investor;

(iii) deliver to the Company the Registration Rights Agreement, executed by a duly authorized officer of the Investor;

(iv) deliver to the Company the Voting Agreement, executed by a duly authorized officer of the Investor.

(b) The Company shall:

(i) allot and issue to the Investor the Senior Preferred Shares being purchased by the Investor under this Agreement pursuant to the SCHEDULE I (regardless of payment of the Purchase Price in installments), and deliver to the Investor one or more duly executed share certificate(s) representing such Senior Preferred Shares registered in the name of the Investor (the original copies of which shall be delivered to the Investor as soon as practicable within ten (10) Business Days following the Closing Date);

(ii) deliver to the Investor a certified true copy of the register of members of the Company evidencing the Senior Preferred Shares being owned by the Investor at the Closing;

(iii) deliver to the Investor a legal opinion of Maples and Calder (Hong Kong) LLP in respect of Cayman laws, in substantially the form attached hereto as EXHIBIT E, dated as of the Closing Date, executed by such counsel;

(iv) deliver to the Investor the Investors' Rights Agreement, executed by a duly authorized officer of the Company and the Principal Parties;

(v) deliver to the Investor the Registration Rights Agreement, executed by a duly authorized officer of the Company;

(vi) deliver to the Investor the Voting Agreement, executed by a duly authorized officer of the Company and the Principal Parties;

(vii) deliver to the Investor an incumbency certificate in the form attached hereto as EXHIBIT G;

(viii) deliver to the Investor the certificate referred to in Section 7.03(k);

(ix) deliver to the Investor a copy of (i) the resolutions adopted by the Board approving this Agreement and other Transaction Documents and matters relating to the Closing, and (ii) the Certificate of Designation in effect at the Closing.

Section 2.04 *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.

Section 2.05 *Payment of Purchase Price*. The Investor shall pay the remaining Purchase Price (being the total Purchase Price minus the amount paid to the Company pursuant to Section 2.03(a)(i)) in U.S. dollars by wire transfer of immediately available funds to the Designated Bank Account as set forth in EXHIBIT F in installments no later than June 30, 2023 in accordance with the Payment Schedule as set forth in SCHEDULE II, unless otherwise agreed in writing by the Investor and the Company, provided that the Investor’s investment obligations under this Agreement (including but not limited to its payment obligations under this Section 2.05) shall be automatically terminated upon the occurrence or existence of event or circumstance under item 7 as set forth in SCHEDULE VII, unless otherwise agreed by the Investor in writing, and provided further that the Investor shall have the sole discretion to determine whether to terminate its investment obligations under this Agreement (including but not limited to its payment obligations under this Section 2.05) upon the occurrence or existence of event or circumstance under item 8 as set forth in SCHEDULE VII. For the avoidance of doubt, the amount paid by the Investor to the Company pursuant to Section 2.03(a)(i) shall be deemed to have fully paid the par value of all the Senior Preferred Shares subscribed by the Investor pursuant to this Agreement.

ARTICLE III REPRESENTATIONS AND WARRANTIES OF THE COMPANY

The Company represents and warrants to the Investor that, except as otherwise disclosed in the SEC Documents and as set forth in the Disclosure Schedule attached hereto as SCHEDULE VIII, as of the date hereof and the Closing Date (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 and as set forth in the Disclosure Schedule attached hereto as SCHEDULE VIII, 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 1,146,204,705 Class A Ordinary Shares (excluding the 5,128,916 Class A Ordinary Shares issued to the Company's depository 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, (iii) 1,000,000,000 Senior Preferred Shares of a stated value of \$0.3433 per Senior Preferred Share, of which 422,371,104 Senior Preferred Shares were issued and outstanding. 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 Closing, the authorized share capital of the Company is \$1,000,000 divided into 10,000,000,000 shares comprising of (i) 8,180,000,000 Class A Ordinary Shares, of which 1,146,204,705 Class A Ordinary Shares (excluding the 5,128,916 Class A Ordinary Shares issued to the Company's depository 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, (iii) 1,000,000,000 Senior Preferred Shares of a stated value of \$0.3433 per Senior Preferred Share, of which 422,371,104 Senior Preferred Shares were issued and outstanding, and (iv) 720,000,000 Senior Preferred Shares of a Stated Value of \$0.14 per Senior Preferred Share, of which none issued and outstanding. The Senior Preferred Shares issuable upon the Closing shall be duly and validly reserved for issuance. The Conversion Shares issuable upon conversion of the Senior Preferred Shares to be issued or issuable at the Closing shall be duly and validly reserved for issuance.

(c) When issued in compliance with the provisions of this Agreement 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 have been or will be 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 Securities will not be subject to any preemptive, right of first refusal, right of participation or similar rights. Upon entry of the

Investor in the register of members of the Company as the legal owner of the Subscription Securities, the Company will transfer to the Investor good and valid title to the Subscription Securities 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 Investor, 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.

(i) Each Group Company has good and valid title to its equity securities and there are no defects or disputes with respect to equity securities of any Group Company.

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 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 the 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 Investor 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, the unaudited consolidated financial statements ended as of December 31, 2021 and the summary of liabilities as of March 31, 2022 prepared by the Company and provided to Investor: (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, 2021, 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 and as set forth in the Disclosure Schedule attached hereto as SCHEDULE VIII, (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 Investor contained in Sections 4.06 and 4.07, it is not necessary in connection with the issuance and sale to the Investor 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 Investor 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; (iii) 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 6.06(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 III 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 and as set forth in the Disclosure Schedule attached hereto as SCHEDULE VIII, 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 the 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 the 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 the Investor or any of its representatives or agents in connection with this Agreement and the transactions contemplated hereby is merely incidental to the Investor's purchase of the Subscription Securities. The Company further represents to the 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, the Investor has not been asked by the Company to agree, nor has the 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 the 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) the 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) the 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) the Investor may engage in hedging activities at various times during the period that the Subscription Securities, 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.

Section 3.30 *Contracts.* Each contract to which any Group Company is a party is valid and in full force and effect, and is enforceable by such Group Company in accordance with its terms. Each Group Company has duly performed all of its obligations under each contract to the extent that such obligations to perform have accrued, and no breach or default, alleged breach or alleged default, or event which would (with the passage of time, notice or both) constitute a breach or default thereunder by such Group Company or any other party or obligor with respect thereto, as a result of the execution, delivery, and performance of the Transaction Documents will occur. No Group Company has given notice (whether or not written) that it intends to terminate a contract or that any other party thereto has breached, violated or defaulted under any contract in any material respect. No Group Company has

received any notice (whether written or not) from any of the Noteholders declaring accelerate payment of their respective outstanding principals and interests accruing thereon under their respective 2019 Notes based on occurrence of any Event of Default under the 2019 Notes (whether actual or alleged). No Group Company has received any notice (whether written or not) that it has breached, violated or defaulted under any contract in any material respect or that any other party thereto intends to terminate such contract.

ARTICLE IV REPRESENTATIONS AND WARRANTIES OF THE INVESTOR

The Investor represents and warrants to the Company that, as of the date hereof and the Closing Date (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*. The 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*. The 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 the Investor, and assuming the due authorization, execution and delivery by each of the other Parties, this Agreement is a valid and binding agreement of the 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 the 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 the 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 the Investor is a party or by which the Investor is bound or to which any assets of the 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 the Investor, threatened against the Investor that questions the validity of this Agreement or the right of the Investor to enter into this Agreement to consummate the transactions contemplated hereby.

Section 4.05 *Consents and Approvals*. Neither the execution and delivery by the Investor of this Agreement, nor the consummation by the Investor of any of the transactions contemplated hereby, nor the performance by the 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 Closing.

Section 4.06 *Securities Law Matters*.

(a) The 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 the Investor to hold any of the Subscription Securities for any minimum or other specific term, nor limit the 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) The 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 2.04 of this Agreement. The 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*. The Investor is a sophisticated investor with knowledge and experience in financial and business matters such that the Investor is capable of evaluating the merits and risks of the investment in the Subscription Securities. The Investor is able to bear the economic risks of an investment in the Subscription Securities.

Section 4.08 *Availability of Funds*. The Investor will have at the Closing cash available in an amount adequate to pay the Purchase Price payable by it at the Closing pursuant to this Agreement.

Section 4.09 *No Additional Representations; Non-reliance*. The 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 the *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, 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 Investor

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 Investor under the Transaction Documents, then the 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.

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, the Investor 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 in form and substance reasonably acceptable to the Investor disclosing the material terms of the transactions contemplated hereby (but not disclosing the identity of the Investor unless the Investor's 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 the Investor and consider in good faith any comments the 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 Investor ceases 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 Investor or the transactions contemplated by this Agreement, unless the Company first consults with the Investor, and considers in good faith any comments that the Investor 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 Investor in the manner provided for in this Section 6.02 without being required to first consult the Investor 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 Investor without the Investor's prior written consent; provided that, for the avoidance of doubt the Company shall be permitted to (i) identify the Investor in any filing required to be made with the SEC but only to the extent that the identification of the Investor 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 Investor 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 Investor's name

is mentioned in Exhibits that have been included in such Form 20-F, without consultation with or seeking prior consent from the Investor.

Section 6.03 *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 Closing until the expiration of seven (7) years from the 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 Closing until the expiration of twenty-four (24) months from the 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 6.04 *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 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 6.05 *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 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 the Investor could be deemed to trigger the provisions of any such plan or arrangement, by virtue of purchasing Subscription Securities under this Agreement.

Section 6.06 *Use of Proceeds.*

(a) The Company shall use the net proceeds from the sale of the Subscription Securities hereunder solely for the purposes of (i) development and operation of the New Business, (ii) the repayment of the 2019 Notes in accordance with the repayment installments set forth in section 2(a) of each 2019 Note (for the avoidance of doubt, unless otherwise agreed in writing by the Investor, no proceeds from the sale of the Subscription Securities hereunder shall be used to pay off any Noteholder upon acceleration by such Noteholder of the entire outstanding principal amount and interests under its respective 2019 Note), and (iii) fees and expenses of the Investor 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 Closing (the “**Designated Bank Account**”), and the joint signatories of the Designated Bank Account shall be amended by the end of August of 2022 to include one (1) designee of the NIO Capital (the “**Investor Designee**”) and the chief executive officer of the Company. Any disbursement or withdrawal from such account shall require the signature of the Investor Designee 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 Investor.

Section 6.07 *Listing of ADSs*. 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 *Tax Filings*. The Company shall cooperate, and shall cause each Subsidiary to cooperate, with the Investor in providing the Investor with any information reasonably requested for it to timely make all filings, returns, reports, forms or calculations in order to assist the Investor with the preparation of its Tax Returns, obtaining any benefit pursuant to applicable Tax law, or complying with any other Tax law that the 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 6.09 *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, labor and employment and real estate construction; 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 6.10 *Pre-Closing Covenants*. The Company shall complete or cause to be completed such matters as set forth in SCHEDULE V prior to the Closing and shall provide with the Investor written evidence thereof to the satisfaction of the Investor.

Section 6.11 *Other Covenants*. The Company shall complete or cause to be completed such matters as set forth in SCHEDULE VI within the timeline specified therein (if any) and shall provide with the Investor written evidence thereof to the satisfaction of the Investor.

ARTICLE VII CLOSING CONDITIONS

Section 7.01 *Conditions to Obligations of the Company and the Investor*. The obligations of the Company and the Investor 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 such Closing; and

(b) no proceeding challenging this Agreement or the Transaction Documents 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 or waiver by the Company, of the following conditions:

(a) the representations and warranties of the Investor (other than the Fundamental Investor Representations) 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 in all material respects as of such date); and

(c) the delivery by the Investor of each of the items set forth in Section 2.03(a) of this Agreement.

Section 7.03 *Conditions to Obligations of the Investor.* The obligation of the Investor to consummate the Closing is subject to the satisfaction or waiver by the 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 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 the Investor each of the items set forth in Section 2.03(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 the Investor, and the 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 the 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 the Investor and the Company are subject;

(j) the Board shall have duly approved and adopted the Certificate of Designation and have approved all necessary matters relating to the Closing to the satisfaction of the Investor;

(k) the Investor shall have received a certificate signed by an executive officer of the Company confirming the satisfaction of items (a) through (j) above;

(l) signature pages to the Transaction Documents other than those to be signed by the Investor shall have been sent to the counsel of the Investor for examination to the reasonable satisfaction of such counsel and to hold in escrow to release upon the Closing;

(m) the investment committee or the general partner of the Investor shall have approved the transactions contemplated hereunder;

(n) the Investor shall have completed its business, legal, tax, financial due diligence investigation of the Group Companies to its reasonable satisfaction; and the audit report to be issued by the auditor of the Company, PricewaterhouseCoopers, for the fiscal year ended March 31, 2022 shall not have negative qualifications with respect to the going-concern status of the Company.

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 Investor and its Affiliates, and 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, diminution in value, 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 other matters as set forth in SCHEDULE VII. 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) Without prejudice to any of the foregoing, the Indemnifying Party shall pay the Investor liquidated damages pursuant to this Section 8.01(c) in the following circumstances: (i) upon occurrence or existence of the event or circumstance as set forth in item 7 of SCHEDULE VII, the Indemnifying Party shall pay the Investor liquidated damages in an amount equal to the sum of (x) the Purchase Price actually paid for the Senior Preferred Shares acquired by the Investor under this Agreement (for the avoidance of doubt, provided that such Senior Preferred Shares have not been redeemed pursuant to section 8 [Redemption Right] of the Certificate of Designation) plus (y) interest accrued thereon at a rate of 8% per annum (compounded annually) calculated from the Closing Date up to the date of full payment of the liquidated damages minus (z) the par value for such Senior Preferred Shares, provided that the Indemnifying Party shall have the right to repurchase such Senior Preferred Shares at par value upon receipt by the Investor of the liquidated damages in full paid by the Company pursuant to the foregoing sentence; further provided that, in the event of any winding up, dissolution or liquidation of the Company, to the extent such liquidated damages have not been paid, such liquidated damage claim shall be extinguished and in lieu thereof the compulsory redemption of the Senior Preferred Shares pursuant to section 8 [Redemption Right] of the Certificate of Designation shall be effected immediately before commencement of such winding up, dissolution or liquidation of the Company; and (ii) upon occurrence or existence of the event or circumstance as set forth in item 8 of SCHEDULE VII, the Indemnifying Party shall pay the Investor liquidated damages in an aggregate amount equal to the product calculated by multiplying (x) the aggregate amount of debt claimed by the creditors of the Group Companies as of the time of the liquidated damage claim made by the Investor with (y) the shareholding percentage in the Company in respect of the Senior Preferred Shares acquired by the Investor under this Agreement for which the corresponding Purchase Price has been paid by the Investor pursuant to this Agreement. The Parties further acknowledge and agree that, the respective liquidated damages amounts set forth in this Section 8.01(c) represent a genuine pre-estimate by the Parties, at the time of entering into this Agreement, of the

respective amounts of Losses to the Investor upon the occurrence or existence of the event or circumstance as set forth in item (i) or item (ii) of this Section 8.01(c), respectively.

(d) 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).

(e) 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.

(f) 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, 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).

(g) 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, shall be limited to the aggregate amount of the Purchase Prices paid hereunder by the 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.

(h) 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.

(i) 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 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 Investor:
NIO Capital*

Abundant Grace Investment Limited
Unit 2412, 24F HKRI Taikoo Hui Center I, 288 Shimen Yi
Road, Jing’an District, Shanghai, China 200041
E-mail: [*]
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, including the binding term sheet dated May 16, 2022 by and among the Company, the Investor and Joy Capital Management, Ltd. and/or its affiliates.

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. The Company shall not assign any rights and obligations herein to any third party without the prior written consent of the Investor. Except for assignment by the Investor to its Affiliates, the rights and obligations herein may not be assigned or transferred by the Investor to any third party without the prior written consent of the Company unless transferred in connection with the transfer of Senior Preferred Shares. For the avoidance of doubt, (i) each Senior Preferred Share which has been fully paid in the Stated Value shall be freely transferable subject to applicable laws; (ii) (a) each Senior Preferred Share which has been paid in the par value equal to \$0.0001 only may be transferred to any transferee (if not an Affiliate of the Investor) with the prior written consent of Company, provided that the written consent of the Company shall not be unreasonably withheld if the financial condition of such transferee is reasonably sufficient to fulfill the payment obligations for the applicable unpaid portion of the Purchase Price for such Senior Preferred Shares to be transferred; (b) the related payment obligations of the Investor for the applicable unpaid portion of the Purchase Price under Section 2.03(a) and Section 2.05 of this Agreement for such Senior Preferred Shares to be transferred shall be transferred in connection with transfer of said Senior Preferred Shares; and (iii) the right to seek liquidated damages applicable to the said Senior Preferred Shares to be transferred under Section 8.01(c) of this Agreement shall be transferred in connection with the transfer of said Senior Preferred Shares by the Investor.

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.*

(a) 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 appointed 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 Investor's fees and expenses, including legal, accounting and out-of-pocket costs incurred by the Investor in connection with the transactions contemplated hereby, 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 Investor, the Company has received copies of the engagement letters between the Investor 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 Investor within fifteen (15) Business Days of having notified the Investor in writing. The Company further agrees and acknowledges that the Investor may deduct any amounts owed pursuant to this Section 9.10 from the amount of Purchase Price.

Section 9.11 *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 9.12 *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 9.13 *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 *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.

Section 9.15 *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 9.16 *Termination*.

This Agreement may be terminated, (i) by mutual written consent of the Company and the Investor, (ii) by the Company or the Investor, if the Closing has not been consummated by the ninetieth (90th) calendar day following the date of this Agreement, due to the reason not attributable to the Company or the Investor (as applicable), (iii) by the 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 the 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 the Investor pursuant to Section 9.16 hereof, written notice thereof shall forthwith be given to the other Parties and this Agreement shall terminate 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 the 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 9.11* and *Section 9.12*, provided that the termination will not relieve any Party from any liability for any breach or violation of this Agreement.

[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 (戴琨)
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.

Abundant Grace Investment Limited

By: /s/ Mao Wei
Name: Mao Wei
Title: Director

[Signature Page to Share Subscription Agreement]

EXHIBIT A
Form of Investors' Rights Agreement

[*]

EXHIBIT B
Form of Registration Rights Agreement

[*]

Exhibit B

EXHIBIT C
Form of Certificate of Designation

[*]

Exhibit C

EXHIBIT D
Form of Voting Agreement

[*]

EXHIBIT E
Form of Cayman Legal Opinion

[*]

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EXHIBIT F
Designated Bank Account

[*]

EXHIBIT G
Incumbency Certificate

(ON COMPANY LETTERHEAD)

To: (“Investor”)

From: Uxin Limited (the “Company”)

Date: []

AUTHORIZED OFFICERS OF COMPANY ACTING ON BEHALF OF COMPANY

Reference is made to the share subscription agreement dated June 30, 2022 (the “Agreement”) by and between the Company and the Investor. Capitalized terms used but not defined herein have the meanings ascribed to them in the Agreement.

We hereby confirm and certify the following:

- a) **Bank Wire Instructions of the Company** - The Designated Bank Account for the Investor’s payment of the Purchase Price to the Company in accordance with Section 6.06(b) of the Agreement are as follows:

Beneficiary’s Name: [*]
Beneficiary’s Bank Name: [*]
Beneficiary’s Bank Address: [*]
Beneficiary’s A/C No.: [*]
SWIFT Code: [*]

INTERMEDIARY BANK

Bank Name : [*]
SWIFT Code : [*]

- b) **Company Contacts for Call-Back Procedures** – The individuals listed below are each individually authorized to complete any required “call-back” confirmation procedures on behalf of the Company in order to finalize the consummation of the transactions contemplated by the Agreement.

<u>Name</u>	<u>Title</u>	<u>E-mail address</u>	<u>Contact No.</u>
Feng Lin	CFO	[*]	[*]

- c) **Authorized Officers** - Listed below are the particulars of the officers of the Company who are authorized to execute documents on behalf of the Company and to take any other action required to fulfill the obligations of the Company under the Agreement:

Exhibit G

<u>Name</u>	<u>Title</u>	<u>E-mail address</u>	<u>Contact No.</u>	<u>Specimen signature</u>
Kun Dai	Chairman of Board and CEO	[*]	[*]	
Feng Lin	CFO	[*]	[*]	

Any changes to the above are to be provided in writing and signed by an authorized signatory and shall be valid and binding on the Company and the Investor, as applicable. An original must also be provided for any subsequent changes to banking instructions.

The above information is hereby certified by the following authorized person*:

UXIN LIMITED

Name:

Name:

** - If the signatory entity has only one authorized officer in part (c), please arrange for another person of the right capacity to sign off on behalf thereof to certify the above information.*

SCHEDULE I
List of Investor

Name	Number of Senior Preferred Shares to be Purchased at the Closing	Purchase Price
Abundant Grace Investment Limited (“ NIO Capital ”)	714,285,714	US\$100,000,000

Schedule I

SCHEDULE II
Payment Schedule

Amount of Purchase Price Payable	Percentage of Purchase Price Payable	Due Time
US\$71,428.58	0.07%	At the Closing
US\$9,928,571.42	9.93%	September of 2022
US\$30,000,000	30%	December of 2022
US\$20,000,000	20%	March of 2023
US\$40,000,000	40%	June of 2023
Total: US\$100,000,000	100%	-

Schedule III

SCHEDULE III
Existing Registration Right Holders

LC Fund V, L.P.
LC Parallel Fund V, L.P.
Baidu (Hong Kong) Limited
JenCap UX
Haixia Uxin International Limited Partnership
TPG Growth III SF Pte. Ltd.
BOCOM International Supreme Investment Limited
KINGKEY NEW ERA AUTO INDUSTRY LIMITED (京基新興汽車產業有限公司)
Xin Gao Group Limited
Redrock Holding Investments Limited
58.com Holdings Inc.
ClearVue UXin Holdings, Ltd.
Magic Carpet International Limited
Zhuhai Guangkong Zhongying Industrial Investment Fund
GIC Private Limited
Astral Success Limited
Abundant Grace Investment Limited
Abundant Glory Investment L.P.

Schedule III

SCHEDULE IV
Key Employees

[*]

Schedule V

SCHEDULE V
Covenants (Section 6.10)

The Company shall complete or cause to be completed the following matters prior to the Closing and shall provide with the Investor written evidence thereof to the satisfaction of the Investor:

1. Mr. Dai Kun (戴琨) shall issue a written confirmation letter in the form and substance satisfactory to the Investor, confirming that the consideration for the equity securities of Uxin Internet (Beijing) Information Technology Co., Ltd. (优信互联 (北京) 信息技术有限公司) (“**Uxin Internet**”) transferred by him to Uxin Pai (Beijing) Information Technology Uxin Company (优信拍 (北京) 信息科技有限公司) (“**Uxin Pai**”) is RMB 96,000,000, which had been fully paid off by offsetting the full amount of the loan in an aggregate amount of RMB 96,000,000 provided by Uxin Pai to Mr. Dai Kun (戴琨), and Mr. Dai Kun (戴琨) has no right and basis to require any consideration in respect of the equity securities of Uxin Internet transferred by him to Uxin Pai; and

2. Yougu (Shanghai) Information Technology Co., Ltd. (优估 (上海) 信息科技有限公司), Beijing Minsi Lianhua Investment Management Co., Ltd. (北京敏思联华投资管理有限公司) and Mr. Dai Kun (戴琨) shall execute a supplementary agreement in respect of an equity transfer agreement previously executed among them in the form and substance satisfactory to the Investor to clarify that none of the registered capital of Uxin Yishou Car (Beijing) Information Technology Co., Ltd. (优信易手车 (北京) 信息技术有限公司) has been paid in.

Schedule V

SCHEDULE VI
Other Covenants (Section 6.11)

The Company shall complete or cause to be completed the following matters and shall provide with the Investor written evidence thereof to the satisfaction of the Investor:

1. As soon as it is required by Applicable Laws and/or any competent local Governmental Entity and in no event later than one (1) month thereafter, the Group Companies that are engaged in used car business (including without limitation Uxin (Ningbo) Information Technology Co., Ltd., (优信 (宁波) 信息技术有限公司) and Uxin (Shaanxi) Information Technology Group Co., Ltd. (优信 (陕西) 信息科技集团有限公司)) shall submit filing with the Ministry of Commerce of the PRC (the “**MOFCOM**”) at provincial level as used car operator(s) (二手车经营主体) or used car marketplace operator(s) (二手车交易市场经营者) and start to establish the regular reporting system to report the used cars transaction information to local MOFCOM in accordance with the *Measures for the Administration of the Circulation of Used cars* (《二手车流通管理办法》), and shall use their best efforts to complete such filing and establishment within three (3) months after such requirements.
2. Within three (3) months of the Closing Date, the Group Companies shall optimize the after-sales service system to reduce customer complaints to the satisfaction of the Investor.
3. Within three (3) months of the Closing Date, the Group Companies shall complete removing Guangzhou Uxin Yuecheng Used Cars Service Co., Ltd. (广州市优信粤诚二手车服务有限公司) Baogu Automotive Technical Service (Beijing) Co., Ltd. (宝固汽车技术服务 (北京) 有限公司) and Sichuan Uxinpai Auction Co., Ltd.(四川优信拍拍卖有限公司) from the Catalogue of Enterprises with Abnormal Operations (经营异常名录), and removing Beijing Liantuo Yichahui Old Motor Vehicle Brokerage Co., Ltd. (北京联拓易车汇旧机动车经纪有限公司) from the Catalogue of Enterprises with Serious Illegal and Dishonest Acts.
4. The relevant Group Companies shall enter into debt restructuring agreements with relevant creditors of such relevant Group Companies to specify the agreed amount of liabilities that would be waived and discharged by the relevant creditor and the corresponding repayment plan, or to take other appropriate actions, to reduce the liabilities of the relevant Group Companies as of March 31, 2022. With respect to the liabilities of the Group as of March 31, 2022 (as indicated in the summary of liabilities as of March 31, 2022 prepared by the Company and provided to the Investor), the total amount of which was approximately RMB 2.01 billion, the Group Companies shall cause to be waived or otherwise discharged (the “**Debt Restructuring Amount**”) at

Schedule VI

least RMB 398 million in aggregate (the “**Debt Restructuring**”). For the avoidance of doubt, such Debt Restructuring Amount do not include the loan amount of RMB 284 million payable by Kaifeng Rongzi (as defined below), which shall be addressed under item 11 of this SCHEDULE VI.

5. The Company shall obtain a written waiver from 58 in the form and substance satisfactory to the Investor, confirming that it will irrevocably waive all rights to claim damages against the Company, and the right to declare acceleration of its outstanding principal and interest accruing thereon under the 2019 Note held by it, based on any and all actual breach or default (including without limitation any Event of Default (as defined in the 2019 Note held by 58)) of the Company or any of the Principal Parties in connection with or arising out of the CNPA and the 2019 Note held by it, to the extent such breach or default or Event of Default relates to events that occurred or circumstances that existed, whether known or unknown, prior to the date of the waiver (including such events and circumstances occurred or existed prior to the date of the waiver and continuing after the date of the waiver), including the Company’s failure to pay to 58 the repayment installments on such repayment dates set forth in section 2(a) of the 2019 Note held by it (or within the applicable grace periods).
6. The Company shall obtain a written waiver from each of the Noteholders in the form and substance satisfactory to the Investor, confirming that it will irrevocably waive all rights to claim damages against the Company, and the right to declare acceleration of its outstanding principal and interest accruing thereon under the 2019 Note held by it, based on any and all actual breach or default (including without limitation any Event of Default (as defined in the 2019 Note held by 58)) of the Company or any of the Principal Parties in connection with or arising out of the CNPA and the 2019 Note held by it, to the extent such breach or default or Event of Default relates to events that occurred or circumstances that existed, whether known or unknown, prior to the date of the waiver (including such events and circumstances occurred or existed prior to the date of the waiver and continuing after the date of the waiver) including the relevant Group Companies’ termination of the agreements described under “Item 4. Information on the Company - C. Organizational Structure - Contractual Agreements with the VIEs and Their Respective Shareholders” of the Company’s annual report on Form 20-F for the fiscal year ended December 31, 2018 filed with the SEC on April 29, 2019 or any further annual reports of the Company on Form 20-F to be filed with the SEC which affects the Company’s control over any of its VIEs.
7. In the event the Company transfers its listing of ADSs from the Nasdaq to the Nasdaq Capital Market, the Company shall obtain a written waiver from each of the Noteholders in the form and substance satisfactory to the Investor prior to such transfer of listing, confirming that it will irrevocably waive all rights to claim damage against the Company, and the right to declare acceleration of its outstanding principal and interest accruing thereon under the 2019 Note held by it, due to the Company’s failure

to maintain its securities publicly traded on the Nasdaq, which would constitute an Event of Default as defined in the 2019 Notes.

8. The Company shall comply at all times with all the terms and conditions of and perform (and shall procure the Principal Parties to perform) all their obligations under the CNPA and the 2019 Notes. In the event of the occurrence of an Event of Default under the 2019 Notes, the Company shall (i) inform the Investor in writing the occurrence of such Event of Default as soon as possible but in no event later than three (3) Business Days from the date of its occurrence, (ii) obtain a written waiver from each of the applicable Noteholders in the form and substance satisfactory to the Investor, confirming that it will irrevocably waive all rights to claim damage against the Company and the right to declare acceleration of its outstanding principal and interest accruing thereon under the 2019 Note held by it based on such Event of Default, and (iii) take other actions necessary to ensure that all the Noteholders shall not accelerate payment of their respective outstanding principals and interests accruing thereon under their respective 2019 Notes.
9. The Group Companies shall comply at all times with all the terms and conditions of and perform all their obligations under relevant agreements (including punctual payments of all indebtedness thereunder when they fall due). In the event of occurrence of any failure by the Group Companies to pay their debts (other than the Company's debts under the 2019 Notes) when due, if such amount (individually or in aggregate) claimed by the creditors of the relevant Group Companies reaches \$10 million or more, the Group Companies shall inform the Investor in writing as soon as possible but in no event later than three (3) Business Days from the date of its occurrence.
10. The Company shall resolve any disputes with all Noteholders to the satisfaction of the Investor and ensure that all the Noteholders shall not accelerate their outstanding principals and interests accruing thereon under the 2019 Notes due to the occurrence of an Event of Default under 2019 Notes in relation to such disputes.
11. Within one (1) year after the Closing Date, the Company shall properly resolve the potential disputes between Kaifeng Financial Leasing (Hangzhou) Co., Ltd. (凯枫融资租赁 (杭州) 有限公司) (“**Kaifeng Rongzi**”) and Henan Shiwei Data Technology Co., Ltd. (河南世为数据科技有限公司) (“**Henan Shiwei**”) with respect to the equity arrangement of Sichuan Jincheng Consumer Finance Co., Ltd. (四川锦程消费金融有限责任公司) (“**Sichuan Jincheng**”) in a manner satisfactory to the Investor, including but not limited to, eliminating Kaifeng Rongzi's risks of paying liquidated damages to Henan Shiwei due to its failure to pledge its equity securities of Sichuan Jincheng to Henan Shiwei within five (5) Business Days after Kaifeng Rongzi became the registered shareholder of Sichuan Jincheng, and reaching a solution satisfactory to the

Investor with respect to the equity ownership of Sichuan Jincheng and loan repayment to Henan Shiwei by Kaifeng Rongzi in an aggregate amount of RMB 284 million.

12. The Company shall procure Hefei Jiantou Beicheng Industrial Investment Co., Ltd. (合肥建投北城产业投资有限公司) (“**Jiantou Beicheng**”) to obtain all permits and licenses and/or complete all filings in connection with the Changfeng Project within the applicable time frames as legally required. For purpose of this Agreement, “**Changfeng Project**” means the project in which (i) the People’s Government of Changfeng County advances funds for Jiantou Beicheng to obtain land use rights and build factories and supporting facilities, (ii) the Group Companies will lease the said factories and supporting facilities and be entitled to purchase the factories and supporting facilities within a certain time frame, and (iii) the People’s Government of Changfeng County shall provide tax incentives and financial subsidies to the Group Companies when they achieve certain economic indicators or meet certain requirements.
13. Within twelve (12) months after the Closing Date, the Group Companies shall complete the disposal of the non-operating Group Companies in a manner satisfactory to the Investor.
14. In the event of the termination of the employment relationship with any Key Employee as set forth in SCHEDULE IV, without the prior written consent of NIO Capital, such Key Employee’s non-competition period shall not be shorter than twenty-four (24) months from the date of resignation.

Schedule VI

SCHEDULE VII
Special Indemnification (Section 8.01(b))

[*]

SCHEDULE VIII

SCHEDULE VIII
Disclosure Schedule

[*]

SCHEDULE VIII

AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT

by and among

UXIN LIMITED

MR. KUN DAI

XIN GAO GROUP LIMITED

ASTRAL SUCCESS LIMITED

ABUNDANT GRACE INVESTMENT LIMITED

and

ABUNDANT GLORY INVESTMENT L.P.

Dated July 27, 2022

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SCHEDULES

SCHEDULE A

Principal Securities

SCHEDULE B

Deed of Adherence

AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT

THIS AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT (this "**Agreement**") is entered into on July 27, 2022 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 ("**Joy Capital**"),
5. Abundant Grace Investment Limited, a company limited by shares incorporated under the Laws of British Virgin Islands ("**NIO Grace**"), and
6. Abundant Glory Investment L.P., a limited partnership formed under the Laws of British Virgin Islands ("**NIO Glory**", together with NIO Grace, "**NIO Capital**", and NIO Capital and Joy Capital, collectively 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 Certain Investors are the holders of the Company's Senior Preferred Shares and possess information rights, participation rights, rights of first refusal, co-sale rights and other rights pursuant to that certain Investors' Rights Agreement dated July 12, 2021, by and among the Company, Joy Capital, NIO Grace and the Principal Parties, as amended by the Joinder Agreement to the Investors' Rights Agreement dated November 15, 2021, by and among NIO Grace and certain other parties thereto (the "**Prior Agreement**").
- B The Company and NIO Grace have entered into that certain Share Subscription Agreement, dated June 30, 2022 (as may be supplemented and amended from time to time, the "**Subscription Agreement**"), pursuant to which, among other things, each Investor thereto, severally but not jointly, has agreed to purchase certain Senior Preferred Shares from the Company.
- C 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.
- D 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. The terms and conditions of this Agreement, upon its duly execution, shall amend, restate, supersede and replace in their entirety the Prior Agreement.

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:

“**Additional Number**” has the meaning assigned to such term in Section 3.03.

“**Additional Offered Shares**” has the meaning set forth in Section 5.03(iii).

“**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.

“**Certificate of Designation**” means the Amended and Restated Certificate of Designation of Senior Convertible Preferred Shares dated as of the date hereof approved and adopted by the Board, as may be supplemented, amended or restated from time to time.

“**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.

“**Code**” means the Inland Revenue Code of 1986, as amended.

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

“**Company Options**” has the meaning assigned to such term in Section 3.05(i).

“**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 Senior Preferred Shares.

“**Co-Sale Holder**” has the meaning assigned to such term in Section 5.04.

“**Co-Sale Notice**” 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(i).

“**Co-Sale Right Period**” has the meaning assigned to such term in Section 5.04.

“**Equity Securities**” means, with respect to any Person that is a legal entity, any and all shares of capital stock, membership interests, units, depository 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 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.

“**HKIAC**” has the meaning assigned to such term in Section 11.16(i).

“**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 ROFR Period**” has the meaning assigned to such term in Section 5.03(ii).

“**Joy Capital**” 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, other than such allotments and issuances of Equity Securities expressly excluded under Section 3.05.

“**NIO Grace**”, “**NIO Glory**” or “**NIO Capital**” has the meaning assigned to such term in the preamble.

“**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.

“**Overallotment New Securities**” has the meaning assigned to such term in Section 3.03.

“**Over-Purchasing Holder**” has the meaning assigned to such term in Section 5.03(iii).

“**Oversubscribing Fully Participating Investors**” has the meaning assigned to such term in Section 3.03.

“**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.

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

“**Permitted Transferee**” has the meaning assigned to such term in Section 5.02(ii).

“**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.

“**Principal**” has the meaning assigned to such term in the preamble.

“**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 June 30, 2025.

“**Principal Securities**” has the meaning assigned to such term in Section 8.01(i).

“**Prior Agreement**” has the meaning set forth in the recitals.

“**Purchasing Holders**” has the meaning set forth in Section 5.03(iii).

“**Re-allotment Notice**” has the meaning set forth in Section 5.03(iii).

“**Registration Rights Agreement**” has the meaning set forth in the Subscription Agreement.

“**Remaining Offered Shares**” has the meaning set forth in Section 5.03(iii).

“**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 Shareholder**” has the meaning assigned to such term in Section 5.03(i).

“**Senior Preferred Shares**” means the senior convertible preferred shares of the Company with such preference, priority, special privilege and other rights provided in the Certificate of Designation.

“**Shares**” means Ordinary Shares and Senior Preferred Shares.

“**Subscription Agreement**” has the meaning set forth in the recitals.

“**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.

“**Warrants**” means, collectively, the warrant to purchase certain Senior Preferred

Shares delivered to Joy Capital dated July 12, 2021 and the warrants to purchase certain Senior Preferred Shares delivered to NIO Grace and NIO Glory respectively dated November 15, 2021, each as may be supplemented, amended or restated from time to time.

“**2019 Notes**” means the Convertible Notes originally 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.

“**2021 Subscription Agreement**” means the Share Subscription Agreement dated June 14, 2021 by and among the Company and certain Investors thereto, as supplemented and amended from time to time.

“**2021 Transaction Documents**” means the “Transaction Documents” set forth in the 2021 Subscription Agreement, provided that, to the extent any 2021 Transaction Document is supplemented, amended or restated, it shall be referred to such 2021 Transaction Document as supplemented, amended or restated.

“**2021 Voting Agreement**” means the Voting Agreement dated July 12, 2021 entered into by and among the Company, the Principal Parties, certain Investors, Redrock Holding Investments Limited, TPG Growth III SF Pte. Ltd. and 58.com Holdings Inc., as supplemented, amended or restated from time to time.

“**2022 Voting Agreement**” means the Voting Agreement dated as the date hereof entered or to be entered into by and among the Company, the Principal Parties and the Investors 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.** 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 its 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 Senior Preferred 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 any of the Senior Preferred 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 Senior Preferred 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 Senior Preferred 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 Senior Preferred Shares, Conversion 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 substantially the form attached hereto as Schedule B. 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 2021 Voting Agreement and Section 2.04 of the 2022 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, cancellation or exchange of any ADSs by the holders thereof;

(iii) Senior Preferred Shares issued pursuant to the Subscription Agreement and the 2021 Subscription Agreement and 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 2021 Voting Agreement and Section 2.04 of the 2022 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. Transfer Notice.**

(i) 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 entitled 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 in substantially the form attached hereto as Schedule B.

(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 Rights 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 the 2021 Transaction Documents and the 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 the 2021 Transaction Documents or the Transaction Documents;

(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 2021 Transaction Documents or 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 PARTIES

Section 8.01 **Ownership of Company Securities.** The Principal Parties, jointly and severally, represent and warrant to each Investor on the date hereof that:

(i) Schedule A 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 A 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 A; 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 A 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 A 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-Competition.**

(i) Without prejudice to any non-completion and non-solicitation 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 longest 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

Unit F, 37/F, COS Centre, 56 Tsun Yip Street, Kwun Tong, Hong Kong

E-mail: [*]

With copy to: [*]

Attn: [*]

NIO Capital

Abundant Grace Investment Limited, Abundant Glory Investment L.P.

Unit 2412, 24F HKRI Taikoo Hui Center I, 288 Shimen Yi Road, Jing'an District, Shanghai, China 200041

E-mail: [*]

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: [*]

If to Principal Parties

Principal

1-3/F, No. 12 Beitucheng East Road

Chaoyang District, Beijing, 100029

People's Republic of China

E-mail: [*]

Attn: [*]

Principal Holding Company

Xin Gao Group 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 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, the other Transaction Documents and the 2021 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 Senior Preferred 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 Senior Preferred 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 Shares, then, upon the occurrence of any subdivision, combination or share dividend of the 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 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 appointed 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.

Section 11.17 **Deed of Adherence.** (a) Any Person who acquires Senior Preferred Shares pursuant to the Subscription Agreement or the 2021 Subscription Agreement, (b) any Person who acquires Senior Preferred Shares by exercise of any of the Warrants, provided that, if such Person is not an Affiliate of the Investor who transferred the Warrant (in whole or in part) to such Person, only if so elected by such Investor at its sole discretion, and (c) any investor of the Company or any transferee of an Investor who acquires rights, interests and obligations of this Agreement pursuant to Sections 3.04, 5.03 or 11.03, may, by signing and delivering a Deed of Adherence in substantially the form attached hereto as Schedule B, join and become a party to the Agreement as an "Investor" with the same force and effect as if it were originally a party hereto.

[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 (戴琨)

Title: Director

[Signature Page to Amended and Restated Investors' Rights 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 (戴琨)

Title: Director

[Signature Page to Amended and Restated Investors' Rights 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 Amended and Restated Investors' Rights 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 Amended and Restated Investors' Rights 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 GLORY INVESTMENT L.P.

acting through Nio Capital II LLC in its capacity as the general partner

By /s/ Zhu Yan

Print Name: Zhu Yan

Title: Authorized Signatory

[Signature Page to Amended and Restated Investors' Rights Agreement]

SCHEDULE A
PRINCIPAL SECURITIES

Company Securities	Number of Shares	Shareholder	Encumbrances	Voting Rights / Transfer Restrictions
Class B Ordinary Shares	40,809,861	Xin Gao	None	Subject to this Agreement
Class A Ordinary Shares	14,764,090	BOCOM	All pledged to a thirdparty lender and subject to enforcement.	<p>Voting rights of these shares shall be exercised (i) in accordance with the directions of Apex Wisdom Investment Limited, as holder of a note issued by BOCOM, or (ii) subject to certain conditions and at the option of Huarong Rongde (Hong Kong) Investment Management Company Limited, as holder of a note issued by BOCOM, either by, or in accordance with the directions of, Huarong Rongde (Hong Kong) Investment Management Company Limited.</p> <p>Transfer of these shares requires the affirmative vote or written consent of a majority of the Apex Wisdom Investment Limited's directors.</p>

Schedule A to Amended and Restated Investors' Rights Agreement

SCHEDULE B
DEED OF ADHERENCE

THIS DEED is made on [*], 2022 by [*] of [*] (the “**New Party**”)

WHEREAS:

- (A) On [*], 2022, Uxin Limited (the “**Company**”) and certain other parties thereto entered into a restated and amended investors’ rights agreement (as amended, supplemented or novated from time to time, the “**Investors’ Rights Agreement**”).
- (B) This Deed is entered into to record and effect the admission of the New Party under the Investors’ Rights Agreement.

NOW THIS DEED WITNESSES as follows:

1. Unless the context otherwise requires, (a) words and expressions defined in the Investors’ Rights Agreement shall have the same meanings when used in this Deed, and (b) the rules of interpretation contained in Section 1.02 (*Interpretation*) of the Investors’ Rights Agreement shall apply to the construction of this Deed.
2. The New Party hereby confirms that it has been supplied with a copy of the Investors’ Rights Agreement, and has reviewed the same and understands its contents.
3. The New Party undertakes to each of the parties to the Investors’ Rights Agreement (whether assuming any rights or obligations under the Investors’ Rights Agreement on the date of the Investors’ Rights Agreement or thereafter) to be bound by and comply in all respects with the Investors’ Rights Agreement, and to assume the benefits of the Investors’ Rights Agreement, as if the New Party had executed the Investors’ Rights Agreement as an Investor and was named as a party to it.
4. The New Party warrants and undertakes to each of the parties to the Investors’ Rights Agreement (and each other person who may from time to time expressly adhere to the Investors’ Rights Agreement) in the terms set out in Article VII of the Investors’ Rights Agreement (except that the warranty set out in Section 7.01 (*Existence*) of the Investors’ Rights Agreement shall not be given by the New Party if it is an individual), but so that such warranties and undertakings shall be deemed to be given on the date of this Deed and shall be deemed to refer to this Deed.
5. This Deed is made for the benefit of:
 - (a) the parties to the Investors’ Rights Agreement; and
 - (b) any other Person who may after the date of the Investors’ Rights Agreement (and whether or not prior to, on or after the date hereof) assume any rights or obligations under the Investors’ Rights Agreement and be permitted to do so by the terms thereof;and this Deed shall be irrevocable.
6. The address and e-mail address of the New Party for the purpose of Section 11.01 (*Notices*) of the Investors’ Rights Agreement shall be as follows:

Address: [*]

Schedule B to Amended and Restated Investors’ Rights Agreement

E-mail: [*]

For the attention of: [*]

7. This Deed shall be read as one with the Investors' Rights Agreement so that any reference in the Investors' Rights Agreement to "this Deed" and similar expressions shall include this Deed.
8. Section 11.15 (*Governing Law*) and Section 11.16 (*Dispute Resolution*) of the Investors' Rights Agreement shall apply to this Deed. This Deed and any non-contractual obligations arising out of or in connection with this Deed shall be governed by and construed in accordance with the laws of Hong Kong.

[Signature Pages Follow]

Schedule B to Amended and Restated Investors' Rights Agreement

IN WITNESS WHEREOF the undersigned has hereto executed and delivered this Deed as of the day and year first above written.

[Seal]

SIGNED, SEALED and DELIVERED as a deed by
[*] acting by _____, who is duly authorised to
sign on its behalf

Director/Authorised Signatory

Schedule B to Amended and Restated Investors' Rights Agreement

REGISTRATION RIGHTS AGREEMENT

This REGISTRATION RIGHTS AGREEMENT (the “Agreement”) is made on July 27, 2022 by and among Uxin Limited, a company organized and existing under the laws of the Cayman Islands (the “Company”), and Abundant Grace Investment Limited, a company limited by shares incorporated under the laws of British Virgin Islands. (the “Investor”).

RECITALS

WHEREAS, the Company and the Investor are parties to a Share Subscription Agreement dated June 30, 2022 (the “Subscription Agreement”), pursuant to which the Company agrees to issue and the Investor agrees to subscribe for certain Senior Preferred Shares, which are convertible into Class A Ordinary Shares of the Company or American depository 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 the 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 recitals.

“ADS Conversion” has the meaning set forth in Section 2.8(a).

“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 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.

“Agreement” has the meaning set forth in the preamble.

“Blue Sky Application” has the meaning set forth in Section 2.7(a).

“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” has the meaning ascribed to such term in the Subscription Agreement.

“Closing Date” has the meaning ascribed to such term in the Subscription Agreement.

“Company” has the meaning set forth in the preamble.

“Conversion Shares” has the meaning ascribed to such term in the Subscription Agreement.

“Depository” means the Bank of New York Mellon, or any other successive depository 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 the Closing, six (6) months 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.

“Event” has the meaning set forth in Section 2.1(c).

“Event Date” has the meaning set forth in Section 2.1(c).

“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.

“Investor” has the meaning set forth in the preamble.

“Investor Representatives” has the meaning set forth in Section 2.5.

“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 issued or issuable upon the conversion of the Senior Preferred 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 the 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.

“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.

“Selling Securities” has the meaning set forth in Annex A.

“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).

“Subscription Agreement” has the meaning set forth in the recitals.

“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.

2.Registration Rights.

2.1 Shelf Registration.

(a) Registration Statements.

For the Registrable Securities issued or issuable upon the conversion of the Senior Preferred Shares issued at the Closing, to the extent such Senior Preferred Shares have been issued by such time, on or no later than three (3) Business Days after the earlier of: (i) the date on which the Company files its annual report for its fiscal year ended March 31, 2022 with the SEC on Form 20-F, and (ii) July 31, 2022 (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 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 (whether pursuant to registration rights, or otherwise, for the avoidance of doubt, the Senior Preferred Shares issued to the Investor prior to the Closing, and the Registrable Securities owned by the 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 (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 Depository and the affected Holders (the “Effectiveness Period”). The Company shall notify the 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 the 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 (the "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 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 the 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.

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) The Investor shall have the right to request removal of the legend set forth in Section 2.04 of the Subscription Agreement 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 the 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 the 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 the Investor, issue and dispatch by overnight courier to the Investor, a certificate representing such Registrable Securities that is free from all restrictive and other legends, registered in the name of the 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 Depository 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, the Company shall not be responsible for any underwriting commissions attributable to the sale of Registrable Securities or any outside counsel fees of the 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 the 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 the Investor, advisors to and representatives of the Investor (who may or may not be affiliated with the 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 the 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 the Investor and the 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 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 the 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 the Investor upon request, as long as the 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 the 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 the Investor to any other Person other than the 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, the Investor Representative shall be informed that such confidential information is strictly confidential and shall be subject to confidentiality restrictions in favor of the Investor with respect to the confidential information disclosed by the Investor to the Investor Representative. Notwithstanding anything to the contrary herein, the foregoing restrictions shall not prevent the disclosure by the 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 the Investor's confidentiality obligations to the Company), provided that, to the extent permitted by Law (as defined in the Subscription Agreement), in the event the Investor or the 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 the Investor or the Investor Representative). The confidentiality obligations herein shall, with respect to the 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 the 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 the 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 the Investor is sought in or by a court or governmental body of competent jurisdiction or through other means, give prompt written notice to the Investor and allow the Investor, at the 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 Investor.

- (a) The 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 the Investor of the information the Company requires from the Investor if the Investor elects to have any of its Registrable Securities included in the Registration Statement. The 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 the Investor elects to have any of its Registrable Securities included in the Registration Statement.
- (b) The 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 the Investor has notified the Company in writing of its election to exclude all of its Registrable Securities from such Registration Statement.
- (c) The 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, the Investor will immediately discontinue disposition of Registrable Securities pursuant to the Registration Statement covering such Registrable Securities, until the Investor is advised by the Company that such dispositions may again be made. Notwithstanding anything to the contrary in this Section 2.6(c), the 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 the Investor in connection with any sale of Registrable Securities with respect to which the Investor has entered into a contract for sale prior to the 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 the Investor has not yet settled.
- (d) Notwithstanding the foregoing or anything to the contrary contained in this Agreement, nothing in this Agreement shall require the 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 the Investor and its officers, directors, members, employees and

agents, successors and assigns, and each other person, if any, who controls the 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 the Investor’s behalf and will reimburse the 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 the Investor or any such controlling person in writing specifically for use in such Registration Statement or Prospectus.

- (b) Indemnification by the Investor. The 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 the Investor or its agents of any rule or regulation promulgated under the Securities Act applicable to the Investor or its agents and relating to action or inaction required of the 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 the 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 the Investor be greater in amount than the dollar amount of the proceeds (net of all expense paid by the Investor in connection with any claim relating to this Section 2.7 and the amount of any damages the Investor has otherwise been required to pay by reason of such untrue statement or omission) received by the 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 the Investor intends to convert the Senior Preferred Shares into Class A Ordinary Shares and deposit such Class A Ordinary Shares with the Depository 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 the Investor, the Company shall promptly and in any event no later than three (3) Trading Days following receipt of the Investor’s request, effect, or cause the Depository to effect, the ADS Conversion, if there is an effective Registration Statement on file with the SEC covering the re-sale of the Investor’s Class A Ordinary Shares (issued or issuable upon conversion of Senior Preferred Shares) or such Class A Ordinary Shares may be re-sold without restriction by the Investor pursuant to Rule 144, provided that, if requested by the Company, the 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 Depository (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 Depository and the holders and beneficial owners of American depository 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 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 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 whom 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 (戴琨)
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:

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 (the "Selling Securities") 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.

Annex A-3

THE SYMBOL “[*]” DENOTES PLACES WHERE CERTAIN IDENTIFIED INFORMATION HAS BEEN EXCLUDED FROM THE EXHIBIT BECAUSE IT IS BOTH (I) NOT MATERIAL, AND (II) IS THE TYPE THAT THE COMPANY TREATS AS PRIVATE OR CONFIDENTIAL

VOTING AGREEMENT

by and among

UXIN LIMITED

MR. KUN DAI

XIN GAO GROUP LIMITED

ASTRAL SUCCESS LIMITED

ABUNDANT GRACE INVESTMENT LIMITED

and

ABUNDANT GLORY INVESTMENT L.P.

Dated July 27, 2022

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VOTING AGREEMENT

THIS VOTING AGREEMENT (this “**Agreement**”) is entered into on July 27, 2022 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 (together with its successors, assignees, transferees and Affiliates, “**Joy Capital**”),
5. Abundant Grace Investment Limited, a company limited by shares incorporated under the Laws of British Virgin Islands (together with its successors, assignees, transferees and Affiliates, “**NIO Grace**”),
6. Abundant Glory Investment L.P., a limited partnership formed under the Laws of British Virgin Islands (together with its successors, assignees, transferees and Affiliates, “**NIO Glory**”, together NIO Grace, “**NIO Capital**”; NIO Capital and 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, Joy Capital and NIO Grace entered into a Share Subscription Agreement dated June 14, 2021 (as supplemented and amended from time to time, the “**2021 Subscription Agreement**”).
- B In connection with the 2021 Subscription Agreement, the Company, Joy Capital, NIO Grace, the Principal Parties, Redrock Holding Investments Limited (the “**WP**”), TPG Growth III SF Pte. Ltd. (“**TPG**”) and 58.com Holdings Inc. (“**58**”, together with WP and TPG, the “**Major Noteholders**” and each a “**Major Noteholder**”) have entered into a Voting Agreement, dated July 12, 2021 (as may be supplemented and amended from time to time, the “**2021 Voting Agreement**”).
- C The Company and NIO Grace have entered into that certain Share Subscription Agreement, dated June 30, 2022 (as may be supplemented and amended from time to time, the “**Subscription Agreement**”), pursuant to which, among other things, each Investor thereto, severally but not jointly, has agreed to purchase certain Senior Preferred Shares from the Company.
- D On July 18, 2022, 58 surrendered its 2019 Note in exchange for the allotment and issuance of 183,495,146 Class A ordinary shares of par value US\$0.0001 each at a conversion price of US\$ 0.3433 per share (equivalent to US\$1.03 per ADS) in the capital of the Company (the “**Converted Shares**”), and after the issuance and allotment of the Converted Shares by the Company on July 18, 2022, all the Company’s obligations to 58 under its 2019 Note has been fully satisfied and discharged. Accordingly, the aggregate outstanding principal amount of the 2019 Notes held by the Major Noteholders as of July 18, 2022 is less than 50% of the aggregate principal

amount of the 2019 Notes they hold immediately following the Restructuring Effective Time, and therefore, the Major Noteholders are no longer eligible to nominate a director pursuant to the 2021 Voting Agreement.

- E 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.
- F 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.

“**Certificate of Designation**” means the Amended and Restated Certificate of Designation of Senior Convertible Preferred Shares dated as of the date hereof approved and adopted by the Board, as may be supplemented, amended or restated from time to time.

“**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.

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

“**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 Senior Preferred 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.

“**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(i)(b).

“**Investors’ Rights Agreement**” means the Amended and Restated 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.

“**Joy Capital**” has the meaning assigned to such term in the preamble.

“**Joy Director**” has the meaning assigned to such term in Section 2.01(i)(a).

“**Major Noteholder**” has the meaning assigned to such term in the recitals.

“**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 the 2021 Subscription Agreement and 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 Competitor**” means [*].

“**NIO Grace**”, “**NIO Glory**” or “**NIO Capital**” has the meaning assigned to such term in the preamble.

“**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.

“**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).

“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.

“Principal” has the meaning assigned to such term in the preamble.

“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 June 30, 2025.

“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 Agreement.

“Senior Preferred Shares” means the senior convertible preferred shares of the Company with such preference, priority, special privilege and other rights provided in the Certificate of Designation .

“Shares” means Ordinary Shares and Senior Preferred Shares.

“Shareholders” means the shareholders of the Company.

“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.

“**Warrants**” means, collectively, the warrant to purchase certain Senior Preferred Shares delivered to Joy Capital dated July 12, 2021 and the warrants to purchase certain Senior Preferred Shares delivered to NIO Grace and NIO Glory respectively dated November 15, 2021, each as may be supplemented, amended or restated from time to time.

“**2019 Notes**” means the convertible notes originally 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).

“**2021 Subscription Agreement**” has the meaning set forth in the recitals.

“**2021 Transaction Documents**” means the “Transaction Documents” set forth in the 2021 Subscription Agreement, provided that, to the extent any 2021 Transaction Document is supplemented, amended or restated, it shall be referred to such 2021 Transaction Document as supplemented, amended or restated.

“**2021 Voting Agreement**” has the meaning set forth in the recitals.

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 six (6) Directors, or such other number of Directors as approved by the Board (including the affirmative consent of Investor Directors), including the following:

(a) one (1) Director nominated by Joy Capital and/or any of its Affiliate who holds any Share in the Company (the “**Joy Director**”), as long as Joy Capital and/or its Affiliates hold no less than 72,822,604 Senior Preferred Shares (subject to appropriate adjustment for share splits, share dividends, combinations and other recapitalizations, including the Senior Preferred Shares it acquired pursuant to the 2021 Subscription Agreement and/or the Subscription Agreement and/or upon the exercise of the Warrants, and any Class A Ordinary Shares and/or ADSs (taking into account the ratio between Ordinary Share and ADS) converted from such Senior Preferred Shares);

(b) one (1) Director nominated by NIO Capital and/or any of its Affiliate who holds any Share in the Company (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 72,822,604 Senior Preferred Shares (subject to appropriate adjustment for share splits, share dividends, combinations and other recapitalizations, including the Senior Preferred Shares it acquired pursuant to the 2021 Subscription Agreement and/or the Subscription Agreement and/or upon the exercise of the Warrants, and any Class A Ordinary Shares and/or ADSs (taking into account the ratio between Ordinary Share and ADS) converted from such Senior Preferred Shares);

(c) [reserved.]

(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 the Senior Preferred Shares it acquired pursuant to the 2021 Subscription Agreement and/or the Subscription Agreement and/or upon the exercise of the Warrants, and 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 72,822,604 Senior Preferred Shares (subject to appropriate adjustment for share splits, share dividends, combinations and other recapitalizations), Joy Capital and/or its Affiliates 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 the Senior Preferred Shares it acquired pursuant to the 2021 Subscription Agreement and/or the Subscription Agreement and/or upon the exercise of the Warrants, and 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 72,822,604 Senior Preferred Shares (subject to appropriate adjustment for share splits, share dividends, combinations and other recapitalizations), NIO Capital and/or its Affiliates shall immediately cease to have the right to nominate one (1) Director pursuant to Section 2.01(i)(b), (3) [reserved], (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 (a) 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 (b) 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.

(iii) The Parties further acknowledge that, for the avoidance of doubt, (a) the Senior Preferred Shares issued pursuant to the 2021 Subscription Agreement and upon exercise of the Warrants and the Senior Preferred Shares issued pursuant to the Subscription Agreement are of the same series and class of senior convertible preferred share of the Company, having the preference, priority, special privilege and other rights provided in the Certificate of Designation, (b) accordingly, all Senior Preferred Shares held or acquired by any Investor and/or its Affiliates shall be aggregated together for the purpose of determining the availability of any rights of such Investor and/or its Affiliates under the 2021 Voting Agreement (including without limitation the right to nominate the Investor Directors under section 2.01(i)(a) and section 2.01(i)(b) of the 2021 Voting Agreement, as such sections may be amended or renumbered) and this Agreement (including without limitation the right to nominate the

Investor Directors under Section 2.01(i)(a) and Section 2.01(i)(b)), (c) the Investors' and/or the Principal's respective right to severally and/or jointly nominate certain Directors pursuant to Section 2.01 of the 2021 Voting Agreement shall not be duplicative with such rights under 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 and/or its Affiliates 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 and/or its Affiliates, designate and appoint the Investor Director to each committee of the Board so requested by the Investors and/or its Affiliates, subject always to (a) any restriction on such Investor Director (or any nominee of the Investors and/or their Affiliates) 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, the Parties further agree and acknowledge that matters set forth in paragraph 18 on SCHEDULE A shall be further subject to the written consent of at least two Major Noteholders (to the extent at least two Major Noteholders still hold the 2019 Notes) or the remaining Major Noteholder (if only one Major Noteholder still holds the 2019 Notes) pursuant to the 2021 Voting Agreement.

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. 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 the 2021 Transaction Documents and the 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 the 2021 Transaction Documents and the Transaction Documents;

(iii) disclosure by the Investors or its Affiliates 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 or its Affiliates to a bona fide potential purchaser of any portion or all of the Equity Securities of the Company held by such Investor or its Affiliates 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 restrictions 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 **[Reserved].**

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
Unit F, 37/F, COS Centre, 56 Tsun Yip Street,
Kwun Tong, Hong Kong
E-mail: [*]
With copy to: [*]
Attn: [*]

NIO Capital

Abundant Grace Investment Limited, Abundant Glory Investment L.P.
Unit 2412, 24F HKRI Taikoo Hui Center I,
288 Shimen Yi Road, Jing'an District,
Shanghai, China 200041
E-mail: [*]
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: [*]

If to Principal Parties

Principal

1-3/F, No. 12 Beitucheng East Road
Chaoyang District, Beijing, 100029
People's Republic of China
E-mail: [*]
Attn: [*]

Principal Holding Company

Xin Gao Group 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 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, the other Transaction Documents and the 2021 Transaction Documents, including but not limited that the Company and the Principal Parties shall (a) use their best efforts to ensure that the rights granted under Section 2.01 and Section 7.03 to the Investors and/or its Affiliates are effective and that the Investors and/or its Affiliates enjoy the benefits thereof, and (b) take any and all actions as may be necessary, advisable or reasonably requested by the Investors and/or its Affiliates in order to carry out the transactions contemplated by Section 2.01 and Section 7.03 and to protect the rights of the Investors and/or its Affiliates under Section 2.01 and Section 7.03 against impairment.

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 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 Senior Preferred 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 Senior Preferred Shares, the Conversion Shares or ADSs; (b) the Principal Holding Company shall assign this Agreement to any Permitted Transferee of the Principal Holding Company with a Transfer of all Equity Securities of the Company it holds to such Permitted Transferee.

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.

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 the 2021 Voting Agreement or any of the Charter Documents for any of the Group Members, or in the event of any dispute related to the 2021 Voting Agreement or 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 2021 Voting Agreement or the Charter Documents.

Section 7.13 **Adjustments for Share Splits, Etc.** Wherever in this Agreement there is a reference to a specific number of Shares, then, upon the occurrence of

any subdivision, combination or share dividend of the 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 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 appointed 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.

Section 7.17 **Deed of Adherence.** (a) Any Person who acquires Senior Preferred Shares pursuant to the Subscription Agreement or the 2021 Subscription Agreement, (b) any Person who acquires Senior Preferred Shares by exercise of any of the Warrants, provided that, if such Person is not an Affiliate of the Investor who transferred the Warrant (in whole or in part) to such Person, only if so elected by such Investor at its sole discretion, and (c) any transferee of an Investor who acquires rights, interests and obligations of this Agreement pursuant to Section 7.03 hereof, may, by signing and delivering a Deed of Adherence in substantially the form attached hereto as SCHEDULE C, join and become a party to this Agreement as an "Investor" with the same force and effect as if it were originally a party hereto.

[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 (戴琨)

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 (戴琨)

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.

INVESTOR:

NIO CAPITAL

ABUNDANT GLORY INVESTMENT L.P.

acting through Nio Capital II LLC in its capacity as the general partner

By /s/ Zhu Yan

Print Name: Zhu Yan

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.

SCHEDULE A

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 officer, 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 C

SCHEDULE C
DEED OF ADHERENCE

THIS DEED is made on [*], 2022 by [*] of [*] (the “**New Party**”)

WHEREAS:

- (A) On June [*] 2022, the Company and certain other parties thereto entered into a voting agreement (as amended, supplemented or novated from time to time, the “**Voting Agreement**”).
- (B) This Deed is entered into to record and effect the admission of the New Party under the Voting Agreement.

NOW THIS DEED WITNESSES as follows:

- 1. Unless the context otherwise requires, (a) words and expressions defined in the Voting Agreement shall have the same meanings when used in this Deed, and (b) the rules of interpretation contained in Section 1.02 (*Interpretation*) of the Voting Agreement shall apply to the construction of this Deed.
- 2. The New Party hereby confirms that it has been supplied with a copy of the Voting Agreement, and has reviewed the same and understands its contents.
- 3. The New Party undertakes to each of the parties to the Voting Agreement (whether assuming any rights or obligations under the Voting Agreement on the date of the Voting Agreement or thereafter) to be bound by and comply in all respects with the Voting Agreement, and to assume the benefits of the Voting Agreement, as if the New Party had executed the Voting Agreement as [an Investor, Joy Capital / NIO Capital, Principal Party] and was named as a party to it.
- 4. The New Party warrants and undertakes to each of the parties to the Voting Agreement (and each other person who may from time to time expressly adhere to the Voting Agreement) in the terms set out in Article V of the Voting Agreement (except that the warranty set out in Section 5.01 (*Existence*) of the Voting Agreement shall not be given by the New Party if it is an individual), but so that such warranties and undertakings shall be deemed to be given on the date of this Deed and shall be deemed to refer to this Deed.
- 5. This Deed is made for the benefit of:
 - (a) the parties to the Voting Agreement; and
 - (b) any other Person who may after the date of the Voting Agreement (and whether or not prior to, on or after the date hereof) assume any rights or obligations under the Voting Agreement and be permitted to do so by the terms thereof;and this Deed shall be irrevocable.
- 6. The address and e-mail address of the New Party for the purpose of Section 7.01 (*Notices*) of the Voting Agreement shall be as follows:

Address: [*]

E-mail: [*]

For the attention of: [*]

SCHEDULE C

7. This Deed shall be read as one with the Voting Agreement so that any reference in the Voting Agreement to “this Deed” and similar expressions shall include this Deed.
8. Section 7.15 (Governing Law) and Section 7.16 (Dispute Resolution) of the Voting Agreement shall apply to this Deed. This Deed and any non-contractual obligations arising out of or in connection with this Deed shall be governed by and construed in accordance with the laws of Hong Kong.

[Signature Pages Follow]

SCHEDULE C

IN WITNESS WHEREOF the undersigned has hereto executed and delivered this Deed as of the day and year first above written.

[Seal]

SIGNED, SEALED and DELIVERED as a deed by
[*] acting by

_____, who is duly authorised
to sign on its behalf

SCHEDULE C

THE SYMBOL “[*]” DENOTES PLACES WHERE CERTAIN IDENTIFIED INFORMATION HAS BEEN EXCLUDED FROM THE EXHIBIT BECAUSE IT IS BOTH (I) NOT MATERIAL, AND (II) IS THE TYPE THAT THE COMPANY TREATS AS PRIVATE OR CONFIDENTIAL

FRAMEWORK AGREEMENT

This Framework Agreement is entered into as of July 18, 2022 (this “Agreement”) by and among Uxin Limited, an exempted company with limited liability incorporated under the laws of the Cayman Islands (“Uxin”), Mr. Kun Dai (戴琨), a PRC individual with PRC identify card no. of [*] (the “Founder”), the Affiliates of Uxin identified on Schedule A hereto (collectively, the “Uxin Entities”, and together with Uxin and the Founder, the “Uxin Parties”), 58.com Holdings Inc., a business company incorporated under the laws of the British Virgin Islands (“58.com”) and the Affiliates of 58.com identified on Schedule B hereto (collectively, the “58.com Entities”, and together with 58.com, the “58.com Parties”). Each of the Uxin Parties and the 58.com Parties is hereinafter referred to as a “Party”, and together as the “Parties”.

WHEREAS, Uxin and 58.com are parties to that certain convertible note purchase agreement dated as of May 29, 2019 (the “May 2019 CNPA”), pursuant to which Uxin issued to 58.com a convertible promissory note in the principal amount of US\$100,000,000 on June 10, 2019 (the “Original 58.com Note”);

WHEREAS, Uxin and 58.com and certain other parties entered into that certain Supplementary Agreement in connection with the Convertible Note Purchase Agreement and Convertible Promissory Notes as of June 17, 2021 to amend certain terms and conditions of the May 2019 CNPA and the Original 58.com Note (such note, as amended, the “58.com Note”, and the May 2019 CNPA, as amended, the “CNPA”); Uxin is obligated to repay the 58.com Note in instalments pursuant to the terms of the 58.com Note;

WHEREAS, Uxin and certain other Uxin Parties and certain 58.com Entities entered into that certain Business Cooperation Agreement (业务合作协议) on or around May 29, 2019 (such agreement, as amended, the “BCA”), under which the applicable 58.com Parties have claims against Uxin and the applicable Uxin Parties for payments in connection with advertisement services provided by the applicable 58.com Parties thereunder;

WHEREAS, Uxin and certain other Uxin Parties and certain 58.com Entities are parties to that certain Asset and Business Transfer Agreement (资产与业务转让协议), dated as of March 24, 2020, regarding the transfer of certain to B used cars business (B端客户业务) from the applicable Uxin Parties to the applicable 58.com Parties (such agreement, as amended by the supplementary agreements or amendments set forth on Schedule C, the “To B APA”), under which the applicable Uxin Parties have claims against the applicable 58.com Parties for certain payments;

WHEREAS, Uxin and certain other Uxin Parties and certain 58.com Entities are parties to that certain Asset Transfer Agreement (资产转让协议), dated as of September 30, 2019, regarding the transfer of certain loan facilitation business from the applicable Uxin Parties to the applicable 58.com Parties (such agreement, as amended by the supplementary agreements or amendments set forth on Schedule D, the “Loan Facilitation APA”), under which differences arose between the applicable Uxin Parties and the applicable 58.com Parties on their respective rights to receive payments from and respective obligations to make the payments to the counter parties;

WHEREAS, after a series of discussions, the Parties believe it is in their best interests to reach a prompt resolution to settle and release any and all monetary claims between the Uxin Parties and the 58.com Parties under the CNPA, the 58.com Note, the BCA, the To B APA and the Loan Facilitation APA.

NOW, THEREFORE, the Parties, in consideration of the foregoing, the mutual undertakings, conditions, representations and covenants set forth herein and other valuable consideration, receipt and sufficiency of which are hereby acknowledged, intending to be legally bound, hereby agree as follows:

1. Definitions and Interpretation.

(a) Certain Definitions. For purposes of this Agreement, the following terms shall have the following meanings:

(i) “ADSs” means the American Depositary Shares, each representing three Class A Ordinary Shares.

(ii) “Affiliate” of any specified Person means any other Person directly or indirectly Controlling or Controlled by or under direct or indirect common Control with such specified Person.

(iii) “Business Day” means any day that is not a Saturday, a Sunday or other day on which banking institutions in the State of New York, the PRC, the Hong Kong Special Administrative Region of the PRC or the Cayman Islands are required by law to be closed.

(iv) “Class A Ordinary Shares” means Class A ordinary shares of Uxin, par value US\$0.0001 each.

(v) “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 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 the meanings correlative to the foregoing.

(vi) “Encumbrance” means (A) any mortgage, charge, pledge, lien, hypothecation, deed of trust, title retention, title defect, security interest, encumbrance or other third-party rights of any kind securing or conferring any priority of payment in respect of any obligation of any Person, any other restriction or limitation; (B) any easement or covenant granting a right of use or occupancy to any Person; (C) any proxy, power of attorney, voting trust agreement, option, right of first offer, right of pre-emptive negotiation, or refusal or transfer restriction in favor of any Person; and (D) any adverse claim as to title, possession, or use, and includes any agreement or arrange for any of the same.

(vii) “PRC” means the People’s Republic of China, excluding, for the purposes of this Agreement, the Hong Kong Special Administrative Region of the PRC, the Macau Special Administrative Region of the PRC and Taiwan.

(viii) “Person” means 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.

(ix) “SEC” means the U.S. Securities and Exchange Commission.

(x) “Securities Act” means the United States Securities Act of 1933, as amended.

(b) Interpretation. The words “hereof,” “herein,” “hereby,” “herewith” and words of similar import shall, unless otherwise stated, be construed to refer to this Agreement as a whole and not to any particular provision of this Agreement, and Section, paragraph and Schedule references are to the Sections, paragraphs and Schedules of this Agreement unless otherwise specified. Whenever the words “include,” “includes” or “including” are used in this Agreement they shall be deemed to be followed by the words “without limitation.” The words describing the singular number shall include the plural and vice versa, words denoting either gender shall include both genders and words denoting natural persons shall include all Persons and vice versa. The phrases “the date of this Agreement,” “the date hereof,” “of even date herewith” and terms of similar import, shall be deemed to refer to the date set forth in the preamble to this Agreement. The parties have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the parties and no presumption or burden of proof shall arise favoring or disfavoring any Person by virtue of the authorship of any provision of this Agreement.

2. Obligations Offset. Subject to Section 6(a):

(a) 58.com hereby waives any claim against Uxin in relation to the first installment repayment in the amount of US\$7,000,000 (the “First Installment 58.com Note Repayment”) under the 58.com Note;

(b) the Uxin Parties, on the one hand, and the 58.com Parties, on the other hand, hereby waive any and all claims against the other Parties in connection with or arising out of the BCA;

(c) the Uxin Parties, on the one hand, and the 58.com Parties, on the other hand, hereby waive any claim against the other Parties for payments in connection with or arising out of the To B APA or for breach of representations and warranties with respect to “Target Assets (标的资产)” or “Target Business (标的业务)” (each as defined in section 1.1 of the To B APA), or any obligations and liabilities regarding any accounts payable, refund, repayment, deduction, restoration, and payment in cash and/or in kind, each in connection with or arising from the “Target Assets (标的资产)” or “Target Business (标的业务)”;

the 58.com Parties further confirm that all “Target Assets (标的资产)” (excluding “Target IP (标的知识产权)” as defined in section 1.1 of the To B APA) and “Target Business (标的业务)” that are required to be transferred or assigned to the 58.com Parties pursuant to the To B APA prior to the date hereof have been transferred or assigned to the 58.com Parties in accordance with the terms of the To B APA and the Uxin Parties are hereby released and discharged from any obligations to transfer or assign such asset or business (the claims, liabilities and obligations waived under this Section 2(c), collectively, the “Waived Obligations under the To B APA”); and

(d) the Parties agree that each Party under the Loan Facilitation APA is hereby released and discharged from (i) any liabilities for the breach of representations and warranties with respect to the “Target Assets (标的资产)” as defined under section 1 of the Loan Facilitation APA, and (ii) any obligations and liabilities regarding any accounts payable, refund, repayment, deduction, restoration, and payment in cash and/or in kind, each in connection with or arising from the “Target Assets (标的资产)” (as defined under section 1 of the Asset Transfer Agreement (资产转让协议), dated as of September 30, 2019), in each case of (i) and (ii), except for obligations and liabilities regarding the covenants, cooperation obligations or arrangements in relation to the “Target IP (标的知识产权)” (as defined under section 1 of the Loan Facilitation APA); the Parties further confirm that all “Target Assets (标的资产)” (excluding “Target IP (标的知识产权)” that are required to be transferred or assigned pursuant to the Loan Facilitation APA prior to the date hereof have been transferred or assigned in accordance with the terms of the Loan Facilitation APA and each Party under the Loan Facilitation APA is hereby released and discharged from any obligations to transfer or assign such asset (the liabilities and obligations released and discharged under this Section 2(d), collectively, the “Waived Obligations under the Loan Facilitation APA”).

3. Conversion of the 58.com Note.

(a) Uxin and 58.com hereby agree that 58.com will surrender the 58.com Note to Uxin in exchange for 183,495,146 Class A Ordinary Shares (the “Converted Shares”), which Uxin shall issue and deliver to 58.com pursuant to a note conversion and share exchange letter agreement between Uxin and 58.com in the form attached hereto as Exhibit A (the “Conversion Letter Agreement”). Upon the delivery by Uxin of the Converted Shares (the “Effective Time”) pursuant to the Conversion Letter Agreement,

(i) all Uxin's obligations under the 58.com Note will be fully satisfied and discharged, (ii) the 58.com Note will be extinguished without any further action from any Party, and (iii) 58.com will cease to hold the 58.com Note and thus automatically cease to be a party to that certain voting agreement, dated July 12, 2021, by and among 58.com, Uxin and certain other parties thereto. The Parties agree that Uxin's delivery of a certified true copy of Uxin's registered of members (which could be in electronic form) evidencing the Converted Shares being issued and allotted to 58.com together with duly executed share certificate(s) of the Converted Shares (which could be in electronic form, and if delivered in electronic form, with the original form to be delivered promptly following the date hereof), registered in the name of 58.com, constitute the delivery of the Converted Shares.

(b) Unless all the Converted Shares are eligible for sale by 58.com without any restrictions or limitations pursuant to Rule 144 of the Securities Act, Uxin shall, upon a written request from 58.com, file a registration statement or, if applicable, a prospectus supplement with the SEC registering all the Converted Shares. Uxin further undertakes to assist 58.com in converting the Converted Shares into ADSs as soon as practicable by providing required documentations and instructions and taking any other necessary actions in a timely manner. 58.com shall reasonably cooperate with Uxin in connection with the conversion of the Converted Shares into ADSs.

4. Termination of the BCA. Subject to Section 6(a), the BCA as well as any and all rights and obligations thereunder are hereby mutually terminated without further force and effect, and no party shall have any further obligation or liability under or with respect to the BCA.

5. Mutual Releases.

(a) *Release of 58.com Parties by Uxin Parties.* With the exception of claims to enforce this Agreement and subject to Section 6(a), each of the Uxin Parties, on behalf of itself, its Affiliates, directors, officers and successors, hereby releases and forever discharges the 58.com Parties and their respective Affiliates, directors, officers, managers, employees, attorneys, agents, representatives and advisors, successors and assignees (collectively, the "58.com Releasees") from any and all actual or potential losses, claims, demands, proceedings, actions, causes of action, orders, obligations, debts and liabilities that such Uxin Party ever had, now have or hereafter can, shall or may have, known or unknown, at law or in equity, arising out of or in connection with:

- (i) the BCA;
- (ii) the Waived Obligations under the To B APA; or
- (iii) the Waived Obligations under the Loan Facilitation APA; (collectively, the "Uxin Claims").

Each Uxin Party hereby irrevocably covenants to refrain from, directly or indirectly, asserting any claim or demand, or commencing, instituting or causing to be

commenced, any proceeding of any kind against any 58.com Releasee, based upon any matter purported to be released hereby.

(b) *Release of Uxin Parties by 58.com Parties.* With the exception of claims to enforce this Agreement and subject to Section 6(a), each of the 58.com Parties, on behalf of itself, its Affiliates, directors, officers and successors, hereby releases and forever discharges the Uxin Parties and their respective Affiliates, directors, officers, managers, employees, attorneys, agents, representatives and advisors, successors and assignees (collectively, the “Uxin Releasees”) from any and all actual or potential losses, claims, demands, proceedings, actions, causes of action, orders, obligations, debts and liabilities that such 58.com Party ever had, now have or hereafter can, shall or may have, known or unknown, at law or in equity, arising out of or in connection with:

- (i) the 58.com Note, including any obligation of Uxin to make any payment under the 58.com Note;
- (ii) the CNPA;
- (iii) the BCA;
- (iv) the Waived Obligations under the To B APA; or
- (v) the Waived Obligations under the Loan Facilitation APA; (collectively, the “58.com Claims”).

The Founder is released and forever discharged from any and all actual or potential losses, claims, demands, proceedings, actions, causes of action, orders, obligations, contracts, agreements, debts and liabilities of whatsoever nature a 58.com Party ever had, now have or hereafter can, shall or may have, known or unknown, at law or in equity, in connection with the 58.com Note, the CNPA, the BCA, the Loan Facilitation APA, and the To B APA (other than the Founder’s non-compete obligations as provided in section 7.4 thereunder), where applicable.

Each 58.com Party hereby irrevocably covenants to refrain from, directly or indirectly, asserting any claim or demand, or commencing, instituting or causing to be commenced, any proceeding of any kind against any Uxin Releasee, based upon any matter purported to be released hereby.

(c) The Parties, on behalf of themselves as well as the 58.com Releasees and the Uxin Releasees, respectively, acknowledge that they may discover facts in addition to or different from those now known or believed to be true with respect to the settled matters, but that it is the intention of the Parties to hereby completely, fully, finally, and forever compromise, settle, release, discharge, and extinguish any and all 58.com Claims and Uxin Claims between any of the 58.com Parties, on the one hand, and any of the Uxin Parties, on the other hand, whether known or unknown, suspected or unsuspected, and without regard to the subsequent discovery or existence of additional or different facts. Each Party acknowledges, and shall be deemed to have acknowledged, that the inclusion of this paragraph was separately bargained for and was a key element of the

settlement and was relied upon by each and all of the Parties in entering into this Agreement.

6. Effective Time; Remaining Obligations.

(a) The waiver, termination and release set forth in Sections 2, 4 and 5 shall become effective as of the Effective Time.

(b) Except to the extent expressly settled, waived and/or released as set forth in Sections 2, 3, 4 and 5 hereunder, all terms and conditions of the To B APA (including the obligation to grant license of certain trademarks to the applicable 58.com Parties) and the Loan Facilitation APA (including any undertakings, covenants, cooperation obligations, arrangements in relation to the “Target IP (标的知识产权)” and “Collecting Account (收款账户)” defined thereunder as set forth under sections 2.5, 7.2 (excluding sections 7.2.1 and 7.2.3) and 7.6 of the Loan Facilitation APA) shall remain unchanged and in full force and effect.

7. Cooperation. The 58.com Parties and the Uxin Parties agree to reasonably cooperate with each other in connection with the resolution of matters in connection with the business, contracts or other assets, or personnel related to the Loan Facilitation APA, to the extent such cooperation is reasonably necessary.

8. Further Actions. Without prejudice to, and not in limitation of, any other provision of this Agreement, the Parties shall use their commercially reasonable efforts to take, or cause to be taken, all appropriate action, to do or cause to be done all things necessary, proper or advisable under applicable law and to executed and deliver such documents and other papers, as may be required to carry out the provisions of this Agreement and consummate and make effective the transactions contemplated by this Agreement.

9. Representations and Warranties of the 58.com Parties. (a) Each of the 58.com Parties represents and warrants to the Uxin Parties as of the date hereof that:

(i) Existence. Such 58.com Party has been duly organized, is validly existing and is in good standing under the laws of its jurisdiction of organization.

(ii) Capacity. Such 58.com Party has the requisite power and authority to enter into and perform its respective obligations under this Agreement and consummate the transactions contemplated hereby.

(iii) Authorization and Enforceability. This Agreement has been duly authorized, executed and delivered by such 58.com Party, and assuming the due authorization, execution and delivery by the Uxin Parties, this Agreement is a valid and binding agreement of such 58.com Party, enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency or similar laws affecting creditors' rights generally and general principles of equity.

(iv) Non-Contravention. Neither the execution and the delivery of this Agreement, nor the consummation of the transactions contemplated hereby, will (A) violate any provision of the memorandum and articles of association or other constitutional documents of such 58.com Party, (B) violate any constitution, statute, regulation, rule, injunction, judgment, order, decree, ruling, charge, or other restriction of any governmental authority to which such 58.com Party is subject, or (C) 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 58.com Party is a party or by which such 58.com Party is bound or to which any assets of such 58.com Party are subject, in each case of the foregoing (B) and (C), in such a manner that would materially and adversely affect such 58.com Party's ability to consummate the transactions contemplated hereby.

(v) Litigation. There is no action, suit or proceeding, pending or, to the knowledge of such 58.com Party, threatened against such 58.com Party that questions the validity of this Agreement or the right of such 58.com Party to enter into this Agreement to consummate the transactions contemplated hereby.

(vi) Consents and Approvals. Neither the execution and delivery by such 58.com Party of this Agreement, nor the consummation by such 58.com Party of any of the transactions contemplated hereby, nor the performance by such 58.com Party 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.

(b) 58.com further represents and warrants to the Uxin Parties as of the date hereof that:

(i) Regulation S Eligibility; Restriction on Resale. It is acquiring the Converted Shares in an "offshore transaction" (as defined in Regulation S) in reliance upon the exemption from registration provided by Regulation S. 58.com is not a U.S. person as defined in Rule 902 of Regulation S and is located outside of the United States. 58.com understands that the Converted Shares have not been registered under the Securities Act or any U.S. state law and may not be offered or sold within the United States or to, or for the account or benefit of, a U.S. person except pursuant to an exemption from, or in a transaction not subject to, the registration requirements under the Securities Act and applicable U.S. state law.

(ii) Investment Experience. 58.com is a sophisticated purchaser with knowledge and experience in financial and business matters such that 58.com is capable of evaluating the merits and risks of the investment in the Converted Shares. 58.com is able to bear the economic risks of an investment in the Converted Shares. 58.com understands that securities prices are a function of a large number of variables and that there is no way for Uxin to predict or otherwise gauge the market's reaction to the disclosure of any material information. 58.com 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 Converted Shares. 58.com understands and acknowledges that Uxin has or may have information concerning Uxin and its Affiliates including the short term and long-term plans of Uxin and its Affiliates. With full recognition of the foregoing, and after discussing these matters with its counsel and such other advisors as it deems appropriate, 58.com wishes to consummate the transactions contemplated under this Agreement on the terms set forth herein.

10. Representations and Warranties of the Uxin Parties. (a) Each of the Uxin Parties (other than the Founder) represents and warrants to the 58.com Parties as of the date hereof that:

(i) Existence. Such Uxin Party has been duly organized, is validly existing and is in good standing under the laws of its jurisdiction of organization.

(ii) Capacity. Such Uxin Party has the requisite power and authority to enter into and perform its respective obligations under this Agreement and consummate the transactions contemplated hereby.

(iii) Authorization and Enforceability. This Agreement has been duly authorized, executed and delivered by such Uxin Party, and assuming the due authorization, execution and delivery by the 58.com Parties, this Agreement is a valid and binding agreement of such Uxin Party, enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency or similar laws affecting creditors' rights generally and general principles of equity.

(iv) Non-Contravention. Neither the execution and the delivery of this Agreement, nor the consummation of the transactions contemplated hereby, will (A) violate any provision of the memorandum and articles of association or other constitutional documents of such Uxin Party, (B) violate any constitution, statute, regulation, rule, injunction, judgment, order, decree, ruling, charge, or other restriction of any governmental authority to which such Uxin Party is subject, or (C) 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 Uxin Party is a party or by which such Uxin Party is bound or to which any assets of such Uxin Party are subject, in each case of the foregoing (B) and (C), in such a manner that would materially and adversely affect such Uxin Party's ability to consummate the transactions contemplated hereby.

(v) Litigation. There is no action, suit or proceeding, pending or, to the knowledge of such Uxin Party, threatened against such Uxin Party that questions the validity of this Agreement or the right of such Uxin Party to enter into this Agreement to consummate the transactions contemplated hereby.

(vi) Consents and Approvals. Except for those filings required to be made with the SEC and Nasdaq (including a Form 6-K) and the approvals and consents that have been obtained, assuming the accuracy of the representations and warranties of the

58.com Parties under this Agreement, neither the execution and delivery by such Uxin Party of this Agreement, nor the consummation by such Uxin Party of any of the transactions contemplated hereby, nor the performance by such Uxin Party 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.

(b) Uxin further represents, warrants and undertakes to the 58.com Parties as of the date hereof that:

(i) Due Issuance of the Converted Shares. The Converted Shares, upon its issuance, will be duly and validly issued, fully paid and non-assessable, free and clear of all Encumbrances except as imposed by applicable securities laws, and assuming the accuracy of the representations and warranties of the 58.com Parties under this Agreement, will be issued in compliance with all applicable securities laws. Accordingly, upon the delivery of the Converted Shares, 58.com will be entitled to all rights accorded to a holder of Uxin's Class A Ordinary Shares and will be the record and beneficial owner of all such securities and have good and valid title to all such securities, free and clear of all Encumbrances except as imposed by applicable securities laws.

(ii) SEC Documents. Uxin has timely filed or furnished and will timely file or furnish, as applicable, all reports, schedules, forms, statements and other documents required to be filed or furnished by it with the SEC pursuant to the Securities Act or the Exchange Act and the rules and regulations promulgated thereunder (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 being hereinafter referred to as the "SEC Documents"). As of their respective filing or furnishing dates (if amended prior to the date hereof, as of the date of the last such amendment), the SEC Documents complied in all material respects with the requirements of the Sarbanes-Oxley Act of 2002, the Securities Act or the Exchange Act, as the case may be, and the rules and regulations promulgated thereunder, as applicable to the respective SEC Documents, and, none of the SEC Documents, at the time they were filed or furnished, 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. There are no contracts, agreements, arrangements, transactions or documents which are required to be described or disclosed in the SEC Documents or to be filed as exhibits to the SEC Documents which have not been so described, disclosed or filed. Other than the information already filed or furnished with the SEC, Uxin is in compliance with the applicable listing and corporate governance rules and regulations of the Nasdaq Stock Market in all material respects. Uxin and its Affiliates have taken no action designed to, or reasonably likely to have the effect of, delisting the ADSs from the Nasdaq Stock Market, and Uxin will make reasonable efforts to keep the listing of ADSs on the Nasdaq Stock Market, provided that this undertaking will terminate automatically upon 58.com ceasing to hold any Converted Share or any ADS to which the Converted Shares converted. Other than the information already filed or furnished with the SEC, Uxin has not received any notification that the SEC or the Nasdaq Stock Market is contemplating

suspending or terminating such listing (or the applicable registration under the Exchange Act related thereto). Uxin is in compliance with the Sarbanes-Oxley Act of 2002 in all material respects.

(iii) No Material Adverse Effect. Other than the information already filed or furnished with the SEC, since March 31, 2021, there has not been any events that would 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 any of (i) the financial condition, assets, liabilities, results of operations, business, or operations of Uxin and its subsidiaries, taken as a whole, except to the extent that any such Material Adverse Effect results from (x) the public disclosure of this Agreement or the transactions contemplated herein, (y) changes in generally accepted accounting principles that are generally applicable to comparable companies, or (z) changes in general economic and market conditions; or (ii) the ability of Uxin to timely perform its obligations under this Agreement.

11. No Admissions. This Agreement is a compromise and is executed solely for the purpose of resolving pending matters described herein. This Agreement does not constitute an admission of liability by any Party.

12. Miscellaneous.

(a) No Assignment. Neither this Agreement nor any rights or obligations hereunder may be assigned or otherwise transferred by any Uxin Party (including by operation of law) without the prior written consent of 58.com or by any 58.com Party (including by operation of law) without the prior written consent of Uxin, and any assignment or transfer without such consent shall be null and void and of no effect. This Agreement shall inure to the benefit of, and be binding upon, the Parties and their respective successors and permitted assigns.

(b) Entire Agreement. This Agreement together with the CNPA, the 58.com Note, the BCA, the To B APA and the Loan Facilitation APA constitute the entire understanding and agreement between the respective Parties hereto with respect to the matters covered hereby, and supersede all prior agreements and understandings, oral or in writing, if any, between the Parties hereto with respect to such matters.

(c) Governing Law; Third Party Rights; 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. 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. 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.

(d) Amendment. This Agreement shall not be amended, changed or modified, except by another agreement in writing executed by the parties hereto.

(e) 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 Uxin or any other Uxin Parties:	Uxin Limited 1&3F, No. 12 Beitucheng East Road, Chaoyang District, Beijing, 100029 People's Republic of China E-mail: [*] Attn: [*]
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If to 58.com or any other 58.com Parties:	58.com Holdings Inc. Building 101 No. 10 Jiuxianqiao North Road Jia Chaoyang District, Beijing, 100015 People's Republic of China E-mail: [*] Attn: [*]
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Any Party hereto may change its address for purposes of this Section 12(e) by giving the other Parties written notice of the new address in the manner set forth above.

(f) Fees and Expenses. Each of the Parties shall pay its own expenses incurred in connection with the negotiation, preparation and execution of this Agreement and the transactions contemplated hereby. 58.com shall bear all the fees and expenses in connection with the conversion of the Converted Shares into ADSs.

(g) Confidentiality. (i) Each Party 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 directors, officers, employees, Affiliates, auditors, counsels, consultants and other advisors and representatives who have a need to know such information, and (ii) each Party 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 that nothing in this Agreement shall restrict any Party from disclosing information (A) that is already publicly available not as a result of a breach of this section, or (B) that may be required by applicable law.

(h) Specific Performance. The parties hereto agree that irreparable damage would occur in the event any provision of this Agreement were not performed in accordance with the terms hereof and that the parties hereto shall be entitled to specific performance of the terms hereof, in addition to any other remedy at law or in equity.

(i) 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.

(j) Execution in Counterparts. 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.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the Parties have executed this Framework Agreement as of the date first written above.

Uxin Limited

By: /s/ Kun Dai

Name: Kun Dai

Title: Authorized signatory

/s/ Kun Dai

Name: Kun Dai

IN WITNESS WHEREOF, the Parties have executed this Framework Agreement as of the date first written above.

Kai Feng Finance Lease (Hangzhou) Co., Ltd.

[Company seal is affixed]

By: /s/ Zhen Zeng
Name: Zhen Zeng
Title: Authorized signatory

Youqin (Shaanxi) Automobile Manufacturing Co., Ltd.

[Company seal is affixed]

By: /s/ Qi Jin
Name: Qi Jin
Title: Authorized signatory

Youxin (Shanghai) Used Car Business Co., Ltd.

[Company seal is affixed]

By: /s/ Qi Jin
Name: Qi Jin
Title: Authorized signatory

Boyu Finance Lease (Tianjin) Co., Ltd.

[Company seal is affixed]

By: /s/ Zhen Zeng
Name: Zhen Zeng
Title: Authorized signatory

IN WITNESS WHEREOF, the Parties have executed this Framework Agreement as of the date first written above.

Shenzhen Youxin Pengda Used Car Brokerage Co., Ltd.

[Company seal is affixed]

By: /s/ Yong Liu
Name: Yong Liu
Title: Authorized signatory

Chebole (Beijing) Information Technology Co., Ltd.

[Company seal is affixed]

By: /s/ Zhen Zeng
Name: Zhen Zeng
Title: Authorized signatory

Youfang (Beijing) Information Technology Co., Ltd.

[Company seal is affixed]

By: /s/ Zhen Zeng
Name: Zhen Zeng
Title: Authorized signatory

Youxin (Shaanxi) Information Technology Group Co., Ltd.

[Company seal is affixed]

By: /s/ Zhen Zeng
Name: Zhen Zeng
Title: Authorized signatory

IN WITNESS WHEREOF, the Parties have executed this Framework Agreement as of the date first written above.

UcarEase Holding Limited

By: /s/ Kun Dai
Name: Kun Dai
Title: Authorized signatory

GloryFin International Group Holding Company Limited

By: /s/ Authorized signatory
Name: Authorized signatory
Title: Authorized signatory

HONGKONG QUEEN'S TECHNOLOGY CO., LIMITED

By: /s/ Kun Dai
Name: Kun Dai
Title: Authorized signatory

Shenzhen Chunxin Baoye Co., Ltd.

By: /s/ Kun Dai
Name: Kun Dai
Title: Authorized signatory

Xi'an Youxin Pengjia Used Car Brokerage Co., Ltd.

[Company seal is affixed]

By: /s/ Authorized signatory
Name: Authorized signatory
Title: Authorized signatory

Youyuan (Beijing) Information Technology Co., Ltd.

[Company seal is affixed]

By: /s/ Zhen Zeng
Name: Zhen Zeng
Title: Authorized signatory

Youxinpai (Beijing) Information Technology Co., Ltd.

[Company seal is affixed]

By: /s/ Zhen Zeng
Name: Zhen Zeng
Title: Authorized signatory

Youxin Internet (Beijing) Information Technology Co., Ltd.

[Company seal is affixed]

By: /s/ Zhen Zeng
Name: Zhen Zeng
Title: Authorized signatory

IN WITNESS WHEREOF, the Parties have executed this Framework Agreement as of the date first written above.

Yougu (Shanghai) Information Technology Co., Ltd.

[Company seal is affixed]

By: /s/ Zhen Zeng
Name: Zhen Zeng
Title: Authorized signatory

Shanghai Youhan Information Technology Co., Ltd.

[Company seal is affixed]

By: /s/ Zhen Zeng
Name: Zhen Zeng
Title: Authorized signatory

Shenzhen Youxin Pengcheng Used Car Trading Market Co., Ltd.

[Company seal is affixed]

By: /s/ Qi Jin
Name: Qi Jin
Title: Authorized signatory

Youxin Shuxiang (Beijing) Information Technology Co., Ltd.

[Company seal is affixed]

By: /s/ Chengbin Li
Name: Chengbin Li
Title: Authorized signatory

IN WITNESS WHEREOF, the Parties have executed this Framework Agreement as of the date first written above.

Youxin Yishouche (Beijing) Information Technology Co., Ltd.

[Company seal is affixed]

By: /s/ Zhen Zeng
Name: Zhen Zeng
Title: Authorized signatory

Youzhen (Beijing) Business Consulting Co., Ltd.

[Company seal is affixed]

By: /s/ Zhen Zeng
Name: Zhen Zeng
Title: Authorized signatory

Beijing Youxin Ruida Asset Management Co., Ltd.

[Company seal is affixed]

By: /s/ Zhen Zeng
Name: Zhen Zeng
Title: Authorized signatory

Fujian Youxing Technology Co., Ltd.

[Company seal is affixed]

By: /s/ Zhen Zeng
Name: Zhen Zeng
Title: Authorized signatory

IN WITNESS WHEREOF, the Parties have executed this Framework Agreement as of the date first written above.

58.com Holdings Inc.

By: /s/ Jinbo Yao
Name: Jinbo Yao
Title: Authorized signatory

IN WITNESS WHEREOF, the Parties have executed this Framework Agreement as of the date first written above.

Golden Pacer

By: /s/ Jinbo Yao

Name: Jinbo Yao

Title: Authorized signatory

北京五八信息技术有限公司

[*Company seal is affixed*]

By: /s/ Jinbo Yao
Name: Jinbo Yao
Title: Authorized signatory

五八同城信息技术有限公司

[*Company seal is affixed*]

By: /s/ Di Hu
Name: Di Hu
Title: Authorized signatory

北京五八拍拍信息技术有限公司

[*Company seal is affixed*]

By: /s/ Di Hu
Name: Di Hu
Title: Authorized signatory

天津五八融鑫信息技术有限公司

[*Company seal is affixed*]

By: /s/ Ligang Chang
Name: Ligang Chang
Title: Authorized signatory

天津五八金服有限公司

[*Company seal is affixed*]

By: /s/ Jinbo Yao
Name: Jinbo Yao
Title: Authorized signatory

伍捌（深圳）融资租赁有限公司

[*Company seal is affixed*]

By: /s/ Fudong Zhou
Name: Fudong Zhou
Title: Authorized signatory

北京五八满鑫信息技术有限公司

[*Company seal is affixed*]

By: /s/ Ligang Chang
Name: Ligang Chang
Title: Authorized signatory

Schedule A
Uxin Entities

[*]

Schedule B
58.com Entities

[*]

Schedule C
To B APA Amendments

1. The Supplementary Agreement to the Asset and Business Transfer Agreement (资产与业务转让协议之补充协议) dated as of April 14, 2020.

Schedule D
Loan Facilitation APA Amendments

1. The Supplementary Agreement to Asset Transfer Agreement (资产转让协议之补充协议) dated as of April 23, 2020, regarding adjustment of payments under the Asset Transfer Agreement (资产转让协议);
2. The Supplementary Agreement to Asset Transfer Agreement (资产转让协议之补充协议) dated as of April 23, 2020, regarding adjustment of target assets under the Asset Transfer Agreement (资产转让协议);
3. The Supplementary Agreement to Asset Transfer Agreement (资产转让协议之补充协议) dated as of March 24, 2020;
4. The Supplementary Agreement to Asset Transfer Agreement (资产转让协议之补充协议) dated as of April 13, 2020, regarding the deposit payable (RMB14,745,265.12) under the Asset Transfer Agreement (资产转让协议之补充协议) and the Assignment and Assumption Agreement (权利义务转让协议书);
5. The Supplementary Agreement to Asset Transfer Agreement (资产转让协议之补充协议) dated as of April 13, 2020, regarding the payment payable (RMB10,714,887.44) under the Asset Transfer Agreement (资产转让协议之补充协议) and the Assignment and Assumption Agreement (权利义务转让协议书)

NOTE CONVERSION AND SHARE EXCHANGE LETTER

Uxin Limited
1&3F, No. 12 Beitucheng East Road
Chaoyang District, Beijing, 100029
People's Republic of China

July 18, 2022

Dear Sirs:

WHEREAS, we, 58.com Holdings Inc., a business company incorporated under the laws of the British Virgin Islands (“we,” “us,” “our” or “58.com”) entered into that certain convertible note purchase agreement dated as of May 29, 2019 (the “**May 2019 CNPA**”) with Uxin Limited (“you,” “your” or the “**Company**”) and certain other parties thereto, pursuant to which the Company issued to 58.com a convertible promissory note in the principal amount of US\$100,000,000 on June 10, 2019 (the “**Original 58.com Note**”) against the full payment of the purchase price from 58.com; and

WHEREAS, we, the Company and certain other parties entered into that certain Supplementary Agreement in connection with the Convertible Note Purchase Agreement and Convertible Promissory Notes dated June 17, 2021 to amend the May 2019 CNPA and the Original 58.com Note (such note, as amended, the “**58.com Note**,” and the May 2019 CNPA, as amended, the “**CNPA**”).

Subject to the terms of this letter and in accordance with Rule 144(d)(3)(ii), we hereby surrender the 58.com Note in exchange for the allotment and issuance to us of 183,495,146 Class A ordinary shares of par value US\$0.0001 each in the capital of the Company (the “**Converted Shares**”).

By signing this letter, you represent and warrant to 58.com that the Converted Shares, upon their issuance, shall be duly and validly issued, fully paid and non-assessable and free and clear of any Encumbrance except as imposed by applicable securities laws. “Encumbrance” means (A) any mortgage, charge, pledge, lien, hypothecation, deed of trust, title retention, title defect, security interest, encumbrance or other third-party rights of any kind securing or conferring any priority of payment in respect of any obligation of any person, any other restriction or limitation; (B) any easement or covenant granting a right of use or occupancy to any person; (C) any proxy, power of attorney, voting trust agreement, option, right of first offer, right of pre-emptive negotiation, or refusal or transfer restriction in favor of any person; and (D) any adverse claim as to title, possession, or use, and includes any agreement or arrange for any of the same.

We request and authorize you to enter, and by signing this letter you undertake to enter, the name of 58.com in the Company’s register of members as holder of the Converted Shares as of the date hereof.

Upon the delivery by the Company of the duly executed share certificate(s) (which could be in electronic form, and if delivered in electronic form, with the original form to be delivered promptly following the date hereof), registered in the name of 58.com, together with a certified

true copy of the register of members of the Company (which could be in electronic form), evidencing the Converted Shares being issued and allotted to 58.com, (i) all the Company's obligations under the 58.com Note will be fully satisfied and discharged; (ii) the 58.com Note will be extinguished without any further action from 58.com or the Company; and (iii) 58.com will cease to hold the 58.com Note and thus automatically cease to be a party to that certain voting agreement, dated July 12, 2021, by and among 58.com, the Company and certain other parties thereto.

By signing this letter, you (i) undertake to 58.com that you shall, upon a written request from 58.com, file a registration statement or, if applicable, a prospectus supplement with the U.S. Securities and Exchange Commission registering all the Converted Shares unless all the Converted Shares are eligible for sale by 58.com without any restrictions or limitations pursuant to Rule 144 of the United States Securities Act of 1933, as amended; and (ii) further undertake to assist 58.com in converting the Converted Shares into ADSs as soon as practicable by providing required documentations and instructions and taking any other necessary actions in a timely manner. We will reasonably cooperate with you in connection with the conversion of the Converted Shares into ADSs.

This letter shall be governed by and construed under the laws of the State of New York without regards to principles of conflict of laws. The resolution of any controversy or claim arising out of or relating to this letter shall be conducted pursuant to the terms of the CNPA.

[Remainder of Page Intentionally Left Blank]

Yours faithfully,

58.com Holdings Inc.

 /s/ Jinbo Yao

Name: Jinbo Yao

Title: Authorized signer

ACKNOWLEDGED AND AGREED BY:

Uxin Limited

/s/ Kun Dai

Name: Kun Dai

Title: Authorized signer

Uxin Limited
List of Significant Subsidiaries

Subsidiaries	Place of Incorporation
Uxin Used Car Limited	Cayman Islands
Xin Limited	Cayman Islands
UcarEase Holding Limited	British Virgin Islands
New Car Group Limited	British Virgin Islands
Uxin Hong Kong Limited	Hong Kong
UcarShow HK Limited	Hong Kong
GloryFin International Group Holding Company Limited	Hong Kong
Xin HK Limited	Hong Kong
Youxinpai (Beijing) Information Technology Co., Ltd.	PRC
Youxin (Shaanxi) Technology Information Co., Ltd.	PRC
Yougu (Shanghai) Information Technology Co., Ltd.	PRC
Kai Feng Finance Lease (Hangzhou) Co., Ltd.	PRC
Youqin (Shaanxi) Automobile Manufacture Co., Ltd.	PRC
Boyu Finance Lease (Tianjin) Co., Ltd.	PRC
Youxin (Shanghai) Used Car Business Co., Ltd.	PRC
Youxin (Hefei) Automobile Smart Re-Manufacture Co., Ltd.	PRC
Youxin Internet (Beijing) Information Technology Co., Ltd.	PRC
Youxin (Ningbo) Information Co., Ltd.	PRC
Hefei Youquan Information Technology Co., Ltd.	PRC
Youxin Yishouche (Beijing) Information Technology Co., Ltd.	PRC
Youzhen (Beijing) Business Consulting Co., Ltd.	PRC

Certification by the Principal Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Kun Dai, certify that:

1. I have reviewed this annual report on Form 20-F of Uxin Limited (the “Company”);
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this report;
4. The Company’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Company and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the Company’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the Company’s internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the Company’s internal control over financial reporting; and
5. The Company’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company’s auditors and the audit committee of the Company’s board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company’s ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Company’s internal control over financial reporting.

Date: August 1, 2022

By: /s/ Kun Dai
Name: Kun Dai
Title: Chief Executive Officer

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 (the “Company”);
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;
4. The Company’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Company and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the Company’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the Company’s internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the Company’s internal control over financial reporting; and
5. The Company’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company’s auditors and the audit committee of the Company’s board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company’s ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company’s internal control over financial reporting.

Date: August 1, 2022

By: /s/ Feng Lin
Name: Feng Lin
Title: Chief Executive Officer

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, 2022 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: August 1, 2022

By: /s/ Kun Dai
Name: Kun Dai
Title: Chief Executive Officer

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, 2022 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: August 1, 2022

By: /s/ Feng Lin
Name: Feng Lin
Title: Chief Executive Officer

Consent of Independent Registered Public Accounting Firm

We hereby consent to the incorporation by reference in the Registration Statement on Form S-8 (No. 333-227576 and No. 333-232204) of Uxin Limited of our report dated August 1, 2022 relating to the financial statements and the effectiveness of internal control over financial reporting, which appears in this Form 20-F.

/s/ PricewaterhouseCoopers Zhong Tian LLP
Shanghai, the People's Republic of China
August 1, 2022

August 1, 2022

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, 2022 (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
